FINANCE AGREEMENTS EXECUTED TO ADVANCE CANNON GOLD PROJECT

Horizon Minerals Limited (ASX: HRZ) ("Horizon" or "the Company") is pleased to advise further to the announcement of 19 October 2022 ("Funding Agreed to Advance Cannon Gold Project") that the Company has executed a detailed Loan Agreement and General Security Deed with Nebari Partners LLC ("Nebari") for a US$5 million secured credit facility. The credit facility is comprised of a two tranche Convertible Loan Facility with US$2 million in Tranche 1 and US$3 million in Tranche 2.

The Facility is subject to conditions precedent typical for a transaction of this nature including, but not limited to, obtaining prior shareholder approval which scheduled for the upcoming Annual General Meeting on 25 November 2022 @ 2pm.

Proceeds from the Facility will immediately be used to settle the A$2.1 million deferred Cannon payment to Aurenne and to contribute to the upfront capital costs of the proposed Cannon underground mine.[1]

By Order of the Board



Julian Tambyrajah
Chief Financial Officer &
Company Secretary
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[1] See Forward-Looking and Cautionary Statement on Page 3.

Convertible Loan Facility key terms

- US$5m funds available secured on a first lien basis
- Tranche 1 of US$2m funded on the closing date
- Tranche 2 funded within 9 months of closing
- The Principal amount of the Convertible Loan Facility is net of 2% original issue discount
- Loan term of 30 months from the closing date
- Convertible Coupon of 7% plus term SOFR Delta payable monthly in arrears
- Interest is capitalised for the first 8 months from the closing date
- Amortised via a bullet repayment on the maturity date of the loan (subject to conversion)
- Up to 100% of the principal funds plus any accrued and unpaid interest will be convertible into Horizon shares at the conversion price at the lender's election
- The conversion price is equal to a 25% premium to the 15-day Volume Weighted Average Price of the Company's share price at the lower of the date of the signing of the term sheet, the execution of definitive financing documents or the date of this public announcement of the loan facilities, subject to anti-dilution adjustments.
- The Company has the right to make early repayments, subject to the issue of options in a number and value equal to 100% of the prepayment amount. The options will have an exercise price equal to the conversion price and an expiry date of the later of 18 months and the maturity date
- Horizon is to pay a 1.5% arrangement fee to the lender on both the Tranche 1 funds and Tranche 2 funds
- No hedging requirements
- Conditions precedent to closing/operation of the convertible loan facility include execution of definitive financing documents and Horizon obtaining shareholder approval under Listing Rule 7.1 to the operation of the convertible loan facility

About Nebari

Nebari is a United States-based manager of privately offered pooled investment vehicles including Nebari Natural Resources Credit Fund I, LP and Nebari Gold Fund 1, LP, which are funding this transaction. The leadership team has deep experience with leading global mining companies and financial institutions. Nebari is known for partnering with motivated and capable management teams focused on achieving clear plan targets.

Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward-looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements.