

Horizon Minerals Ltd

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Horizon Minerals will kick-off resource growth drilling programs when first gold revenue lands

Horizon Minerals Ltd's (ASX:HRZ) next round of resource growth and reserve conversion drilling programs will begin at its suite of gold projects near Kalgoorlie-Boulder in WA's Goldfields following positive cash flow generation from the newly producing Boorara Gold Mine later this year.

These programs are planned at Rose Hill, Brilliant North, Crake, Boorara, Golden Ridge and Teal, all of which are in proximity to the Boorara operations.

The miner poured first gold from the first stage of the Boorara mine, 10 kilometres east of Kalgoorlie-Boulder, in July.

Testing new discoveries

In addition, target generation studies have been completed at Lakewood, Yarmany, Kanowna South, Balagundi and Binduli/Teal and will be the focus of grassroots exploration testing for new discoveries.

All preparatory work enabling rapid recommencement of drilling is on track and further detail on the drilling programs will be provided in the current quarter.

The company continues to assess consolidation opportunities within the WA Goldfields region to augment the production pipeline and is working with a number of parties for mutual gain.

First gold from Boorara

The first ore processing campaign at the Boorara mine began on July 17, with the first gold pour on July 23.

Horizon managing director Jon Price said: "First gold production from Boorara is an exciting milestone for the company and it is extremely pleasing to see the mine performing to expectations."

Regal East and Regal West pits will be mined concurrently to enable efficient cycling of mining production and drill and blast activities.

Mining of the Crown Jewel pit has commenced to provide an alternative dig location as the Regal pits advance.

There has been a total movement of 376,000 bank cubic metre (BCM) mined with around 90,000 tonnes of oxide and transitional ore mined at a fully diluted grade of 1.5 g/t gold, in line with reserve model estimates for the upper areas of the pits.

Unreconciled mill grades to date are generally in line with expectations and a formal grade reconciliation update will be provided on completion of the first mill campaign in late July.

Price: 0.115

Market Cap: \$65.32 m

1 Year Share Price Graph



Share Information

Code: HRZ

Listing: ASX

52 week High Low
0.185 0.053

Sector: Exploration & Production

Website: www.horizonminerals.com.au

Company Synopsis:

Horizon Minerals Ltd (ASX:HRZ) formerly Intermin Resources, an exploration and development company focused on Australian resource projects, is listed on the Australian Securities Exchange.

action@proactiveinvestors.com.au

Dore bullion is shipped to the Perth Mint for refining and sale with the first revenue expected.

Ore treatment campaigns will continue on a monthly basis through to January 2021 to treat 159,000 tonnes of ore grading 1.86 g/t for 8,700 ounces recovered generating \$7 million cash at current gold prices.

