

The Precious Base Metal

Often referred to as the “economic barometer”, copper demand is an indicator of global economic trends. Copper is a vital component to the infrastructure and technology that underpins human society as we know it. Let’s explore why this base metal is expected to become more precious over the next decade.



HORIZON COPPER



ESSENTIAL FOR INFRASTRUCTURE

Copper is essential for electrical wiring, plumbing, and infrastructure development in growing cities.

Growing Demand

Due to its excellent electrical and thermal conductivity, and its corrosion resistant properties, copper is one of the most widely used metals across a variety of industries. As countries around the world transition to new energy solutions, mass electrification, and forge ahead with technological advancements, the demand for copper is set to reach all-time highs.



Energy Transition Driving Copper Consumption

A strong correlation exists between energy consumption and copper demand. Over the last 30+ years, energy demand has skyrocketed across the globe. Booming populations, developing countries, technological advancements, and the clean energy transition—with the majority of countries aiming for net-zero carbon emissions by 2050—have continued to drive strong demand for energy, and consequentially, copper.

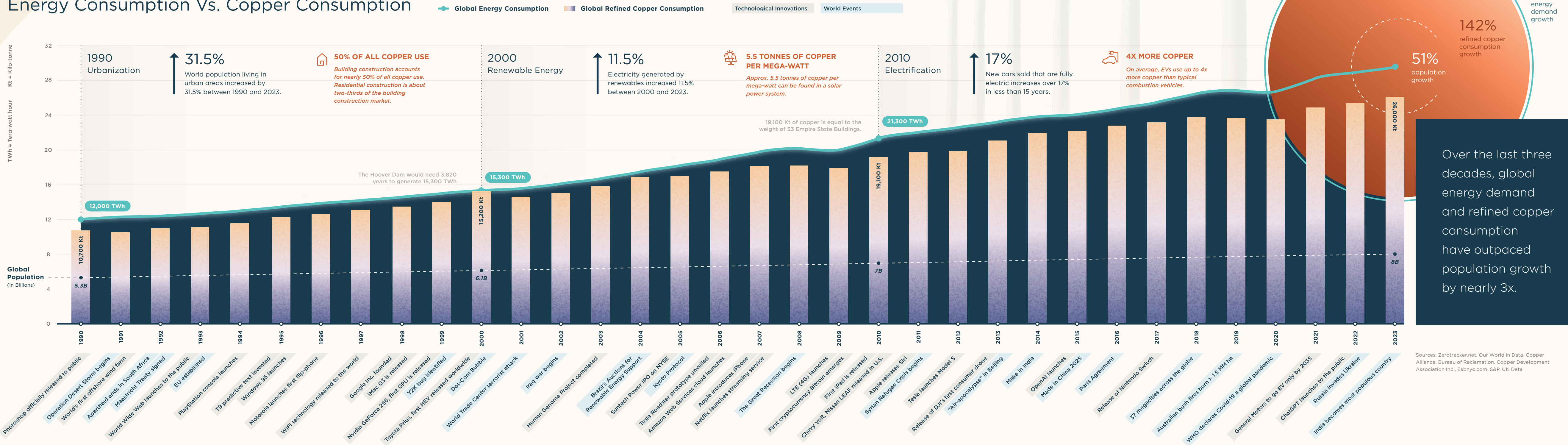
TSX.V: **HCU**
OTCQX: **HNCUF**

A Brighter Tomorrow, On the Horizon.

For modern society to advance, the world needs more copper. Horizon Copper is investing in high-quality copper assets around the globe to help meet the growing demand for the precious base metal.

Learn more at horizoncopper.com/project

Energy Consumption Vs. Copper Consumption

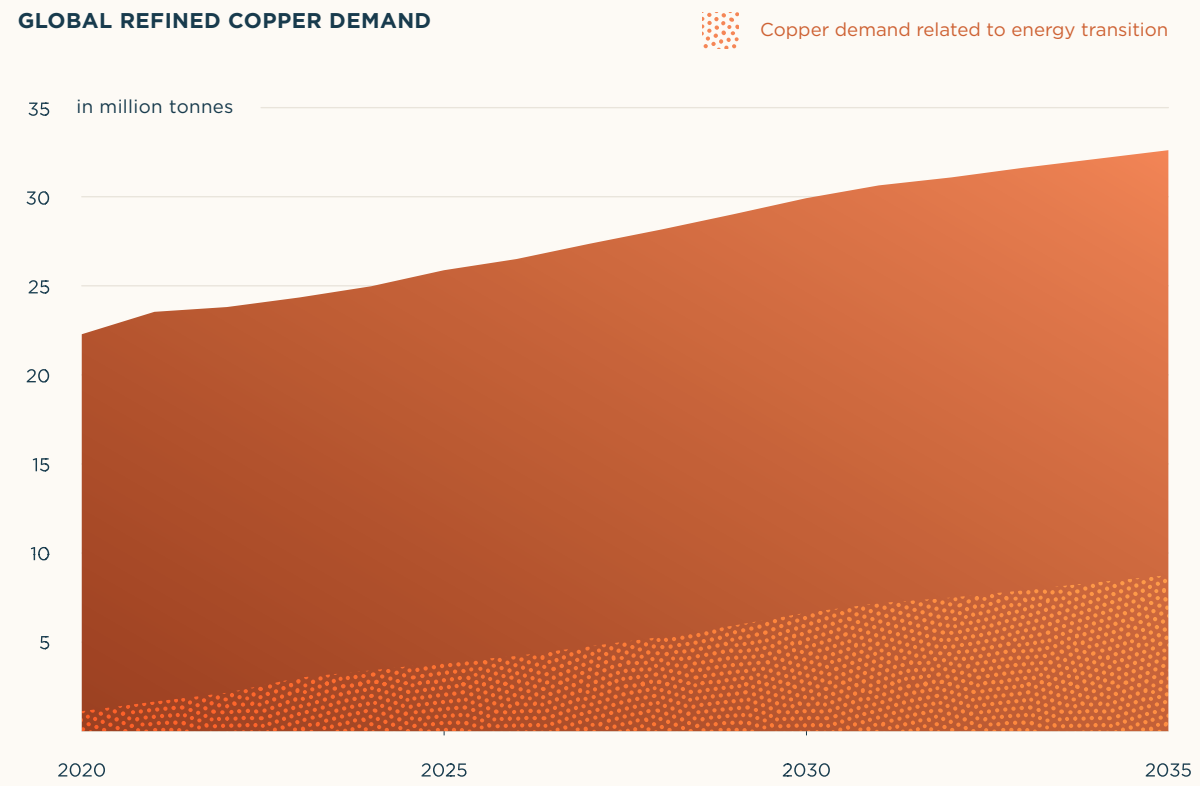


Over the last three decades, global energy demand and refined copper consumption have outpaced population growth by nearly 3x.

Sources: Zerotracker.net, Our World in Data, Copper Alliance, Bureau of Reclamation, Copper Development Association Inc., Esbnyc.com, S&P, UN Data

The Dawn of a New Copper Age

Rapid urbanization, technology advancements, and a worldwide commitment to new energy solutions are driving demand for copper.



Source: JP Morgan

+33 Million Tonnes

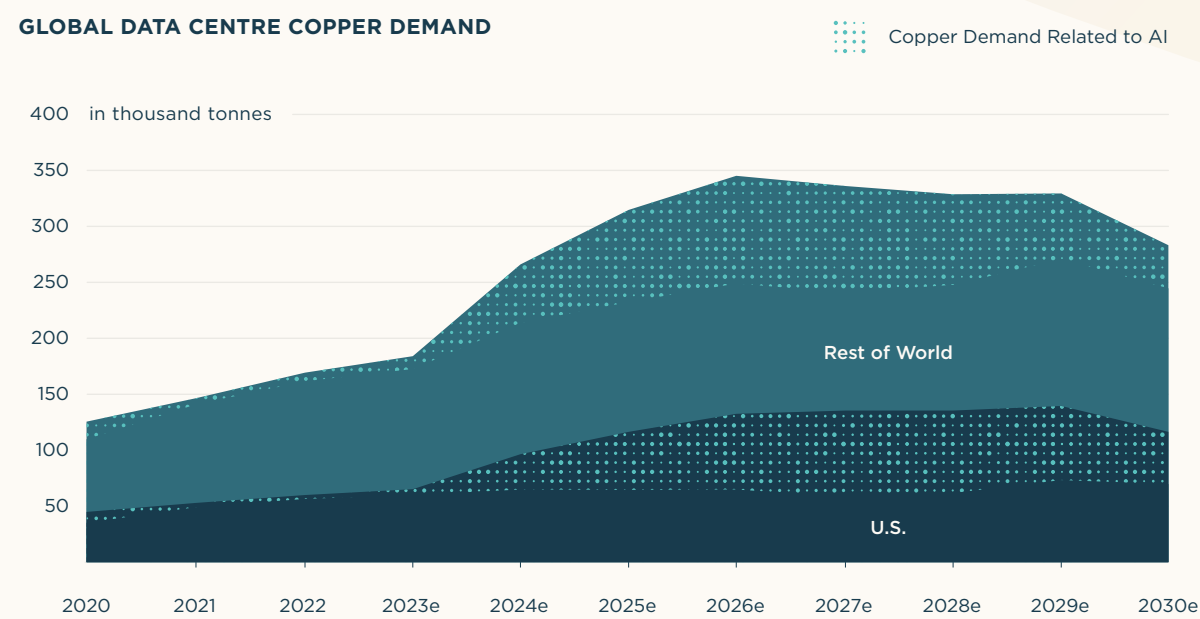
As more EVs and renewable technologies are developed, copper demand is expected to exceed 33 million tonnes per year by 2035.



No AI Without Copper

With a growing focus on Artificial Intelligence, so is the need for copper from new AI data centres and related power infrastructure. By 2030, data centre power needs are expected to double to 35 Giga-watts. One Mega-watt of data centre power capacity is estimated to require 20-40 tonnes of copper.

35 GW is enough energy to power a small country for a year. For example, Switzerland consumed 315 TWh of energy in 2023, which is roughly equivalent to 36 GW.



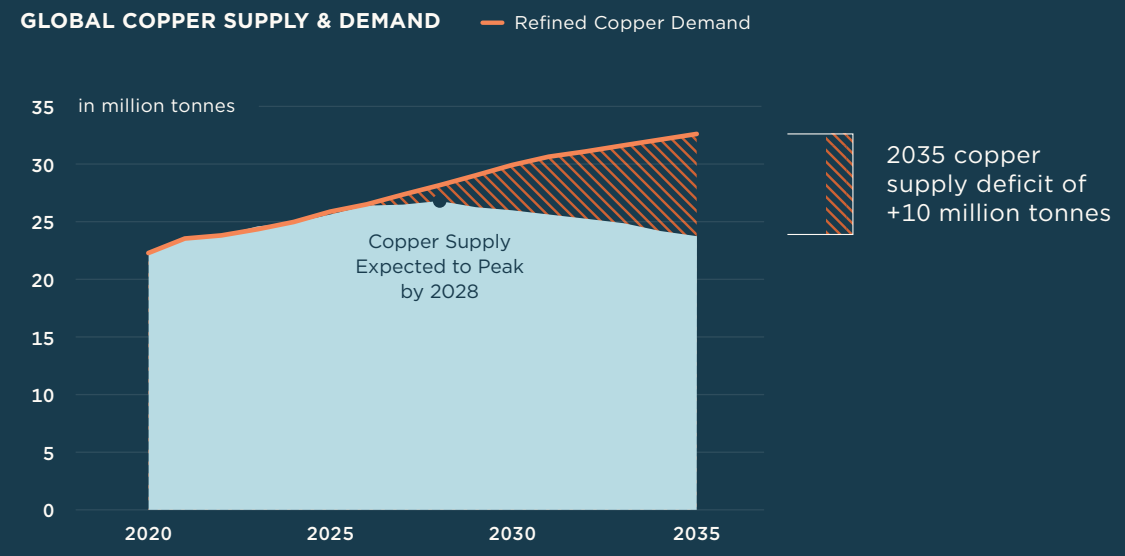
Source: Goldman Sachs Global Investment Research, Masanet et al. (2020), Cisco, IEA, ICA
*Global data centre copper demand, Kt; includes AI and excludes cryptocurrency

Limited Supply

Copper reserves are limited, and finding new sources is becoming increasingly challenging. This scarcity of copper makes it a valuable commodity.

Supply Deficit

Annual copper demand is projected to reach 36.6 million metric tonnes by 2031, up from around 25 million tonnes in 2022. At current production rates, copper supply is expected to peak in 2028 and a global deficit of over 10 million tonnes of copper is anticipated by 2035.

