HORIZON COPPER

2024 Annual Report

Horizon provides a unique opportunity to invest in copper.

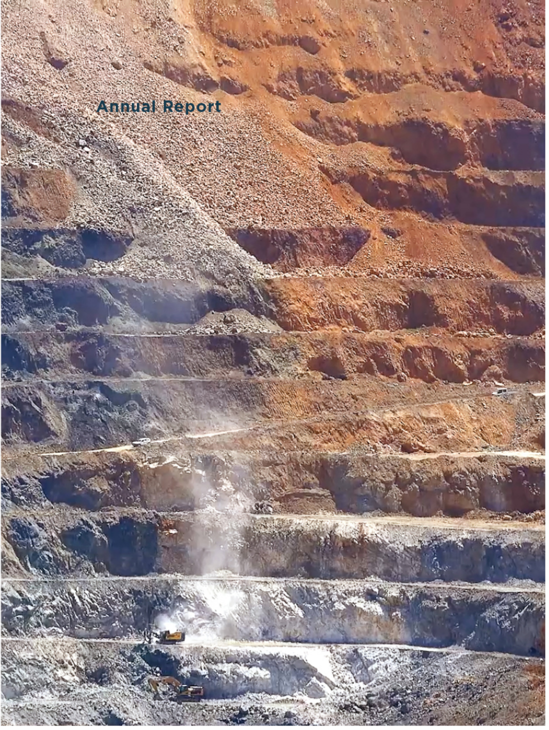
As a junior copper company with a major copper portfolio, shareholders obtain exposure to high-quality, low-cost copper projects.

Introduction by
Erfan Kazemi, President & CEO

The mining industry experienced some notable shifts in 2024. While the broader global economy continued to face challenges including geopolitical tensions and inflationary pressures, the latter part of the year brought renewed optimism to the mining sector. Elevated copper prices reached all-time highs in May, while gold ended the calendar year nearly 30% higher compared to the end of 2023. In 2025, these favourable market dynamics, coupled with several positive developments within our asset portfolio, provide an enviable platform to deliver future cash flows, growth, and value to Horizon shareholders.

Antamina

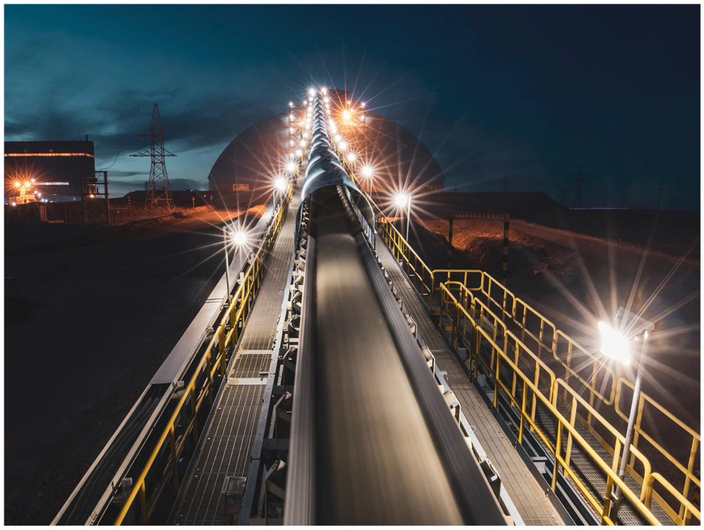
2024 marked the first full calendar year that Horizon Copper held its 1.66% net profits interest (NPI) in the Antamina copper mine in Peru—the third largest copper mine in the world on a copper equivalent basis—and the cash flows generated from Antamina continue to provide



www.antamina.com

2024 marked the first full calendar year that Horizon Copper held its 1.66% NPI in the Antamina copper mine.

a stable base of working capital for the Company. In early 2024, Antamina received its Modification of Environmental Impact Assessment (MEIA). The MEIA is a significant milestone for the mine, providing an extension for the existing operations through to 2036. The MEIA also allows for an increase to processing capacity of up to 208,000 tonnes per day, which would represent a 40% increase from existing levels. When we acquired the Antamina NPI, we understood the asset's resources could support a multi-generational mine life, and so it is encouraging to see this type of planning and continued investment. While Horizon has no capital outlay requirements for expansion activities, we may experience fluctuations in cash flows from this asset in the short term, to the extent that development capital is funded by operating flows at Antamina. However, the investment by the operator provides increased certainty surrounding production from Antamina over a longer timeframe and a platform for further mine life extensions that will deliver cash flow to Horizon for many years to come.



www.riotinto.com

Oyu Tolgoi **HUGO NORTH EXT.**

At the Oyu Tolgoi copper mine in Mongolia, we were pleased to see several positive news updates in 2024 from Entrée Resources, which holds a 20% carried interest in future phases of the mine. Drill results from the 2022 and 2023 drill program were released in 2024, outlining high copper grades over wide intervals reinforcing the world-class nature of the Hugo North deposit. The drilling reconfirms the extraordinary deposit at Oyu Tolgoi, while also highlighting the future upside potential beyond the existing Hugo North Extension mineralization footprint. In October, Rio Tinto commenced underground development on the area subject to the Entrée joint venture while the successful conclusion to the arbitration process with its joint venture partner, Oyu Tolgoi LLC, provides clarity over the transfer of the licenses to, and formalization of the joint venture. These key catalysts, amongst others, drove an increase in the market value of Horizon's investment in Entrée, which increased by over 100%. As Entrée's largest shareholder, we remain optimistic about the value of our interest in Entrée as the joint venture moves closer to production and eventual cash flows.