Rose Hill project

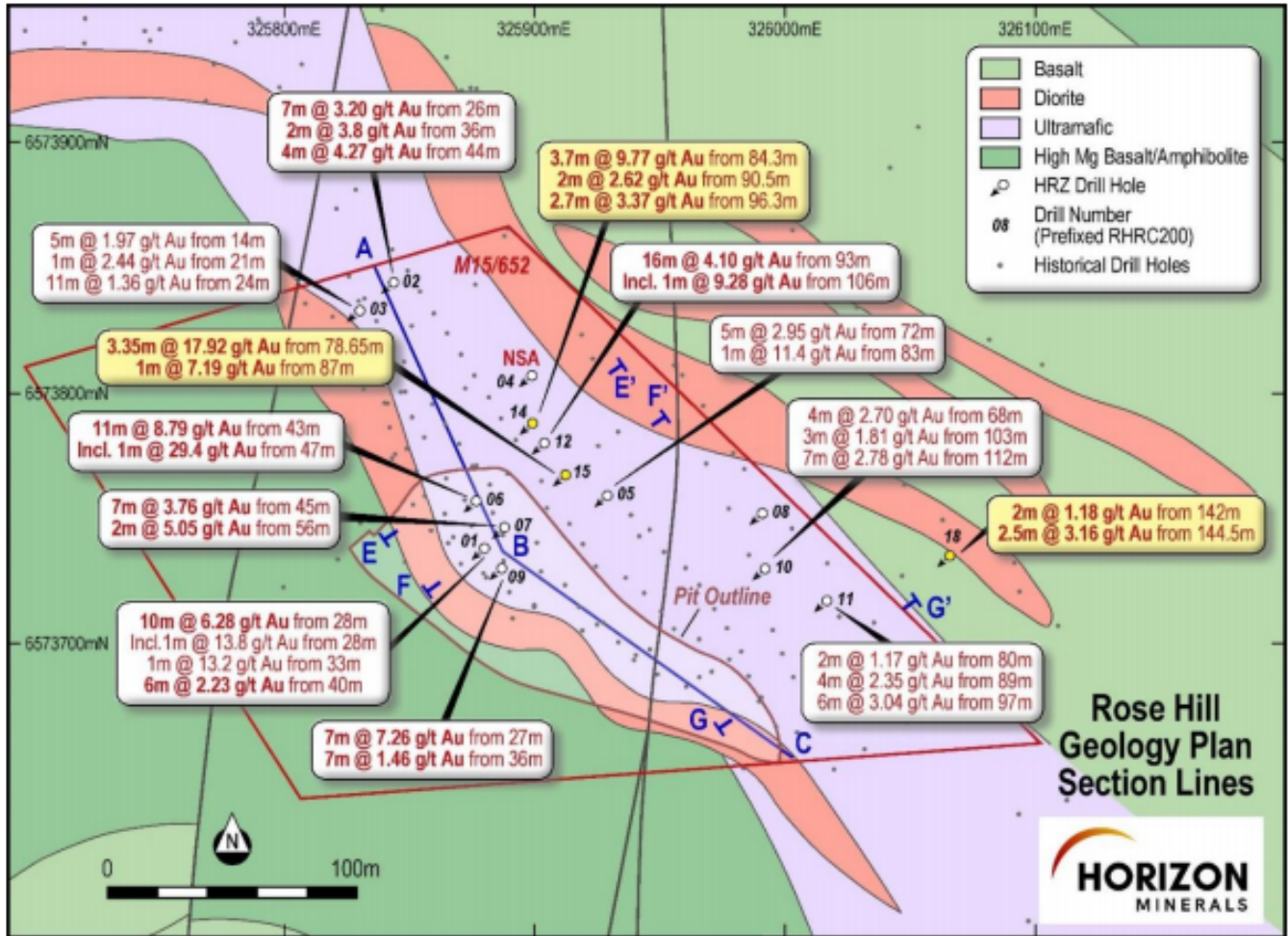


Figure 3: Rose Hill drill hole collar plan and cross section locations

Further drilling is planned at the Rose Hill Gold Project, 0.5 kilometres east of Coolgardie and 35 kilometres west of Kalgoorlie. This includes several RC holes targeting the shallow, potential open cut area and re-drilling some of the historic open percussion holes.

Deep RC and diamond drilling will also be completed in selected areas to improve and confirm the geological and grade confidence.

Confirmatory metallurgical and processing test-work of the existing core will also be completed.

Drilling results received during the quarter showed mineralisation is hosted within the main Rose Hill diorite (porphyry), adjacent to the hanging wall ultramafic and an eastern porphyry unit alongside the Greenmount Sill.

It is part of the same mafic-ultramafic package that includes Brilliant, Tindals and Dreadnought to the south and Queen of Sheba immediately to the north.

All data will be used to compile a new open cut and underground resource for Rose Hill and is expected to improve both the size and JORC category.

The updated mineral resource estimate is due for completion and release in the current quarter.

Brilliant North drilling

Initial drilling at the adjacent Brilliant North prospect (M15/1204) is also scheduled, targeting shallow, open pittable mineralisation within 30 metres of surface and result in a separate JORC-compliant resource.

In line with Horizon's Coolgardie strategy, it will undertake a more detailed assessment of the nearby Gunga leases, which contain several advanced prospects, including the 60,000-ounce Gunga West deposit and Silverstar.

The updated mineral resources at Rose Hill and Brilliant North will form part of the consolidated feasibility study with the aim of generating a minimum 4-5 year mine plan underpinning the construction of a standalone processing plant at the Boorara mine site.

Board changes

During the quarter, the company took a number of safety and prudent financial measures in response to the COVID-19 pandemic.