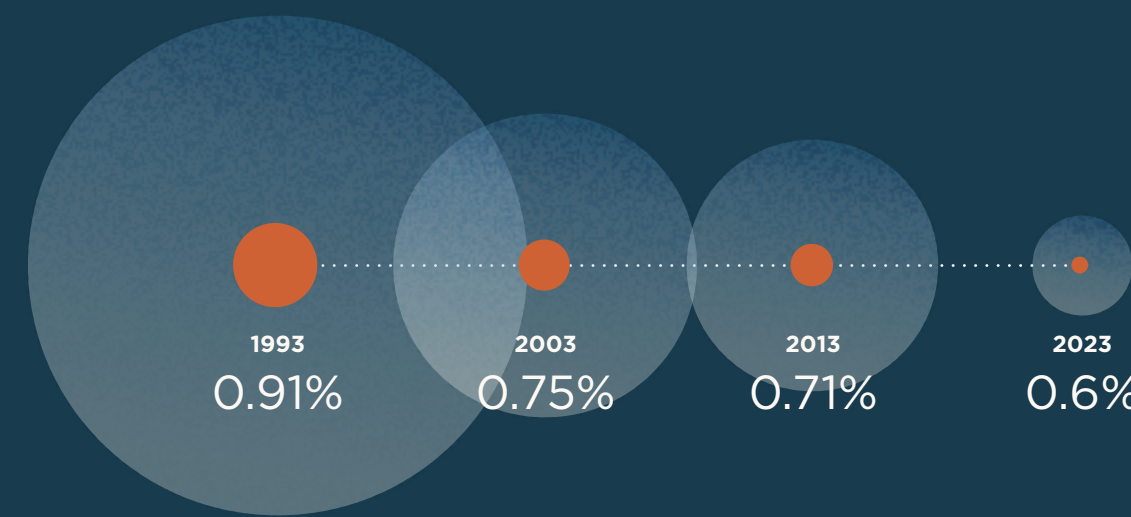


Source: JP Morgan

Lower Grade Copper

Over the last 10 years, average copper grades at existing copper mines have decreased by approximately 25%. Ore mined today typically contains 1% or less copper, in contrast to 150 years ago when ore grades typically exceeded 5%. This reduction in ore grade increases mining and processing costs.

WEIGHTED AVERAGE COPPER ORE MILL HEAD GRADE



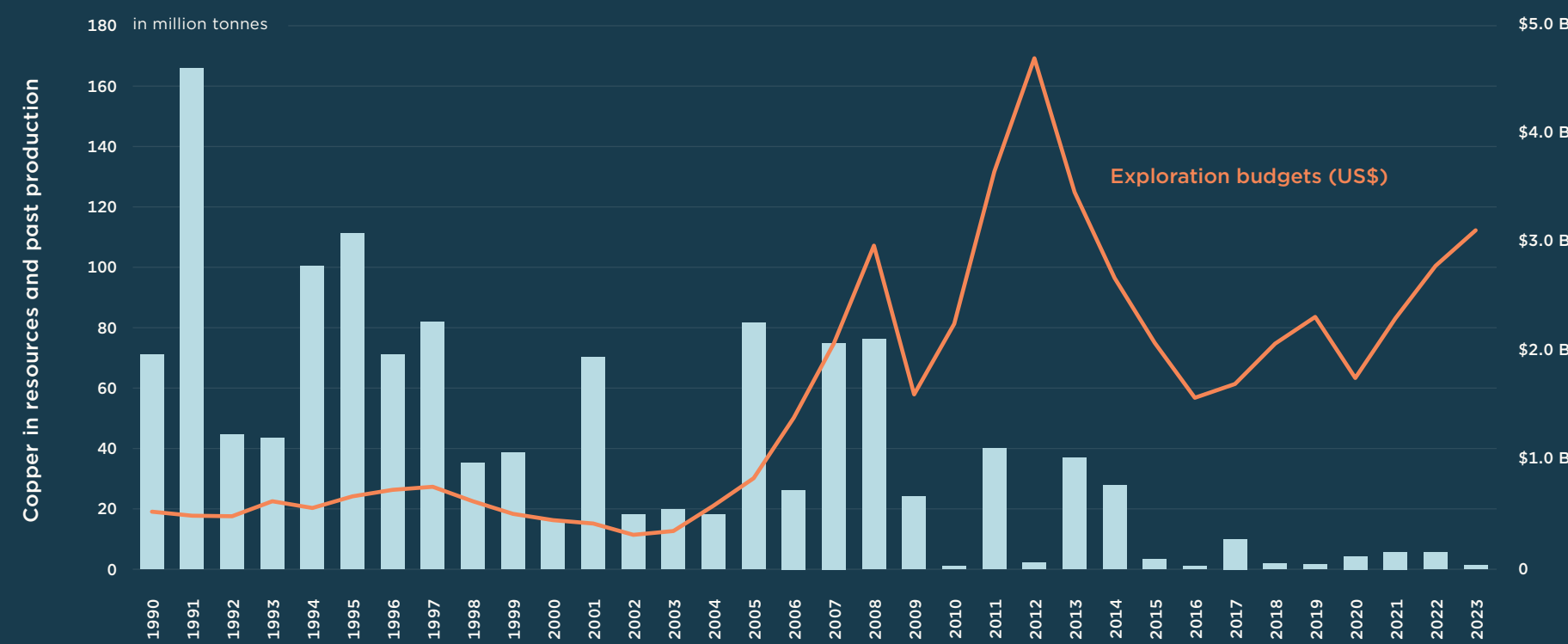
Source: S&P (As of July 2024)

Declining Discoveries

Copper demand is expected to outpace refined copper production by 2028 based on known copper reserves in the ground. Globally, discoveries of major copper deposits have not kept up with demand despite an increase in exploration budgets.