Hod Maden

In 2024, we saw continued progress in the development of Hod Maden. The project operator, SSR Mining, continued to advance detailed engineering activities and refine the project plan to construct the mine. Horizon financed the Company's share of the ongoing costs from our existing cash balance and established a revolving credit facility to provide flexibility to finance the remaining portion of equity contributions in 2025.

When SSR Mining acquired its interest in Hod Maden, they noted that in their experience annual inflation in Turkiye had been exceeding 10%, reflecting a trend of increasing costs and the dynamic nature of the operating environment. As part of their continued development process, a re-forecast of project development costs is expected to be completed in 2025, alongside key milestones such as commencing construction of the main access road. We are excited about the project's long-term potential and look forward to seeing these developments come together as we prepare for a final investment decision.

Once in production, Hod Maden is expected to generate the next component of significant cash flow to Horizon over an initial 13-year mine life. We are excited to see this project take shape and are confident in its long-term potential.

www.ssrmining.com

Entering 2025 and beyond, our key areas of focus include the continued advancement of our interests in development stage assets, Hod Maden and the Hugo North Extension, and the evaluation of opportunities to grow our portfolio of assets.

Horizon's diversified portfolio of interests in world-class copper assets, strong financial position with cash on hand, access to capital, and long-dated debt with favourable terms position the Company to deliver exceptional value to our shareholders.

On behalf of management and the Board, I want to thank each of you for being a committed shareholder to Horizon Copper and we look forward to what 2025 has in store.

Erfan Kazemi
President & CEO

HORIZON COPPER

Management's Discussion and Analysis

For The Year Ended December 31, 2024

This management's discussion and analysis ("MD&A") for Horizon Copper Corp. and its subsidiary entities (collectively "Horizon", or the "Company") should be read in conjunction with the audited consolidated financial statements of Horizon for the year ended December 31, 2024 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS") and are available on SEDAR+ at www.sedarplus.ca. The information contained within this MD&A is current to February 13, 2025 and all figures are stated in U.S. dollars unless otherwise noted.

Company Highlights

OPERATING RESULTS

First Full Year of Revenue from Antamina NPI

Horizon Copper holds a net profits interest in the Antamina mine (the "Antamina NPI"). The Company generated revenue of $12.8 million from the Antamina NPI during the year ended December 31, 2024 representing its first full year of revenue. In 2023, the Antamina NPI generated $4.1 million of revenue following its acquisition in June 2023. Over the past year, although the Antamina NPI has benefited from increases in the revenue generated at Antamina, primarily due to increased commodity prices during 2024, it was also reduced by $5.1 million as a result of an adjustment to the asset retirement obligation at the entity which owns and operates the Antamina mine, Compañía Minera Antamina S.A. ("CMA") to reflect updates to the estimated reclamation costs and changes related to a recently approved mine plan. Although such changes, and the fact expansion and development capital which will be funded by operating cash flows from Antamina reduce the amount received under the Antamina NPI in the short term, the investment by the operator provides increased certainty surrounding production from Antamina over a longer timeframe and a platform for further mine life extensions which will deliver cash flow to Horizon for many years to come.

PORTFOLIO UPDATES

Antamina Granted Approval of MEIA, Extending Mine Life

In February 2024, the Antamina mine in Peru received approval of the Modification of Environmental Impact Assessment (the "MEIA"). The MEIA allows for an investment of approximately $2 billion by the entity which owns the Antamina mine over the next eight years, which will extend operations through to 2036. The MEIA extends the permitted pit depth by 150 metres and will allow Antamina to optimize existing mining components within its current operation while also expanding the footprint of the open pit and expansion of tailings facilities. The MEIA also considers processing capacity of up to 208 thousand tonnes per day ("ktpd") which would be an approximate 40% increase from current levels of 145 ktpd.

The formal extension to the mine life has the following impact on the Antamina NPI:

- increased certainty surrounding production from Antamina over a longer timeframe and a platform for further mine life extensions;
- no capital outlay required by Horizon for the expansion activities; to the extent expansion and development capital are funded by operating cash flows from Antamina, the amounts are deducted in arriving at the Antamina NPI payment due to Horizon each quarter and to the extent the costs are funded through debt at the company which owns Antamina, no amounts are expected to be deducted from the Antamina NPI payments.

Hugo North Extension Drill Results and Underground Development Update

Throughout 2024, Entrée Resources Ltd. ("Entrée") released drill results from the 2022 and 2023 drill program at the Hugo North Extension ("HNE") — a portion of the Oyu Tolgoi copper project that is subject to the Entrée joint venture interest (the "Entrée/Oyu Tolgoi JV Property"). The drill results, which are the first holes drilled into the HNE since 2011, provide additional information to support the next Mineral Resource estimate for the proposed Lift 2 block cave and demonstrate the potential for ore grade mineralization outside the limits of the existing footprint confirming the HNE as being capable of supporting a multi-decade mine life.

Highlighted drill results included surface and underground drill holes with copper equivalent[1] ("CuEq") grades ranging from 0.77% to 3.67% over wide intervals. For full details of the reported drill results, refer to the Entrée press releases at www.entreeresourcesltd.com.

In addition to the drill results, Entrée reported that underground infrastructure development work on the Entrée/Oyu Tolgoi JV Property commenced in October 2024 starting in the southwest corner of the HNE deposit on the Shivee Tolgoi mining license. The development work will establish the initial Panel 1 western ore handling truck chute, including extraction level tipple development, the truck chute chamber on the haulage level, and the supporting ventilation loop with the return air level. Oyu Tolgoi LLC, a subsidiary of Rio Tinto plc, with a 34% minority interest owned by the Government of Mongolia ("OTLLC"), planned approximately 212 equivalent metres of development on the Entrée/Oyu Tolgoi JV Property in 2024. Production from the Entrée/Oyu Tolgoi JV Property is expected to commence in 2027.

1) Copper equivalent is calculated by the formula CuEq = Cu + ((Au * 35.7175) + (Ag * 0.5773)) / 67.9023, taking into account differentials between metallurgical performance and price for copper, gold and silver. Metal prices used are US$3.08/lb copper, US$1,292.00/oz gold, and US$19.00/oz silver. Metallurgical recoveries used are 82% for copper, 73% for gold and 78% for silver.

Entrée Arbitration Outcome and Execution of Joint Venture Agreement

In 2022, Entrée commenced binding arbitration proceedings against its joint venture partner OTLLC and Turquoise Hill Resources Ltd. to seek declarations and orders for specific performance relating to certain provisions of the amended 2004 Equity Participation and Earn-in Agreement ("Earn-in Agreement") and Joint Venture Agreement ("JVA"). On December 19, 2024, Entrée announced a favourable outcome in these binding arbitration proceedings where an international arbitration Tribunal issued a partial final award in Entrée's favour, upholding key aspects of its JVA with OTLLC. Entrée highlighted that the outcome delivers more certainty for the Oyu Tolgoi project, particularly as critical development work for Lift 1 Panel 1 remains ongoing.

Entrée and OTLLC have been operating under the JVA, which is appended to the Earn-in Agreement, since OTLLC completed its earn-in obligations in 2008. Entrée commenced proceedings in May 2022, seeking declarations and orders for specific performance relating to certain provisions of the Earn-in Agreement and JVA with OTLLC. The Tribunal issued final and binding declarations that:

- OTLLC is obligated to provide to Entrée an executed copy of the JVA, in the form appended to the Earn-in Agreement, subject only to any amendments to its terms that Entrée and OTLLC mutually agree;
- OTLLC is obligated to facilitate and accept the transfer of the Shivee Tolgoi and Javhlant mining licenses (the "Licenses") for the Entrée/Oyu Tolgoi joint venture as required by the JVA; and
- any taxes and fees assessed on the transfer of the Licenses are subject to the terms of the JVA, with OTLLC contributing Entrée's 20% share as a loan under Section 10.1 of the JVA.

On February 3, 2025, Entrée announced that the JVA, substantially in the form annexed to the Earn-in Agreement, has been formally executed and delivered by the parties.

Participation in Entrée Private Placement

In January 2025, the Company, through its wholly owned subsidiary, 1363013 B.C. Ltd., subscribed to 625,202 units in Entrée via a non-brokered private placement at a price of CAD2.21 per unit for total consideration of CAD1.4 million. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the Company to purchase one additional common share of Entrée at a price of CAD3.00 per share for a period of two years following the date of issuance. The acquisition of the shares in this private placement maintains the Company's current proportionate interest in Entrée.

STRENGTHENED FINANCING CAPACITY

Revolving Credit Facility

On September 9, 2024, Horizon entered into a revolving credit agreement with National Bank of Canada and The Bank of Nova Scotia allowing the Company to borrow up to $30 million with an additional uncommitted accordion of up to $20 million, for total potential availability of up to $50 million (the "Revolving Facility"). The Revolving Facility has a term of four years, maturing in September 2028 and is extendable subject to approval by the lenders. The Revolving Facility is for future asset acquisitions, the Company's funding requirements related to the development of the Hod Maden project and general corporate purposes. As of the date of this MD&A, there was no amount drawn on the Revolving Facility.

The amounts drawn on the Revolving Facility are subject to interest at SOFR plus 2.50%–3.75% per annum, and the undrawn portion of the Revolving Facility is subject to a standby fee of 0.56%–0.84% per annum, both of which are dependent on the Company's leverage ratio.

The Company is required to maintain a leverage ratio of net debt divided by EBITDA (as defined in the Revolving Facility) of less than or equal to 4.00:1.00, and an interest coverage ratio of greater than or equal to 3.00:1.00 for each fiscal quarter. In both cases, the calculations exclude amounts related to all existing obligations held by Sandstorm Gold Ltd. The Company is also required to maintain a total interest coverage ratio of greater than or equal to 1.10:1.00 for each fiscal quarter. The Company was in compliance with the debt covenants as at December 31, 2024.

The Revolving Facility is secured against the Company's assets, including the Company's mineral property interests and investments.

OTHER

Horizon Copper Begins to Trade Shares on the OTCQX

On April 4, 2024, the Company began to trade its common shares on the OTCQX® Best Market under the ticker symbol "HNCUF". Horizon continues to trade on the TSX Venture Exchange as its primary listing under the symbol HCU.

The OTCQX Best Market is the highest market tier of OTC Markets on which 12,000 U.S. and global securities trade. Trading on OTCQX is expected to enhance the visibility and accessibility of the Company to U.S. investors.

Overview

Horizon is a resource company with a portfolio of high-quality cash-flowing and development stage copper assets. Horizon's objective is to actively grow its existing portfolio of assets, with a focus on copper projects, including through strategic partnership opportunities with Sandstorm Gold Ltd. ("Sandstorm").

Outlook

The outlook for the Company and its key assets for 2025 and beyond includes the following:

Antamina

The Company generates royalty revenue and cash flows from the Antamina NPI on a quarterly basis. The amount of the NPI payment is dependent on a number of factors, including: commodity prices (including copper, silver and zinc); operational and financial performance of the Antamina mine during the period; extent of capital expenditure; and changes in working capital and provisions such as asset retirement obligations. At current copper prices, the estimated average annual cash flow from the Antamina NPI over the currently permitted mine life to 2036, net of amounts paid to Sandstorm under the Antamina Silver Stream and Residual Royalty, is $10 million–$15 million. In 2025 and 2026, the net cash flow from the Antamina NPI may be less than $10 million per annum depending on the timing and amount of capital expenditure required for the expansion activities at the mine.

Hod Maden

SSR Mining Inc. ("SSR Mining") became the operator at Hod Maden in the second quarter of 2023 and its development team continued to progress the early-works construction activities while simultaneously performing a detailed review of the construction, engineering and design plans for the mine.

On February 13, 2024, SSR Mining reported an operational incident at one of its other Turkish assets. On February 27, 2024, as a result of this incident, SSR Mining retracted all previously issued guidance for its Turkish assets, including Hod Maden. While SSR Mining focused on remediation efforts at its other asset throughout 2024, activity at Hod Maden was focused on ongoing optimization, engineering and mine design. Other early works and site preparation activities also continued to advance. In 2025, key areas of focus are expected to include awarding key contracts, commencement of construction of the main access road, completing a re-forecast of the project development costs and continuing the process to secure project financing. Horizon expects a delay of approximately one year in the overall development schedule for Hod Maden compared to the previously contemplated commencement of production in mid 2027. The Company will continue to update this outlook as further updated construction timelines become available from the operator.

Oyu Tolgoi (Hugo North Extension & Heruga)

In October 2024, Entrée announced that underground development work had commenced on the Entrée/Oyu Tolgoi JV Property, managed by Rio Tinto plc ("Rio Tinto"). Based on the current schedule, underground production on the Entrée/Oyu Tolgoi JV Property is expected in 2027. Under this timeline, Entrée (in which the Company has a 24% equity interest) expects its first share of attributable cash flow in 2029.

Growth

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

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 ktpd. The asset operates in the first cost quartile of copper mines.

On June 15, 2023, the Company acquired the Antamina NPI representing a 1.66% net profits interest on the Antamina copper mine. Part of the purchase consideration for the Antamina NPI included a silver stream with Sandstorm 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. In addition, Sandstorm retained a residual royalty on Antamina with payments equal to one-third (1/3) of the total Antamina NPI after deducting the Antamina Silver Stream servicing commitments (the "Residual Royalty").

The substance of the Antamina NPI is that of a royalty on the Antamina mine. The Antamina NPI is paid 45 days after each calendar quarter end by a Canadian affiliate of Teck Resources Limited ("Teck") and is guaranteed by Teck. The Antamina NPI is calculated as 1.66% of the net proceeds (gross revenue less operating and capital expenses) of the entity which owns and operates the Antamina mine, Compañía Minera Antamina S.A. ("CMA"), adjusted for changes in working capital and movements in provisions such as asset retirement obligations. CMA is jointly owned by the subsidiaries of major stakeholders BHP Billiton plc (33.75%), Glencore plc (33.75%), Teck (22.5%) and Mitsubishi Corporation (10%).

Since 2006, the Antamina NPI has paid between $7 million–$42 million per year, with an average annual payment of $19 million. The amount attributable to Horizon, net of the Antamina Silver Stream obligation and Residual Royalty, is expected to average approximately 50–60% of the gross amount received.

Hod Maden

The Company has a 30% equity interest in the entity which holds the Hod Maden copper-gold project, which is located in Artvin Province, northeastern Türkiye. Assuming the terms of the earn-in milestone payments are fulfilled ($150 million in earn-in structured cash milestone payments, linked to construction and commercial production milestones at Hod Maden), SSR Mining will hold a 40% operating interest in Hod Maden, with the remaining passive ownership held by Lidya Madencilik Sanayi ve Ticaret A.S. ("Lidya") (30%) and Horizon (30%). SSR is now the project operator and it is anticipated that SSR will lead the development of the project to a formal construction decision and commercial production.

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 Türkiye.

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 key 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 detailed engineering and mine design. Early-works construction activities at Hod Maden are ongoing and have been focused on site access and earthworks, power supply construction and the land expropriation process.

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, the Company will purchase and deliver to Sandstorm 20% of all gold produced from Hod Maden (on a 100% basis) for 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, the Company will deliver 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 Tolgoi (Hugo North Extension & Heruga)

The Company has an approximate 24% equity interest in 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, with a 34% minority interest owned by 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 which will be mined as three panels (Panel 0, Panel 1 and Panel 2). Entrée further announced that optimization studies on Panel 1 of the underground block cave were planned (subsequently completed in the second quarter of 2023) which have the potential to further improve Lift 1 economics for the Entrée/Oyu Tolgoi joint venture.

Underground production has commenced at Oyu Tolgoi with over 120 drawbells blasted since January 2022 and the first sustainable production from the underground mine achieved in the first quarter of 2023 on the area of the mine wholly owned by Oyu Tolgoi LLC. Technical studies for Panels 1 and 2 mine design and schedule optimization were completed by Oyu Tolgoi LLC during the second quarter of 2023. According to Rio Tinto, the technical studies have resulted in substantially de-risked, resilient mine designs that provide a pathway to ramp-up, flexibility to pursue value creating opportunities and react to future risks, and improved stability, constructability, and operability. The studies also provide a pathway to bring the panels into production faster and maximize the use of the ventilation system.

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, where the first underground production is expected in 2027 and attributable cash flow to Entrée commencing in 2029.

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.

Summary of Annual Results

Years Ended

In $000s (except for per share amounts in $)	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Total revenue	12,781	4,054	(355)
Net loss	(57,179)	(23,682)	(15,822)
Adjusted EBITDA[1]	8,490	(292)	(3,997)
Basic loss per share	(0.66)	(0.29)	(0.46)
Diluted loss per share	(0.66)	(0.29)	(0.46)
Cash flows from (used in) operating activities	13,196	3,962	(172)
Total assets	513,411	520,245	300,706
Total long-term liabilities	557,678	504,465	273,382

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

Summary of Quarterly Results

Quarters Ended

In $000s (except for per share amounts in $)	**Dec. 31, 2024**	**Sep. 30, 2024**	**Jun. 30, 2024**	**Mar. 31, 2024**
Total revenue	59	5,302	5,672	1,748
Net loss	(4,101)	(33,259)	(3,485)	(16,334)
Adjusted EBITDA[1]	(1,066)	4,371	4,623	562
Basic loss per share	(0.05)	(0.38)	(0.04)	(0.19)
Diluted loss per share	(0.05)	(0.38)	(0.04)	(0.19)
Cash flows from operating activities	5,423	5,864	1,606	303
Total assets	513,411	518,585	517,976	516,811
Total long-term liabilities	557,678	553,403	522,935	521,051

In $000s (except for per share amounts in $)	**Dec. 31, 2023**	**Sep. 30, 2023**	**Jun. 30, 2023**	**Mar. 31, 2023**
Total revenue	503	2,959	592	–
Net (loss) income	(31,077)	(4,048)	15,151	(3,708)
Adjusted EBITDA[1]	(1,066)	2,004	(32)	(1,198)
Basic (loss) income per share	(0.36)	(0.05)	0.20	(0.05)
Diluted (loss) income per share	(0.36)	(0.05)	0.19	(0.05)
Cash flows from (used in) operating activities	2,908	766	(95)	383
Total assets	520,245	525,398	530,278	300,026
Total long-term liabilities	504,465	478,816	478,989	276,431

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

Three Months Ended December 31, 2024
Compared to the Three Months Ended December 31, 2023

For the three months ended December 31, 2024, net loss was $4.1 million, compared with net loss of $31.1 million for the comparable period in 2023. The decrease in net loss is primarily attributable to the following:

- A non-cash fair value gain of $5.5 million on the Antamina Silver Stream obligation during the three months ended December 31, 2024 compared to a non-cash fair value loss of $7.9 million in the comparable period. The non-cash fair value gain of $5.5 million during the three months ended December 31, 2024 was primarily due to a decrease in forward silver prices, which ranged from $29.56 to $46.08 per ounce (September 30, 2024 – $32.07 to $48.08 per ounce), used to value the liability at the end of the period. The corresponding asset associated with the Antamina Silver Stream obligation is accounted for as a mineral property at cost less depletion and is not revalued based on changes in the forward silver price.

- A non-cash fair value loss of $4.3 million on the Hod Maden Gold Stream obligation during the three months ended December 31, 2024 compared to a non-cash fair value loss of $18.5 million in the comparable period. The non-cash fair value loss of $4.3 million during the three months ended December 31, 2024 was primarily due to an increase in forward gold prices which ranged from $2,692 to $4,218 per ounce (September 30, 2024 – $2,717 to $4,033 per ounce) used to value the liability at the end of the period. The corresponding asset associated with the gold stream obligation is accounted for as an investment in associate under the equity method and is not revalued based on increases in the forward gold price.

Partially offset by:

- A $0.4 million decrease in revenue earned during the three months ended December 31, 2024, when compared to the comparable period. The decrease in revenue was primarily driven by an adjustment to the asset retirement obligation at CMA to reflect updates related to a recently approved mine plan.

Adjusted EBITDA[1] was ($1.1 million) for both the three months ended December 31, 2024 and for the comparable period in 2023. During the three months ended December 31, 2024, revenue earned from the Antamina NPI decreased by $0.4 million compared to the prior period (as explained above), which was offset by a decrease in the share of loss in associates and lower general and administrative and other expenses compared to the prior period.

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

Year Ended December 31, 2024
Compared to the Year Ended December 31, 2023

For the year ended December 31, 2024, net loss was $57.2 million, compared with net loss of $23.7 million for the comparable period in 2023. The increase in net loss is primarily attributable to the following:

- A non-cash fair value loss of $24.8 million on the Antamina Silver Stream obligation during the year ended December 31, 2024 compared to a non-cash fair value loss of $1.8 million in the comparable period. The non-cash fair value loss of $24.8 million during the year ended December 31, 2024 was due to an increase in forward silver prices which ranged from $29.56 to $46.08 per ounce (December 31, 2023 – $24.32 to $36.80 per ounce) and changes in the estimated timing of future silver deliveries, partially offset by an increase in the discount rate used to value the liability at the end of the period. The corresponding asset associated with the Antamina Silver Stream obligation is accounted for as a mineral property at cost less depletion and is not revalued based on increases in the forward silver price.

