HORIZON COPPER

Q1 2023

Management's Discussion and Analysis

For The Period Ended March 31, 2023

This management's discussion and analysis ("MD&A") for Horizon Copper Corp. (formerly Royalty North Partners Ltd. ("RNP")) and its subsidiary entities (collectively "Horizon", or the "Company") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Horizon for the three months ended March 31, 2023 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Readers are encouraged to consult the Company's audited consolidated financial statements for the year ended December 31, 2022 and the corresponding notes to the financial statements which are available on SEDAR at www.sedar.com. The information contained within this MD&A is current to May 4, 2023 and all figures are stated in U.S. dollars unless otherwise noted.

Company Highlights

Progress to Completion of Transaction with Sandstorm

On April 19, 2023, the Company completed a non-brokered private placement (the "Private Placement") through the issuance of 8,378,500 subscription receipts at a price of C$0.80 per subscription receipt (the "Subscription Receipts") for gross proceeds of $5 million (C$6.7 million).

Funds from the Private Placement will be held in escrow by the Company until the closing of RTO Part B (as defined below) and the satisfaction of certain escrow release conditions.

The proceeds from the Private Placement will be used to satisfy part of the $20 million cash component payable to Sandstorm Gold Ltd. ("Sandstorm") pursuant to the previously announced reverse takeover transaction with Sandstorm ("RTO Part B" or "the Antamina Transaction"), whereby Horizon will acquire a 1.66% net profits interest on the Antamina copper mine (the "Antamina NPI").

The remaining cash component is expected to be provided through a secured convertible debt financing (the "Convertible Debt") for approximately $15 million subject the holder's ownership not exceeding 19.5% of the outstanding shares of the Company on a partially diluted if-converted basis. In April 2023, the Company signed a non-binding term sheet for the Convertible Debt which includes a coupon rate of 8.0%, a 5-year term, and a conversion option with an exercise price of the US$ equivalent of C$1.00 per share.

Once the Convertible Debt has been finalized and approval for the completion of RTO Part B has been obtained from the TSX-V, the Company will complete the acquisition of the Antamina NPI from Sandstorm. The consideration to be issued to Sandstorm to acquire the Antamina NPI includes:

- a residual royalty on Antamina with payments equal to approximately one-third (1/3) of the total Antamina NPI after deducting the Antamina Silver Stream (as defined below) servicing commitments (the "Residual Royalty");
- $20 million in cash payable to Sandstorm, comprised of: (i) $15 million by way of a convertible debt; and (ii) $5 million by way of the recently completed Private Placement;

- a silver stream referenced to silver production from the Antamina mine (the "Antamina Silver Stream") whereby the Company will sell to Sandstorm silver ounces equal to 1.66% of all silver produced at the Antamina mine at a price equal to 2.5% of the silver spot price. The Antamina Silver Stream will be secured by the 1.66% Antamina NPI;
- common shares of the Company issued to Sandstorm that result in Sandstorm maintaining its 34% ownership of the issued and outstanding shares of the Company. The value of the shares issued will be based on the price of the Private Placement converted into US dollars; and
- a promissory note secured by the Antamina NPI with a principal amount of approximately $150 million which may be settled in shares at the Company's option.

The purchase price of the Antamina NPI is $361 million and will be reduced to reflect cash flows received by Sandstorm under the Antamina NPI between July 12, 2022 (the date Sandstorm acquired the Antamina NPI) and the closing date of the acquisition from Sandstorm.

Change in presentation currency

Effective September 30, 2022, the Company changed its presentation currency from Canadian dollars ("CAD") to U.S. dollars ("USD") due to the change in its most significant assets and liabilities following the completion of the first part of the RTO transaction with Sandstorm in August 2022 (together with RTO Part B, the "Transaction") and to be consistent with peer companies in the mining industry. The change in presentation currency requires retrospective restatement of the prior period presented in the financial statements. The amounts reported in the condensed consolidated interim financial statements for the three months ended March 31, 2022 have been restated in USD based on the average rate for the three months ended March 31, 2022 (CAD 1 = USD 0.7895). The accounting policy used to translate historical equity items was to use the annual average exchange rate for each equity transaction.

Overview

Horizon's objective is to actively grow its existing portfolio of assets, with a focus on copper projects. The completion of the Transaction positions Horizon as a competitive copper company with a portfolio of high-quality cash-flowing and development stage copper assets. Horizon now has the size and scale required to grow and diversify the Company while further strengthening the strategic partnership opportunities with Sandstorm.

Outlook

The key areas of focus for the Company in 2023 include the following:

Hod Maden

During 2023, early-works construction activities are expected to continue at Hod Maden focused on site access and earthworks at an expected cost of approximately $30 million (on a 100% basis). The process to secure project finance at the asset level is also expected to continue during 2023 in order to progress towards full-scale construction and development of the mine.

Antamina

In the first half of 2023, the Company expects to complete the acquisition of the Antamina NPI from Sandstorm. Following completion of the acquisition, the Company will begin generating cash flows from this asset. Since 2006, the Antamina NPI has paid between $7–$42 million per year, with an average annual payment of approximately $19 million; the Antamina NPI payment was approximately $42 million in 2021 and $25 million in 2022.

Growth

During 2023, the Company will continue to evaluate new opportunities to grow its portfolio of assets with a focus on identifying interests in copper projects with precious metal by-products which could be partially funded by stream financing provided by Sandstorm.

Key Assets

Hod Maden

The Company has a 30% equity interest in Hod Maden, which is located in Artvin Province, northeastern Turkey. The project is operated and co-owned by a Turkish partner, Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya"), which owns the remaining interest in the project. Lidya is a strong local partner with experience exploring, developing, permitting, and operating projects in Turkey. Lidya is part of a large Turkish conglomerate called Çalik Holding and is currently involved in several projects in Turkey including a partnership with SSR Mining on the producing Çöpler mine.