These included a reduction in board members from four to three and the board and executive agreeing to a 25% reduction in salary.

Further, Peter Bilbe stepped down as chairman from July 1, 2020, due to other work commitments but will remain an independent non-executive director.

Non-executive director Ashok Parekh assumed the role of chair, serving alongside Bilbe and managing director Jon Price.

Nimbus Silver-Zinc Project

In light of increasing silver and zinc prices, the company is reviewing options to create value for shareholders, inclusive of retention, joint ventures and divestment of the Nimbus Silver-Zinc Project.

It has received expressions of interest from a number of third parties in Australia and overseas.

Extensive metallurgical test-work was completed on Nimbus ore with the feasibility study put on hold in 2014 due to depressed silver prices.

The Nimbus project lies immediately adjacent to the Boorara gold mine and was placed on care and maintenance in 2007 after producing 3.6 million ounces from 318,000 tonnes processed at a grade of 353 g/t silver.

The old milling circuit has since been removed and the area rehabilitated.

The project hosts a high-grade silver-zinc resource of 256,000 tonnes at 773 g/t silver and 13% zinc that has been

estimated from the global Nimbus resource of 12.1 million tonnes at 52 g/t silver, 0.9% zinc and 0.2 g/t gold for a total of 20 million ounces silver and 104,000 tonnes zinc and 78,000 gold (JORC 2012).