- A non-cash fair value loss of $26.1 million on the Hod Maden Gold Stream obligation during the year ended December 31, 2024 compared to a non-cash fair value loss of $19.1 million in the comparable period. The non-cash fair value loss of $26.1 million during the year ended December 31, 2024 was due to an increase in forward gold prices which ranged from $2,692 to $4,218 per ounce (December 31, 2023 – $2,111 to $3,261 per ounce), partially offset by an increase in the discount rate used to value the liability at the end of the period and changes in the estimated timing of future gold deliveries. The corresponding asset associated with the gold stream obligation is accounted for as an investment in associate under the equity method and is not revalued based on increases in the forward gold price.

- A non-cash gain of $3.5 million as a result of changes in the estimated timing of cash flows related to the Company's Antamina and Hod Maden promissory notes compared to a $9.3 million gain in the comparable period.

- Depletion expense of $7.7 million during the year ended December 31, 2024 related to the Antamina NPI, compared to depletion expense of $4.5 million in the comparable period which only covered the period following the acquisition of the Antamina NPI in June 2023.

- Non-cash accretion expense related to the Company's Antamina and Hod Maden promissory notes of $11.6 million during the year ended December 31, 2024, compared to accretion expense of $8.4 million during the comparable period which primarily related to the Hod Maden promissory note because the Antamina promissory note was issued in June 2023.

Partially offset by:

- $12.8 million of revenue earned during the year ended December 31, 2024, compared to revenue of $4.1 million in the comparable period which only covered the period following the acquisition of the Antamina NPI in June 2023.

For the year ended December 31, 2024, Adjusted EBITDA[1] was $8.5 million compared to an Adjusted EBITDA[1] of ($0.3 million) for the comparable period in 2023. The increase in Adjusted EBITDA for the year ended December 31, 2024 is primarily due to an $8.7 million increase in revenue earned from the Antamina NPI compared to the prior period.

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

Three Months Ended December 31, 2024 Compared to the Other Quarters Presented

When comparing net loss of $4.1 million for the three months ended December 31, 2024 with net income (loss) for the other quarters presented, the following items impact comparability:

- Revenue attributable to the Antamina NPI, which was acquired in June 2023.
- The recognition of non-cash fair value gains and losses with respect to revaluation of the Company's stream obligations and non-cash gains and losses with respect to changes in the estimated timing of cash flows of the Company's promissory notes are as follows:

In $ millions	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Gain (loss) on revaluation of stream obligations	1.2	(32.1)	(3.3)	(16.7)
Gain (loss) from change in estimated timing of cash flows of promissory notes	0.1	(0.9)	–	4.3

In $ millions	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Gain (loss) on revaluation of stream obligations	(26.4)	(0.9)	9.6	(3.3)
Gain (loss) from change in estimated timing of cash flows of promissory notes	1.2	(0.4)	6.9	1.6

Change in Total Assets

Total assets decreased by $5.2 million from September 30, 2024 to December 31, 2024 primarily as a result of i) a reduction in the receivable related to the Antamina NPI, ii) cash used to satisfy silver deliveries under the Antamina Silver Stream obligation, iii) interest payments related to the Antamina promissory note, iv) depletion of the Antamina NPI, and v) the Company's share in net loss of associates.

Total assets increased by $0.6 million from June 30, 2024 to September 30, 2024 primarily as a result of the receivable related to the Antamina NPI, partially offset by i) cash used to satisfy the silver deliveries under the Antamina Silver Stream obligation, ii) interest payments related to the Antamina promissory note, iii) depletion of the Antamina NPI, and iv) the Company's share in net loss of associates.

Total assets increased by $1.2 million from March 31, 2024 to June 30, 2024 primarily as a result of the receivable related to the Antamina NPI, partially offset by i) cash used to satisfy the silver deliveries under the Antamina Silver Stream obligation, ii) interest payments related to the Antamina promissory note, iii) depletion of the Antamina NPI, and iv) the Company's share in net loss of associates.

Total assets decreased by $3.4 million from December 31, 2023 to March 31, 2024 primarily as a result of depletion of the Antamina NPI and the Company's share in net loss of associates.

Total assets decreased by $5.2 million from September 30, 2023 to December 31, 2023 primarily as a result of depletion of the Antamina NPI and the Company's share in net loss of associates.

Total assets decreased by $4.9 million from June 30, 2023 to September 30, 2023 primarily as a result of depletion of the Antamina NPI and the Company's share in net loss of associates.

Total assets increased by $230.3 million from March 31, 2023 to June 30, 2023 as a result of the acquisition of the Antamina NPI from Sandstorm in June 2023.

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

Non-IFRS and Other Measures

The Company has included, throughout this document, Adjusted EBITDA and all-in sustaining costs ("AISC") per copper pound as non-IFRS performance measures. The presentation of these non-IFRS performance 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 EBITDA is a non-IFRS financial measure used to evaluate the operating and financial performance of the Company and make strategic decisions based on forecasts for assets which are not yet cash-generating. The Company replaced the previous non-IFRS financial measure, Adjusted Net Income (loss), with Adjusted EBITDA to align with the Company's corporate presentations and communications with investors. Adjusted EBITDA is calculated by taking net income (loss) and adding (deducting) finance expense, (finance income), tax expense, depletion, stock-based compensation, non-cash losses (gains) on revaluation of stream obligations and non-cash losses (gains) from changes in estimated timing of cash flows of promissory notes. EBITDA is frequently utilized and reported by investors and lenders as a key measure of a company's operational performance, its capacity to take on and manage debt, and as a tool for valuation. The Company computes Adjusted EBITDA to eliminate items that do not impact the operating performance of our assets in order to provide long-term valuation metrics and assist in the assessment of the Company's capacity to incur or manage debt. Figure 1.1 provides a reconciliation of Adjusted EBITDA:

Figure 1.1 **In $000s**	**3 Months Ended Dec. 31, 2024**	**3 Months Ended Dec. 31, 2023**	**Year Ended Dec. 31, 2024**	**Year Ended Dec. 31, 2023**
Net loss	$ (4,101)	$ (31,077)	$ (57,179)	$ (23,682)
Add (Deduct):				
Finance expense	3,018	2,871	11,558	8,428
Finance income	(423)	(433)	(1,519)	(1,598)
Income tax expense	26	13	73	23
Depletion	1,663	2,263	7,699	4,536
EBITDA	**$ 183**	**$ (26,363)**	**$ (39,368)**	**$ (12,293)**
Add (Deduct):				
Stock based compensation	95	171	484	370
Gain from change in estimated timing of cash flows of promissory notes	(139)	(1,230)	(3,491)	(9,289)
(Gain) loss on revaluation of stream obligations	(1,205)	26,356	50,865	20,920
Equals:				
Adjusted EBITDA	**$ (1,066)**	**$ (1,066)**	**$ 8,490**	**$ (292)**

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 pounds 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 ounces and per ounce 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 December 31, 2024, the Company had cash and cash equivalents of $12.2 million (December 31, 2023 — $18.3 million) and working capital (current assets less current liabilities) of $5.6 million (December 31, 2023 — $10.3 million). Excluding the expected settlement of promissory notes and stream obligations (which are funded through proceeds from the Antamina NPI), the Company had working capital of $12.5 million as at December 31, 2024 (December 31, 2023 — $20.7 million). The Company can also access up to $30 million, plus an uncommitted accordion of up to $20 million, under its Revolving Facility. In addition, the Company can access up to $150 million, in certain circumstances, under a revolving credit facility with Sandstorm. No amounts have been drawn under either facility as of the date of the MD&A.

During the year ended December 31, 2024, the Company generated cash flows from operating activities of $13.2 million compared with cash flows from operating activities of $4.0 million during the comparable period in 2023. The cash inflows during the year ended December 31, 2024 were primarily a result of $13.0 million of royalty revenue received from the Antamina NPI and $1.3 million of interest income offset by general and administrative expenses, compared to cash inflows in the comparable period in 2023 being generated from $4.1 million of royalty revenue received from the Antamina NPI and $1.6 million of interest income offset by general and administrative and other expenses.

During the year ended December 31, 2024, the Company had cash outflows from investing activities of $9.4 million related to $11.4 million of shareholder loans to fund the Company's share of cash calls for ongoing development costs at Hod Maden, partially offset by receipt of $1.9 million from the Company's receivable from Sandstorm acquired in 2022. During the year ended December 31, 2023, the Company had cash outflows from investing activities of $15.9 million related to i) $18.7 million related to the cash component of the consideration to acquire the Antamina NPI in June 2023, including related transaction costs and an adjustment related to the actual amount received in excess of the estimated Antamina NPI receivable at acquisition and; ii) a $6.4 million shareholder loan to fund the Company's share of cash calls for ongoing development costs at Hod Maden, partially offset by i) receipt of $6.4 million from the Company's receivable from Sandstorm acquired in 2022 and; ii) receipt of the $2.9 million Antamina NPI receivable at acquisition.

During the year ended December 31, 2024, the Company had net cash outflows from financing activities of $9.8 million primarily from interest payments on the Antamina Promissory Note and Antamina Silver Stream servicing payments. There were no principal repayments on the Antamina Promissory Note during the year ended December 31, 2024 as it was agreed with Sandstorm that the excess proceeds from the Antamina NPI could be retained and used for general corporate purposes. During the year ended December 31, 2023, the Company had net cash outflows from financing activities of $2.5 million primarily from $7.4 million of interest and principal repayments on the Antamina Promissory Note and Antamina Silver Stream servicing payments, partially offset by $4.9 million of proceeds from the private placement completed in April 2023.

Share Capital

As of February 13, 2025, the Company had 86,454,773 common shares outstanding.

A summary of the Company's stock options as of February 13, 2025 is as follows:

Date of expiry	Number outstanding	Vested	Exercise price per option (CAD)	Weighted average exercise price per option (CAD)[1]
June 2028	3,850,000	1,283,334	0.80	0.80

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

A summary of the Company's warrants as of February 13, 2025 is as follows:

Date of expiry	Number outstanding	Vested	Exercise price per warrant (CAD)	Weighted average exercise price per warrant (CAD)[1]
July 2025	1,144,570	1,144,570	0.35	0.35
September 2027	35,595,593	35,595,593	0.80	0.80
June 2027	4,189,250	4,189,250	1.10	1.10
	40,929,413	**40,929,413**		**0.82**

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

As of February 13, 2025, the Company had 1,570,000 restricted share rights outstanding.

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 Company has entered into a services agreement with Sandstorm for CAD6,500 per month for general administrative services including rent and other shared office costs. The amount outstanding related to this agreement as at December 31, 2024 was CAD19,500. In addition, during the year ended December 31, 2024, the Company received $0.2 million from Sandstorm to reimburse the Company for costs incurred on Sandstorm's behalf in connection with corporate reorganizations following the acquisition of the Hod Maden asset.

Entrée is a related party as a result of the Company having significant influence through its approximate 24% interest in Entrée. There were no transactions with Entrée during the year.