In October 2021, the Hod Maden project received the final approval of the Environmental Impact Assessment ("EIA") for the project from the Ministry of Environment and Urbanization of Turkey.

In November 2021, a Feasibility Study was released. The results demonstrate a Proven and Probable Mineral Reserve of 2.5 million ounces of gold and 129,000 tonnes of copper being mined over a 13-year mine life (8.7 million tonnes at 8.8 grams per tonne gold and 1.5% copper or 11.1 grams per tonne gold equivalent using a breakeven cut-off value of $82 per tonne and incremental cut-off values of $63 per tonne for stopes and $40 per tonne for development). The study projects a pre-tax net present value (5% discount rate) of $1.3 billion and an internal rate of return of 41%. It is estimated that copper will be produced at an all-in sustaining cost (“AISC”)[1] on a co-product basis of $1.12 per pound.

With the approval of the EIA, the release of the Feasibility Study and the receipt of all major permits (with the award of the final permit from the Ministry of Forestry in 2022), Hod Maden moved into the next stage of development including securing project debt financing and initiating long-lead construction items. In 2023 early-works construction activities are expected to continue at Hod Maden focused on site access and earthworks.

The Company entered into a gold stream on Hod Maden as part of the consideration paid to acquire the asset. Under the terms of the stream, Sandstorm will receive 20% of all gold produced from Hod Maden (on a 100% basis) and will make ongoing payments of 50% of the gold spot price until 405,000 ounces of gold are delivered (the “Delivery Threshold”). Once the Delivery Threshold has been reached, Sandstorm will receive 12% of the gold produced for the life of the mine for ongoing payments of 60% of the gold spot price.

1) Refer to section on non-IFRS and other measures of this MD&A.

Oyu Tolgo (Hugo North Extension & Heruga)

The Company has a 25% equity interest in Entrée Resources Ltd. (“Entrée”) which holds a 20% interest in the Hugo North Extension and Heruga deposits of the Oyu Tolgoi copper mine located in Mongolia, (the “Hugo North Extension” and “Heruga”, respectively).

The Hugo North Extension is a copper-gold porphyry deposit and Heruga is a copper-gold-molybdenum porphyry deposit. Both projects are located in the South Gobi Desert of Mongolia, approximately 570 kilometres south of the capital city of Ulaanbaatar and 80 kilometres north of the border with China. The Hugo North Extension and Heruga are part of the Oyu Tolgoi mining complex and are managed by Oyu Tolgoi LLC, a subsidiary of Rio Tinto plc (“Rio Tinto”) and the Government of Mongolia.

In 2021, Entrée announced the completion of an updated Feasibility Study on its interest in the Entrée/Oyu Tolgoi joint venture property. The updated report aligns Entrée’s disclosure with that of other Oyu Tolgoi project stakeholders on development of the first lift of the underground mine. Entrée further announced that optimization studies on Panel 1 are currently underway which have the potential to further improve Lift 1 economics for the Entrée/Oyu Tolgoi joint venture. Entrée has announced that the Lift 1 Panel 1 design optimization study remains on track for completion in the first half 2023.

Rio Tinto has announced that underground production began at the Oyu Tolgoi copper mine in Mongolia. Over thirty drawbells have been blasted since January 2022 and first sustainable production from the underground mine was achieved in the first quarter of 2023. The Lift 1 mine plan incorporates the development of three panels, and in order to reach the full sustainable production rate of 95,000 tonnes per day from the underground operations all three panels need to be in production. The Hugo North Extension deposit on the Entrée/Oyu Tolgoi joint venture property is located at the northern portion of Panel 1.

The Company is not required to contribute any further capital, exploration, or operating expenditures to Entrée and Entrée has a carried joint venture interest in the Hugo North Extension and Heruga.

Other

The Company also has a 55% interest in the Peninsula gold project located in Michigan on the southern edge of the Superior Province in Archean aged rocks of the Ishpeming Greenstone Belt (IGB). The IGB covers an area of approximately 300 sq km and is an extension of the Wawa Sub province into the Upper Peninsula.

Exploration and development activities at the Peninsula Project have been limited since 2015. In 2022, exploration activities recommenced pursuant to the terms of a joint venture agreement between a subsidiary of the Company and Minerals Processing Corporation. The joint venture has developed a work program for $0.9 million expected to be incurred in 2023 (of which $0.3 million will be incurred by the Company to complete the required earn-in payments for its 55% interest), which includes a budget for 2,500 metres of core drilling for resource delineation and exploration purposes. Additional work plans include geological mapping, soil sampling and geochemical analysis, together with additional metallurgical testing at the project.

Following the anticipated completion of the Antamina Transaction in 2023, the Company's key assets will also include:

Antamina

Antamina is an open-pit copper mine located in the Andes Mountain range of Peru, 270 kilometres north of Lima. It is the world's third-largest copper mine on a copper equivalent ("CuEq") basis, producing approximately 560,000 CuEq tonnes per annum. Antamina has been in consistent production since 2001, including a throughput expansion completed in 2012 to the mine's current operating capacity of 145,000 tonnes per day. Since 2006, the 1.66% net profits interest ("NPI") has paid between $7–$42 million per year, with an average annual payment of $19 million; the Antamina NPI payment was approximately $42 million in 2021 and $25 million in 2022. The asset operates in the first cost quartile of copper mines. The NPI is paid by a Canadian affiliate of Teck Resources Limited ("Teck") and is guaranteed by Teck.

Summary of Quarterly Results

Quarters Ended

In $000s (except for per share amounts in $)	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022 (restated)
Net income (loss)	(3,708)	(5,366)	(9,775)	(757)
Basic income / (loss) per share	(0.05)	(0.07)	(0.29)	(0.05)
Diluted income / (loss) per share	(0.05)	(0.07)	(0.29)	(0.05)
Cash flows from operating activities	383	3	(413)	154
Total assets	300,026	300,706	300,134	58,495
Total long-term liabilities	276,431	273,382	266,043	33,839

In $000s (except for per share amounts in $)	Mar. 31, 2022 (restated)	Dec. 31, 2021 (restated)	Sep. 30, 2021 (restated)	Jun. 30, 2021 (restated)
Net income	76	192	1,621	364
Basic income per share	0.01	0.01	0.12	0.03
Diluted income per share	0.01	0.01	0.11	0.02
Cash flows from operating activities	84	209	223	135
Total assets	25,748	9,045	8,849	7,538
Total long-term liabilities	-	-	-	47

Prior to August 31, 2022, the results of the Company reflect those of RNP and are therefore not indicative of expected results of Horizon in future periods. The results of each of the quarterly periods prior to Q3 2022 have been restated in USD following the Company's change in presentation currency in Q3 2022.

Quarterly Commentary

Three Months Ended March 31, 2023 Compared to the Three Months Ended March 31, 2022

For the three months ended March 31, 2023, net loss was $3.7 million, compared with net income of $0.1 million for the comparable period in 2022. The increase in net loss is primarily attributable to a number of non-cash items related to assets acquired and liabilities assumed in the Transaction, including:

- The fair value movement on the gold stream liability of $3.3 million during the three months ended March 31, 2023, primarily driven by an increase in forward gold prices partially offset by changes in the estimated timing of cash flows.
- The share of loss in the Company's investments in associates of $1.0 million.
- Accretion expense related to the Company's Promissory note with Sandstorm of $1.2 million during the three months ended March 31, 2023.

Partially offset by:

- A 1.6 million adjustment related to changes in the estimated timing of cash flows related to the Company's Promissory Note in the quarter.

For the three months ended March 31, 2023, adjusted net income[1] was $0.1 million compared to adjusted net income of $0.1 million in the comparable period in 2022.

1) Refer to section on non-IFRS and other measures of this MD&A.

Three Months Ended March 31, 2023 Compared to the Other Quarters Presented

When comparing net loss of $3.7 million and cash flow from operating activities of $0.4 million for the three months ended March 31, 2023 with net income/(loss) and cash flows from operating activities for the other quarters presented, the following items impact comparability:

- For periods prior to June 30, 2022, movements in net income/(loss) and cash flows from operating activities were primarily driven by changes in revenue from the Company's legacy royalty investments. Net income was also impacted by fair value adjustments on these investments each period. All of the Company's legacy royalty investments have now been settled.
- The non-cash items related to the assets acquired and liabilities assumed in the Transaction which did not exist prior to August 31, 2022.

Change in Total Assets

Changes in total assets during each of the quarterly periods from December 31, 2020 to December 31, 2021 were primarily as a result of changes in fair value of RNP's loan and royalty investments, all of which have now been settled or disposed of.

Total assets increased by $16.7 million from December 31, 2021 to March 31, 2022 as a result of an increase of $16.5 million in restricted cash held in escrow related to the subscription receipt financing completed in March 2022.

Total assets increased by $32.7 million from March 31, 2022 to June 30, 2022 as a result of the acquisition of the investment in Entrée for $33.7 million in May 2022; partially offset by a reduction in the fair value of RNP's loan and royalty investment of $0.7 million.

Total assets increased by $241.6 million from June 30, 2022 to September 30, 2022 as a result of the acquisition of the assets in the Transaction with Sandstorm.

There were no material changes in total assets from September 30, 2022 to March 31, 2023.

Non-IFRS and Other Measures

The Company has included, throughout this document, adjusted net income / (loss) and all-in sustaining costs ("AISC") per copper pound as non-IFRS performance measures. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently.

i. Adjusted net income (loss) is a non-IFRS financial measure and is calculated by taking net income / (loss) and deducting interest, share of loss in associates, fair value changes on stream obligations and unrealized foreign exchange gains (losses). The Company presents Adjusted net income (loss) as it believes that certain investors use this information to evaluate the Company's performance in comparison to other companies. Figure 1.1 provides a reconciliation of Adjusted net income (loss).

Figure 1.1 **In $000s**	**Three Months Ended March 31, 2023**	**Three Months Ended March 31, 2022**
Net income (loss)	$ (3,708)	$ 76
Add (Deduct):		
Share of loss in associates	962	-
Fair value changes on stream obligations	3,263	-
Fair value changes on warrant liability	-	44
Adjustments on promissory note	(376)	
Unrealized foreign exchange loss	(58)	-
Equals:		
Adjusted net income (loss)	**$ 83**	**$ 120**

ii. The Company has also used the non-IFRS measure of AISC per copper pound on a co-product basis. AISC per copper pound on a co-product basis is a non-IFRS financial ratio that uses AISC on a co-product basis, a non-IFRS financial measure, as a component. With respect to the Hod Maden project, AISC on a co-product basis is calculated by summing certain costs (operating costs, royalties, treatment, refining & transport costs, sustaining capital, G&A, and other costs) associated with the copper produced. The resulting figure is then divided by the payable copper ounces produced. The Company presents AISC per copper pound as it believes that certain investors use this information to evaluate the Company's investment in Hod Maden in comparison to other companies in the mining industry. Figure 1.2 provides a reconciliation of AISC per copper pound using information from the Hod Maden Project Feasibility Study with an effective date of February 28, 2021.

Figure 1.2 In $ millions (except for pounds and per pound amounts)		AISC on a co-product basis
Operating Costs	$	135
Royalties		53
Treatment, Refining and Transport Costs		42
Sustaining Capital		23
G&A		19
Other Costs		13
All-in sustaining costs	**$**	**285**
Divided by:		
Payable Copper Pounds (Mlbs)		255
Equals:		
All-in sustaining cost per copper pound	**$**	**1.12**
Historical all-in sustaining cost per copper pound	**$**	**-**

Liquidity and Capital Resources

As of March 31, 2023, the Company had cash and cash equivalents of $33.1 million (December 31, 2022 – $32.7 million) and working capital of $41.3 million (December 31, 2022 – $41.2 million).

During the three months ended March 31, 2023, the Company generated cash flows from operating activities of $0.4 million compared with cash flows generated from operating activities of $0.1 million during the comparable period in 2022. When comparing the change, the primary driver was:

- Cash inflows of $0.4 million generated from interest income during the three months ended March 31, 2023, compared to investment income from RNP’s legacy royalty investments of $0.2 million for the comparable period in 2022.

During the three months ended March 31, 2023, the Company had no cash flows from investing activities. During the three months ended March 31, 2022, the Company had net cash outflows from investing activities of $16.6 million which related to escrowed funds received as part of the 2022 subscription receipt financing.

During the three months ended March 31, 2023, the Company had no cash flows from financing activities. During the three months ended March 31, 2022, the Company had net cash inflows from financing activities of $16.5 million related to the net proceeds from the subscription receipt financing completed in March 2022.

Equity financing

On April 19, 2023, the Company completed a Private Placement through the issuance of 8,378,500 Subscription Receipts at a price of C$0.80 per subscription receipt for gross proceeds of $5 million (C$6.7 million). Cash finders' fees will be paid in association with the Private Placement in the aggregate of $0.16 million (C$0.2 million) (the "Finders' Fees"). The Finders' Fees will only be paid by the Company upon the automatic conversion of the Subscription Receipts.

Funds from the Private Placement will be held in escrow by the Company until the closing of RTO Part B and the satisfaction of certain escrow release conditions (collectively, the "Release Conditions").

The proceeds from the Private Placement will be used to satisfy part of the $20 million cash component payable to Sandstorm for the acquisition of the Antamina NPI. The remaining cash component is expected to be provided through a secured convertible debt financing for approximately $15 million.

Each Subscription Receipt, upon satisfaction of the Release Conditions, will automatically convert into one unit (a "Unit"), comprised of one (1) common share of the Company and one half (1/2) of one (1) non-transferable share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of C$1.10 (or US$ equivalent) per share for a period of four (4) years following the automatic conversion of the Subscription Receipts.

As Horizon's largest shareholder and in connection with RTO Part B, Sandstorm will maintain its existing 34% shareholding in Horizon. On completion of RTO Part B, Horizon expects Sandstorm's common equity holdings to increase from 25.5 million shares to 29.0 million shares, including 1,468,750 Units issued pursuant to the Private Placement.

All securities issued pursuant to the Private Placement are subject to a four month and one day hold period in accordance with applicable Canadian securities laws, expiring on August 20, 2023.

Commitments and Contingencies

The following table shows the Company's contractual obligations as they fall due as at March 31, 2023 and December 31, 2022:

US$000	Within 1 year	2-5 years	Over 5 years	Total March 31, 2023	Total December 31, 2022
Accounts payable	438	-	-	438	141
Promissory note	-	-	95,000	95,000	95,000
	438	**-**	**95,000**	**95,438**	**95,141**

In the fourth quarter of 2022, a lawsuit was filed by a former employee of the predecessor company to Artmin Madencilik Sanayi ve Ticaret A.S ("Artmin"), the Turkish entity which holds the Hod Maden project. The former employee claims that he is entitled to 1% of the value of the project as a finder fee. The Company, in conjunction with Artmin, has evaluated the claim with the assistance of Turkish legal counsel and considers it to be without merit. Artmin will defend itself vigorously against this claim.

Share Capital

As of May 4, 2023, the Company had 74,927,903 common shares outstanding.

A summary of the Company's stock options as of May 4, 2023 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per share (CAD)
2023	464,000	464,000	0.10
2024	167,261	167,261	0.14
2025	167,260	167,260	0.25
	798,521	**798,521**	**0.14**[1]

2) Weighted average exercise price of options that are exercisable.

A summary of the Company's warrants as of May 4, 2023 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per share (CAD)
2025	1,144,570	1,144,570	0.35
2027	35,595,593	35,595,593	0.80
	36,740,163	**36,740,163**	**0.79**[1]

1) Weighted average exercise price of warrants that are exercisable.

Related Party Transactions

Sandstorm is a related party as a result of it having significant influence through its 34% equity interest in the Company. The transaction with Sandstorm during the period related to the acquisition of assets in the Transaction as described above.

The Company has entered into a services agreement with Sandstorm for C$5,000 per month for general administrative services including rent and other shared office costs. The amount payable to Sandstorm related to this agreement as at March 31, 2023 was C$15,000.

Entrée is a related party as a result of the Company having significant influence through its approximate 25 % interest in Entrée. There were no transactions with Entrée during the period.

Key Management Compensation

The remuneration of directors and those persons having authority and responsibility for planning, directing, and controlling activities of the Company is as follows:

In $000s	3 Months Ended Mar. 31, 2023	3 Months Ended Mar. 31, 2022
Salaries and benefits	$ 11	$ 29
Share-based payments	-	1
Total key management compensation expense	**$ 11**	**$ 30**

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, trade and other payables, the Hod Maden Promissory Note and stream obligations. The fair value of cash and cash equivalents and trade and other payables, approximate their carrying values as at March 31, 2023 due to the short term nature of these instruments. The stream obligation is measured at fair value as at March 31, 2023 based on a model which utilized level 3 inputs. The fair value of the Hod Maden Promissory Note was $72.2 million as at March 31, 2023 ($70.3 million – December 31, 2022) based on a discounted cash flow model which utilized level 2 inputs.

Credit Risk

The Company's credit risk is limited to cash and cash equivalents, the receivable from Sandstorm and the remaining receivable from AWP. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets and maintains its cash deposits in several high-quality financial institutions. The impact of expected credit losses on trade receivables and financial assets held at amortized cost is not material.

Currency Risk

Financial instruments that impact the Company's net income (loss) due to currency fluctuations include the US dollar denominated receivable from Sandstorm and the Hod Maden Promissory Note. Based on the Company's US dollar denominated monetary assets and monetary liabilities at March 31, 2023, a 5% increase (decrease) of the value of the Canadian dollar relative to the US dollar would have a $4.0 million impact on net income.

Liquidity risk

The Company manages liquidity risk through a planning and budgeting process, which is reviewed and updated on a regular basis, to help determine future funding requirements. As at March 31, 2023, the Company had cash and cash equivalents of $33.1 million available to settle its accounts payable and accrued liabilities, as well as its short term funding obligations related to its equity interest in Hod Maden. In addition, the Company has a receivable of $8.3 million from Sandstorm to fund its share of the remaining 2022 budget for Hod Maden to be spent in 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the Hod Maden Promissory note which bears interest at SOFR + 2%, commencing from the earlier of January 1, 2026 or when Horizon has started to receive dividends from its equity interest in Hod Maden. Changes in interest rates also have an impact on the discount rate used to determine the fair value of the gold stream obligation.

Other Risks to Horizon

The primary risk factors affecting Horizon are set forth in the Company's Management Information Circular dated July 29, 2022, which is available on www.sedar.com.

Other

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the periods presented. The critical accounting estimates used in the preparation of the condensed consolidated interim financial statements of Horizon for the three months ended March 31, 2023 are the same as the key sources of estimation uncertainty disclosed in Notes 2 and 3 of the Company's 2022 annual consolidated financial statements.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three-month period ended March 31, 2023 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company along with the unaudited condensed consolidated interim financial statements and MD&A on SEDAR at www.sedar.com.

Forward Looking Statements

Certain statements contained in this MD&A constitute forward-looking information under applicable Canadian securities laws. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may contain forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. The forward-looking information contained herein may include, but is not limited to, information with respect to: the ability of Horizon to complete the Antamina Transaction; Horizon’s ability to receive TSX-V approval to complete the Antamina Transaction; the expected timing of the Antamina Transaction, the state of the financial markets for Horizon’s securities; the state of the natural resources sector; recent market volatility and potentially negative capital raising conditions; Horizon's ability to raise, or delays in raising, the necessary capital to be able to complete the Antamina Transaction or to be fully able to implement its business strategies; the ability of the Hod Maden Project to obtain project level financing or on terms that are acceptable; the projected capital costs and development timelines for the Hod Maden project; business prospects and strategy; anticipated trends and challenges in Horizon’s business and the markets in which it operates; Horizon's financial position and other risks and factors that Horizon is unaware of at this time. By identifying such information and statements in this manner, Horizon is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Horizon to be materially different from those expressed or implied by such information and statements.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in its forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by applicable law. These forward-looking statements involve risks and uncertainties relating to, among other things, the ability of the Company to complete the Antamina Transaction; Horizon’s ability to receive TSX-V approval to complete the Antamina Transaction; the expected timing of the Antamina Transaction, the state of the financial markets for Horizon’s securities; the state of the natural resources sector; recent market volatility and potentially negative capital raising conditions; Horizon's ability to raise, or delays in raising, the necessary capital to be able to complete the Antamina Transaction or to be fully able to implement its business strategies; the ability of the Hod Maden Project to obtain project level financing or on terms that are acceptable; the projected capital costs and development timelines for the Hod Maden project; the need for additional financing; the relative speculative and illiquid nature of an investment in Horizon; the volatility of Horizon's share price; Horizon’s ability to generate sufficient revenues and cash flows from operations; dependence on the operations, assets and financial health of investee companies; limited ability to exercise control or direction over investee companies; potential defaults by investee companies; Horizon’s ability to enforce on any default by an investee company; competition with other investment entities; tax matters; reliance on key personnel; dilution of shareholders’ interest through future financings; and general economic and political conditions; as well as the risks discussed above under the heading “Other Risks to Horizon”. Actual results may differ materially from those expressed or implied by such forward-looking statements or forward-looking information.

To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions.

HORIZON COPPER

Q1 2023

Condensed Consolidated Interim Financial Statements

(Unaudited)

For The Period Ended March 31, 2023

Condensed Consolidated Interim Statements of Financial Position

Expressed in U.S. Dollars ($000s)

	Note		March 31, 2023		December 31, 2022
Assets					
Current					
Cash and cash equivalents		$	33,102	$	32,695
Receivables and other current assets			8,669		8,665
		$	41,771	$	41,360
Non-Current					
Hod Maden and Entrée investments in associates	4		257,843		258,934
Mineral interests			412		412
Total assets		**$**	**300,026**	**$**	**300,706**

	Note		March 31, 2023		December 31, 2022
Liabilities					
Current					
Trade and other payables		$	438	$	141
Non-Current					
Promissory note	5		70,787		71,163
Stream obligation	6		205,644		202,219
		$	276,869	$	273,523
Equity					
Share capital	7		31,269		31,269
Reserves			6,518		6,518
Retained deficit			(21,507)		(17,799)
Accumulated other comprehensive income (loss)			6,877		7,195
		$	23,157	$	27,183
Total liabilities and equity		**$**	**300,026**	**$**	**300,706**

Subsequent events (note 12)

On Behalf of the Board: *"Greg Smith"*, Director *"Erfan Kazemi"*, Director

Condensed Consolidated Interim Statements of Income (Loss)