Lilyvale vanadium

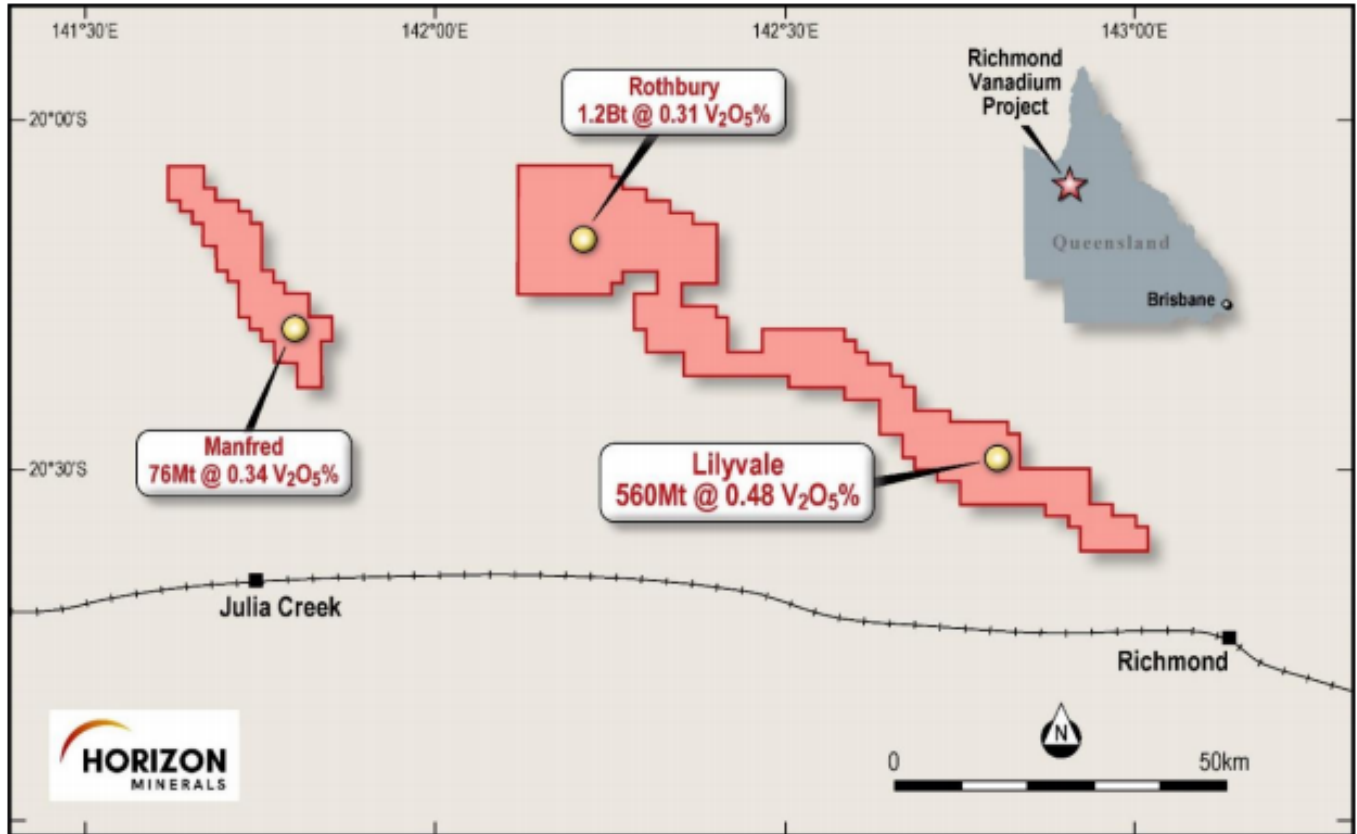


Figure 10: Lilyvale Vanadium project location and Richmond Lease areas

Mine optimisation studies and commercial evaluation are being finalised on the updated resource model and in conjunction with further metallurgical test-work, form the basis of a pre-feasibility study (PFS) for the Lilyvale deposit within the Richmond Vanadium Project in northwest Queensland.

Over 76% of the resource has been upgraded to the indicated category, enabling detailed economic evaluation to be completed for reserve generation as part of the PFS.

The work is mostly complete and will be reviewed and released in the current quarter.

Given the scale of the Lilyvale deposit and the potential to produce globally significant quantities of both 98% flake and electrolyte from this resource alone, the key focus of the study will be to determine the optimal concentration and downstream processing flowsheets and associated capital and operating costs.

Further discussions will then be held with potential offtake partners within the steel and energy storage market providers.

The 2019 drilling was compiled to generate an updated independent resource estimate for Lilyvale compliant with JORC 2012.

The Lilyvale deposit, 45 kilometres northwest of Richmond township and close to the Flinders Highway and Great Northern Railway line, is 5-10 metres thick, up to 4 kilometres wide, over 5 kilometres long and is open along strike.

Extensive testing

Richmond Vanadium Technology Pty Ltd (RVT), Horizon's strategic joint venture partner for the Richmond project, has conducted extensive metallurgical test-work initially focused on upgrading the run of mine ore prior to downstream processing of the concentrate.

Results from the concentration tests using simple screening, gravity and flotation mineral dressing techniques produced excellent results with the concentrate comprising 21% of the original mass at an improved grade of 1.6% vanadium and a 73% recovery.

The concentrate produced also had a greatly reduced calcium content enabling a number of downstream processing options to be pursued.

With the success of the pre-concentration and downstream test-work, work has now advanced to simulated production tests. These tests are being conducted with semi-industrial-scale samples through the entire process flowsheet from samples to final product and are nearing completion.

The Richmond-Julia Creek project is within marine sediments of the Early Cretaceous Toolebuc Formation, which is a stratigraphic unit that occurs throughout the Eromanga Basin in central-northern Queensland.

Divests non-core copper project

Horizon Minerals reached a deal to sell the Nanadie Well Copper Project near Meekatharra in WA's Murchison district to Cyprium Metals Ltd (ASX:CYM) for \$1.5 million in cash and shares.

This non-core divestment comprises Exploration Licence E51/1040 and Mining Licence M51/887 covering 45 square kilometres.

Price said: "Horizon's core focus remains firmly set on developing a standalone gold project in the Kalgoorlie and Coolgardie regions and this divestment supports this objective while retaining exposure to both Nanadie Well and Cyprium's current copper projects in the Murchison as a substantial shareholder."

Completion is pending, among others, ministerial consent, any third party assignments and provision of mining information.

White Range Gold Project

The company has sold its White Range Gold project in the Northern Territory to Red Dingo Corporation Pty Ltd.

It is attending to some remediation issues at the site prior to applying for the return of environmental bonds held by the Northern Territory Department of Primary Industry and Resources.

Cash at hand

Total cash as at June 30 was \$6 million, inclusive of the \$4 million working capital facility.

The company holds investments in ASX-listed companies with a current value of around \$4.25 million.

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