Copper deposits discovered in the past decade contained only 5.2% of all copper discovered since 1990. The average time from discovery to production is 12.4 years.

MAJOR COPPER DISCOVERIES OVER TIME

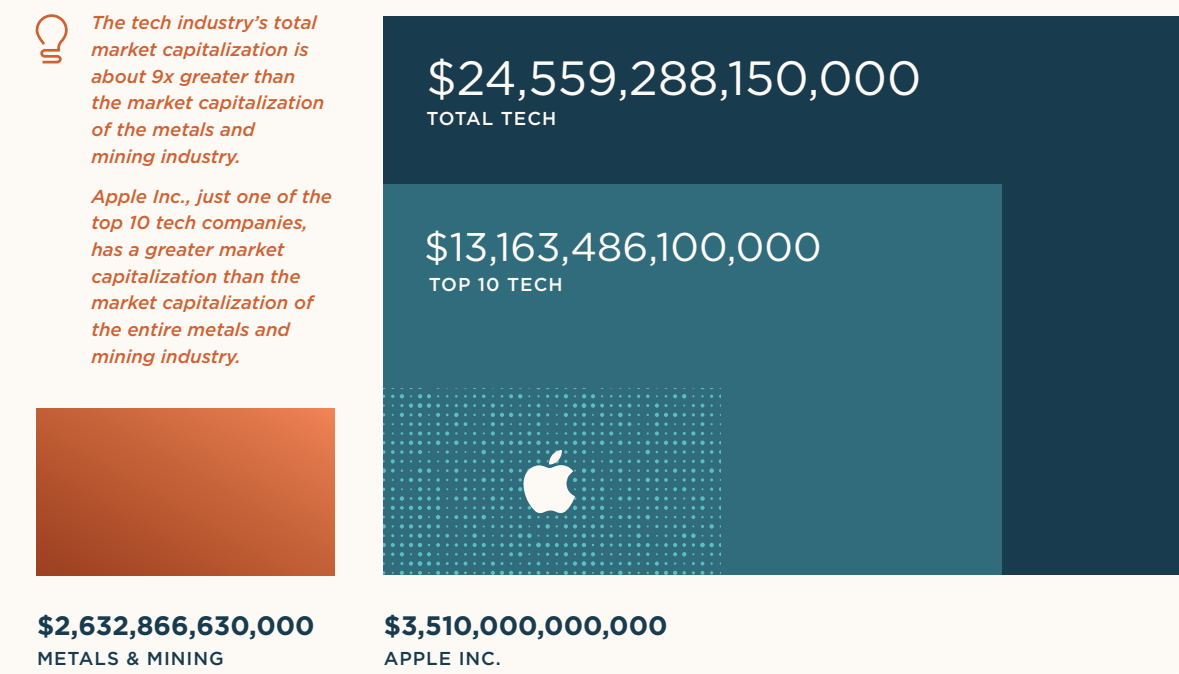


Source: S&P Global Market Intelligence
As of June 11, 2024. A major copper discovery includes any deposit containing at least 500,000 tonnes of copper in reserves, resources and past production.

The Cornerstone of Modern Technology

Copper forms the foundation of modern technology, but capital investment over recent decades has favoured big tech over mining. The market capitalization of the entire mining industry pales in comparison to the market capitalization of the top 10 technology companies today. However, the fact remains—there is no technology advancement without new copper production.

MARKET CAPITALIZATION (US\$)



Source: S&P Global. Total market capitalization of all public companies in Metals & Mining and Information Technology industries. As at June 2024. Top 10 Tech: NasdaqGS:MSFT, NasdaqGS:AAPL, NasdaqGS:NVDA, NasdaqGS:AVGO, TWSE:2330, ENXTAM:ASML, NYSE:ORCL, KOSE:A005930, NasdaqGS:AMD, NasdaqGS:QCOM



HORIZON COPPER

Junior Copper Company, Major Copper Portfolio

Horizon Copper's mission is to further the global energy transition through copper investments that will help meet the growing global copper demand. An electrified tomorrow means investing in copper mining today.

Sources: Our World in Data, S&P, McKinsey, JP Morgan

Learn more at horizoncopper.com

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