Expressed in U.S. Dollars ($000s)
Except for per share amounts

	Note	3 Months Ended Mar 31, 2023	3 Months Ended Mar 31, 2022 (Restated: Note 2b)
Investment revenue		$ -	$ 201
Operating expenses			
Administration expenses		$ 121	$ 81
Financing expenses		152	-
Exploration expenses		21	-
		294	81
Other expenses (income)			
Loss on revaluation of stream obligation	6	3,263	-
Share of loss in associate	4	962	-
Adjustments on promissory note	5	(376)	-
Finance income		(377)	-
Foreign exchange and other		(58)	44
Net (loss) income for the period		**$ (3,708)**	**$ 76**
Basic (loss) earnings per share	7(e)	$ (0.05)	$ 0.01
Diluted (loss) earnings per share	7(e)	$ (0.05)	$ 0.01
Weighted average number of common shares outstanding			
Basic		74,927,903	13,846,541
Diluted		74,927,903	14,935,914

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

Expressed in U.S. Dollars ($000s)

	Note	3 Months Ended Mar 31, 2023	3 Months Ended Mar 31, 2022 (Restated: Note 2b)
Net (loss) income for the period		$ (3,708)	$ 76
Other comprehensive (loss) income for the period			
Items that may subsequently be reclassified to net income:			
Currency translation differences		(318)	-
Total comprehensive (loss) income for the period		**$ (4,026)**	**$ 76**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statements of Cash Flow

Expressed in U.S. Dollars ($000s)

Cash flow from (used in):	Note	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022 Restated: Note 2b
Operating Activities			
Net (loss) income for the period		$ (3,708)	$ 76
Items not affecting cash:			
Share of loss in associate	4	962	-
Gain on revaluation of royalty investments		-	(4)
Loss on revaluation of stream obligation	6	3,263	-
Adjustments on promissory note	5	(376)	-
Unrealized foreign exchange loss and other		(58)	45
Changes in non-cash working capital	8	300	(33)
		$ 383	$ 84
Investing Activities			
Restricted cash		-	(16,526)
Deferred acquisition costs		-	(25)
		$ -	$ (16,551)
Financing Activities			
Proceeds from subscription receipt financing		-	16,526
Deferred financing costs		-	(22)
		$ -	$ 16,504
Effect of exchange rate changes on cash and cash equivalents		24	(44)
Net increase (decrease) in cash and cash equivalents		407	(8)
Cash and cash equivalents — beginning of the period		32,695	3,632
Cash and cash equivalents — end of the period		**$ 33,102**	**$ 3,624**

Supplemental cash flow information (note 8)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Interim Statements of Changes in Equity

Expressed in U.S. Dollars ($000s)

	Note	Number		Amount		Share Options, warrants and Restricted Share Units		Retained Earnings (Deficit)		Accumulated Other Comprehensive Loss		Total
At January 1, 2022		13,840,588	$	8,976	$	2,189	$	(1,977)	$	(239)	$	8,949
Vesting of restricted share units		16,235		3		(3)		-		-		-
Share-based payments		-		-		1		-		-		1
Total comprehensive income (loss)		-		-		-		76		-		76
At March 31, 2022 (restated)	2(b)	13,856,823	$	8,979	$	2,187	$	(1,901)	$	(239)	$	9,026
Issuance of units from subscription receipts		35,595,593		11,862		4,427		-		-		16,289
Share issuance costs		-		(259)		(96)		-		-		(355)
Issuance of shares as part of asset acquisition		25,475,487		10,687		-		-		-		10,687
Total comprehensive income (loss)		-		-		-		(15,898)		7,434		(8,464)
At December 31, 2022		74,927,903	$	31,269	$	6,518	$	(17,799)	$	7,195	$	27,183
Total comprehensive income (loss)		-		-		-		(3,708)		(318)		(4,026)
At March 31, 2023		**74,927,903**	**$**	**31,269**	**$**	**6,518**	**$**	**(21,507)**	**$**	**6,877**	**$**	**23,157**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

March 31, 2023 | Expressed in U.S. Dollars

1. Nature of Operations

Horizon Copper Corp. (formerly Royalty North Partners Ltd. ("RNP")) was incorporated under the Business Corporations Act of British Columbia on March 17, 2011.

Horizon Copper Corp. and its subsidiary entities (collectively "Horizon" or the "Company") is a resource-based company that holds interests in mining assets with a focus on copper.

The Company's assets include a 30% equity interest in the entity which holds the Hod Maden copper-gold project in Turkey ("Hod Maden") and an approximate 25% equity stake in Entrée Resources Ltd. ("Entrée").

The head office, principal address and registered office of the Company are located at Suite 1400, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on May 4, 2023.

2. Summary of Significant Accounting Policies

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2022.

b) Basis of Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value.

The condensed consolidated interim financial statements are presented in United States dollars, and all values are rounded to the nearest thousand except as otherwise indicated.

c) Change in presentation currency

Effective September 30, 2022, the Company changed its presentation currency from Canadian dollars (“CAD”) to U.S. dollars (“USD”) due to the change in its most significant assets and liabilities following the completion of the first part of the RTO transaction with Sandstorm in August 2022 and to be consistent with peer companies in the mining industry. The change in presentation currency requires retrospective restatement of the prior period presented in the financial statements. The amounts reported in the condensed consolidated interim financial statements for the three months ended March 31, 2022 have been restated in USD based on the average rate for the three months ended March 31, 2022 (CAD 1 = USD 0.7895). The accounting policy used to translate historical equity items was to use the annual average exchange rate for each equity transaction.

3. Financial Instruments

a) Fair Value Estimation

The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Investments in common shares and warrants held that have direct listings on an exchange are classified as Level 1.

Level 2 | Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 | Inputs that are unobservable (supported by little or no market activity).

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2023 and December 31, 2022.

As at March 31, 2023:

In $000s	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current liabilities				
Stream obligation	$ 205,644	$ -	$ -	$ 205,644
	$ 205,644	**$ -**	**$ -**	**$ 205,644**

As at December 31, 2022:

In $000s	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Non-current liabilities				
Stream obligation	$ 202,219	$ -	$ -	$ 202,219
	$ 202,219	**$ -**	**$ -**	**$ 202,219**

The fair value of the Company's other financial instruments including cash and cash equivalents, receivables and trade and other payables, approximate their carrying values at March 31, 2023 and December 31, 2022 due to their short-term nature. The fair value of the Hod Maden Promissory Note was $72.2 million as at March 31, 2023 ($70.3 million – December 31, 2022) based on a discounted cash flow model which utilized level 2 inputs.

There were no transfers between the levels of the fair value hierarchy during the period ended March 31, 2023 and the year ended December 31, 2022.

b) Credit Risk

The Company’s credit risk is limited to cash and cash equivalents, the receivable from Sandstorm and the remaining receivable from AWP. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets and maintains its cash deposits in several high-quality financial institutions. The impact of expected credit losses on receivables and financial assets held at amortized cost is not material.

c) Liquidity Risk

The Company manages liquidity risk through a planning and budgeting process, which is reviewed and updated on a regular basis, to help determine future funding requirements. As at March 31, 2023, the

Company had cash and cash equivalents of $33.1 million available to settle its accounts payable and accrued liabilities, as well as its short term funding obligations related to its equity interest in Hod Maden. In addition, the Company has a receivable of $8.3 million from Sandstorm to fund its share of the remaining 2022 budget for Hod Maden.

d) Market Risk

CURRENCY RISK

Financial instruments that impact the Company's net income (loss) due to currency fluctuations include the US dollar denominated cash balances, receivable from Sandstorm and Hod Maden Promissory Note. Based on the Company's US dollar denominated monetary assets and monetary liabilities at March 31, 2023, a 5% increase (decrease) of the value of the Canadian dollar relative to the US dollar would have a $4.0 million impact on net income.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk through the Hod Maden Promissory note which bears interest at SOFR + 2%, commencing from the earlier of January 1, 2026 or when Horizon has started to receive dividends from its equity interest in Hod Maden. Changes in interest rates also have an impact on the discount rate used to determine the fair value of the gold stream obligation.

4. Hod Maden and Entrée Investments in Associates

The following table summarizes the changes in the carrying amount of the Company's investments in associates:

In $000s	Hod Maden Interest	Entrée Resources Ltd.	Total Investments in Associates
At December 31, 2022	$ 227,067	$ 31,867	$ 258,934
Company's share of net loss of associate	(197)	(765)	(962)
Company's share of OCI of associate	-	(158)	(158)
Currency translation adjustments	-	29	29
At March 31, 2023	**$ 226,870**	**$ 30,973**	**$ 257,843**

5. Promissory note

The following table summarizes the changes in the carrying amount of the Company's promissory note:

In $000s		
At December 31, 2022	$	71,163
Impact of change in estimated timing of cash flows		(1,569)
Accretion expense		1,193
At March 31, 2023	**$**	**70,787**

The Hod Maden Promissory Note has a principal amount of $95 million. Interest on the Hod Maden Promissory Note is to be paid quarterly at the Secured Overnight Financing Rate ("SOFR") + 2% commencing the earlier of (i) January 1, 2026; or (ii) when Horizon receives dividends from its investment in Hod Maden. The Hod Maden Promissory Note may be settled at any time in Horizon shares at the election of the holder based on a 20-day volume weighted average price ("VWAP") of the market price of the shares unless the holder would beneficially own in excess of 34% of the number of common shares outstanding immediately after giving effect to such conversion or issuance. Horizon also has the option to settle the Hod Maden Promissory Note by issuing common shares if the share price is above a floor of C$0.55. The Hod Maden Promissory Note matures on August 31, 2032.

6. Stream obligation

The following table summarizes the changes in the carrying amount of the Company's stream obligation:

In $000s		
At December 31, 2022	$	202,219
Change in fair value of gold stream		3,263
Currency translation adjustments		162
At March 31, 2023	**$**	**205,644**

The key assumptions used to determine the fair value of the gold stream as at March 31, 2023 include the production profile based on the published Hod Maden feasibility study and current estimates of the timeline to production, gold prices using the forward curve and the real after-tax discount rate.

As part of the consideration for the acquisition of the 30% interest in the Hod Maden project from Sandstorm, Horizon entered into a gold purchase agreement (gold stream) whereby it will be required to sell and deliver:

- 20% of the gold produced by the Hod Maden mine until 405,000 ounces have been sold and delivered;
- 12% of the gold produced by the Hod Maden mine thereafter.

Sandstorm will pay 50% of the London Bullion Market Association quoted price of gold for each ounce of gold delivered (for the first 405,000 ounces) and 60% of the London Bullion Market Association quoted price of gold for each ounce of gold delivered thereafter. There are no obligations for Horizon to sell and deliver gold ounces under the gold stream should there be no production from the Hod Maden mine.

7. Share Capital and Reserves

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Warrants

The Company issued warrants as part of units in private placement financings in 2021 and 2022. A summary of the Company’s warrants and the change for the period is as follows:

	Number of warrants	Weighted average exercise price per warrant (CAD)
Warrants outstanding at December 31, 2022 and March 31, 2023	**36,740,163**	**0.79**

The weighted average remaining contractual life of the warrants as at March 31, 2023 was 4.36 years (year ended December 31, 2022 — 4.60 years).

c) Stock Options

The Company has an incentive stock option plan (the “Option Plan”) whereby the Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions to be determined by the Board of Directors. The maximum expiry date is ten years from the grant date. All options are equity settled. The Option Plan permits the issuance of options which, together with the Company's other share compensation arrangements, may not exceed 10% of the Company’s issued common shares as at the date of the grant.

A summary of the Company’s options and the change for the period is as follows:

	Number of options	Weighted average exercise price per share (CAD)
Options outstanding at December 31, 2022 and March 31, 2023	**798,521**	**0.14**

The weighted average remaining contractual life of the options as at March 31, 2023 was 0.71 years (year ended December 31, 2022 — 0.95 years).

A summary of the Company’s options as of March 31, 2023 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per share (CAD)
2023	464,000	464,000	0.10
2024	167,261	167,261	0.14
2025	167,260	167,260	0.25
	798,521	**798,521**	**0.14**[1]

1) Weighted average exercise price of options that are exercisable.

d) Restricted Share Units

The Company has a restricted share plan (the “Restricted Share Plan”) whereby the Company may grant restricted share units (“RSUs”) to eligible employees, officers, directors and consultants at an expiry date to be determined by the Board of Directors. Each restricted share right entitles the holder to receive a common share of the Company without any further consideration. The Restricted Share Plan permits the issuance of up to a maximum of 7,492,790 restricted share rights, of which 7,435,320 were available for grant as at March 31, 2023.

As of March 31, 2023, the Company had no RSUs outstanding.

e) Earnings Per Share

Basic and diluted earnings per share is calculated based on the following:

In $000s (except for shares and per share amounts)		3 Months Ended Mar. 31, 2023		3 Months Ended Mar. 31, 2022 (Restated: Note 2b)
Net income (loss) for the period	$	(3,708)	$	76
Basic weighted average number of shares		74,927,903		13,846,541
Basic earnings (loss) per share	**$**	**(0.05)**	**$**	**0.01**
Effect of dilutive securities				
Stock options and warrants		-		1,089,373
Diluted weighted average number of common shares		74,927,903		14,935,914
Diluted earnings (loss) per share	**$**	**(0.05)**	**$**	**0.01**

The following table lists the number of potentially dilutive securities excluded from the computation of diluted earnings per share because either their effect is not dilutive or the exercise prices exceeded the average market value of the common shares during the three months ended March 31, 2023 and 2022:

	3 Months Ended Mar. 31, 2023	3 Months Ended Mar. 31, 2022
Stock options	798,521	30,000
Warrants	36,740,163	-

8. Supplemental Cash Flow Information

In $000s	3 Months Ended Mar. 31, 2023	3 Months Ended Mar. 31, 2022
		(Restated: Note 2b)
Change in non-cash working capital:		
Trade receivables and other	$ 3	$ (16)
Trade and other payables	297	(17)
Net increase (decrease) in cash	$ **300**	**$ (33)**
Other:		
Interest received	377	-

9. Related Party Transactions

a) Related party transactions

Sandstorm is a related party as a result of it having significant influence through its 34% equity interest in the Company. The transactions with Sandstorm during the period are set out in notes 4, 5 and 6.

The Company has entered into a services agreement with Sandstorm for C$5,000 per month for general administrative services including rent and other shared office costs. The amount payable to Sandstorm related to this agreement as at March 31, 2023 was C$15,000.

Entrée is a related party as a result of the Company having significant influence through its approximate 25 % interest in Entrée. There were no transactions with Entrée during the period.

b) Compensation of key management personnel

The remuneration of directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company are as follows:

In $000s	3 Months Ended Mar. 31, 2023	3 Months Ended Mar. 31, 2022
Salaries and benefits	$ 11	$ 29
Share-based payments	-	1
Total key management compensation expense	**$ 11**	**$ 30**

10. Segmented Information

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance, are the investments in Hod Maden and Entrée. Details of the amounts related to these investments are included in Note 4.

11. Commitments and Contingencies

The following table shows the Company's contractual obligations as they fall due as at March 31, 2023 and December 31, 2022:

In $000s	Within 1 year	2-5 years	Over 5 years	Total March 31, 2023	Total December 31, 2022
Accounts payable	438	-	-	438	141
Promissory note	-	-	95,000	95,000	95,000
	438	**-**	**95,000**	**95,438**	**95,141**

In the fourth quarter of 2022, a lawsuit was filed by a former employee of the predecessor company to Artmin Madencilik Sanayi ve Ticaret A.S ("Artmin"), the Turkish entity which holds the Hod Maden project. The former employee claims that he is entitled to 1% of the value of the project as a finder fee. The Company, in conjunction with Artmin, has evaluated the claim with the assistance of Turkish legal counsel and considers it to be without merit. Artmin will defend itself vigorously against this claim.

12. Subsequent Events

On April 19, 2023, the Company completed a non-brokered private placement (the “Private Placement”) through the issuance of 8,378,500 subscription receipts at a price of C$0.80 per subscription receipt (the "Subscription Receipts") for gross proceeds of $5 million (C$6.7 million). Cash finders’ fees will be paid in association with the Private Placement in the aggregate of $0.16 million (C$0.2 million) (the “Finders’ Fees”). The Finders’ Fees will only be paid by the Company upon the automatic conversion of the Subscription Receipts.

Funds from the Private Placement will be held in escrow by the Company until the closing of RTO Part B and the satisfaction of certain escrow release conditions (collectively, the “Release Conditions”).

Each Subscription Receipt, upon satisfaction of the Release Conditions, will automatically convert into one unit (a "Unit"), comprised of one (1) common share of the Company and one half (1/2) of one (1) non-transferable share purchase warrant (a “Warrant”). Each Warrant will entitle the holder thereof to purchase one common share of the Company at an exercise price of C$1.10 (or US$ equivalent) per share for a period of four (4) years following the automatic conversion of the Subscription Receipts.