Artmin Madencilik San. ve Tic. A.S. ("Artmin"), the entity which holds the Hod Maden project, is a related party as a result of the Company having significant influence through its indirect 30% ownership interest. During the year ended December 31, 2024, the Company advanced $11.4 million of shareholder loans to fund the Company's share of cash calls for ongoing development costs at Hod Maden. The loans bear interest at 4% plus the credit default swap rate of Türkiye at the start of each quarterly period and have five-year terms.

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		Year Ended December 31, 2024		Year Ended December 31, 2023
Salaries and benefits	$	323	$	170[1]
Share-based payments		445		370
Total key management compensation expense	**$**	**768**	**$**	**540**

1) Includes a recharge of CAD30,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to June 2023.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, trade and other payables, loan to associate, promissory notes, and stream obligations. The fair value of cash and cash equivalents, receivables, and trade and other payables, approximate their carrying values as at December 31, 2024 due to the short-term nature of these instruments. The fair value of the loan to associate, which is measured using level 2 inputs, approximates its carrying value due to the absence of significant changes in the associate's overall risk profile. The stream obligations are measured at fair value as at December 31, 2024 based on a model which utilized level 3 inputs. The fair value of the Hod Maden Promissory Note was $55.3 million as at December 31, 2024 ($69.6 million — December 31, 2023) based on a discounted cash flow model which utilized level 2 inputs. The fair value of the Antamina Promissory Note was $116.4 million as at December 31, 2024 ($122.3 million — December 31, 2023) 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 loan to associate and the amount of any receivable outstanding at period end from the Antamina NPI which is paid by a subsidiary of Teck. 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

The Company does not have any financial instruments denominated in currencies other than the U.S. dollar that materially impact its net income (loss).

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 December 31, 2024, the Company had cash and cash equivalents of $12.2 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.

Under the terms of the Revolving Facility, the Company can access up to $30 million, with an additional uncommitted accordion of up to $20 million, for total potential availability of up to $50 million. Amounts drawn on the Revolving Facility are subject to interest at SOFR plus a variable spread of between 2.50%–3.75%. No amounts had been drawn under the Revolving Facility as at December 31, 2024.

Under the terms of the Hod Maden promissory note with Sandstorm, the Company can also access up to to $150 million, in certain circumstances, under a revolving credit facility. Interest is payable quarterly at a rate of the greater of (a) SOFR + 2.0%; or (b) the cost of funds of Sandstorm under its revolving credit facility, commencing the earlier of (a) January 1, 2029; or (b) when Horizon receives dividends from its investment in Hod Maden. No amounts had been drawn under this facility as at December 31, 2024.

The following table shows the Company's undiscounted contractual obligations as they fall due as at December 31, 2024 and December 31, 2023:

In $000s		Within 1 year		2–5 years		Over 5 years		Total Dec. 31, 2024		Total Dec. 31, 2023
Accounts payable	$	164	$	–	$	–	$	164	$	81
Promissory notes[1]		1,186		26,460		212,419		240,065		240,065
Promissory note interest[2]		4,050		20,089		35,177		59,316		54,486
Total	**$**	**5,400**	**$**	**46,549**	**$**	**247,596**	**$**	**299,545**	**$**	**294,632**

1) Amounts payable within the next five years are estimated based on assumptions of expected future proceeds from the Antamina NPI.
2) As the applicable interest rate for the Hod Maden Promissory Note is floating in nature, the interest charges are estimated based on market forward interest rate curves at the end of the reporting period. Promissory note interest for both the Hod Maden and Antamina Promissory Notes are based on expected future principal balances.

The amount expected to be settled under the Antamina Silver Stream within the next year is $4.6 million. Settlements of the Company's stream obligations in 2026 and beyond will be based on the future production of silver (Antamina) and gold (Hod Maden).

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 Company's loan to associate, which bears interest at the credit default swap rate of Türkiye + 4% and the Hod Maden Promissory note which bears interest at SOFR + 2%, commencing from the earlier of January 1, 2029 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 Company's stream obligations.

Other Risks to Horizon

The primary risk factors affecting Horizon are set forth in the Company's Annual Information Form dated March 27, 2024, which is available on www.sedarplus.ca.

Other

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards 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 consolidated financial statements of Horizon for the year ended December 31, 2024 are the same as the key sources of estimation uncertainty disclosed in Note 3 to those consolidated financial statements.

Adoption of New Accounting Standards

In October 2022, the International Accounting Standards Board ("IASB") issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, Classification of Liabilities as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were effective for the year ended December 31, 2024 and adoption of these amendments did not have an effect on the Company's financial statements.

New Accounting Standards and Amendments Issued But Not Yet Effective

The IASB has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 with an effective date for years beginning on or after January 1, 2026 with earlier application permitted. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flows changes are linked to environment, social or governance (ESG) targets).

IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18) is a new standard that will provide new presentation and disclosure requirements and replace International Accounting Standard 1, *Presentation of Financial Statements* (IAS 1). IFRS 18 introduces changes to the structure of the income statement; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

The Company has not yet commenced the evaluation of the impact of these new standards and amendments.

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 year ended December 31, 2024 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 consolidated financial statements and MD&A on SEDAR+ at www.sedarplus.ca.

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 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 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 and the residual amount of equity financing to be provided by the Company; the projected capital costs and development timelines for the Hod Maden Project; SSR Mining’s ability to fulfil its role as operator of the Hod Maden Project, including social and regulatory license to operate; the expectation that the terms of the earn-in milestone payments of SSR Mining's agreement to acquire a 40% operating interest in the Hod Maden Project will be fulfilled, including the related expectation of benefits to the overall development of the project with SSR Mining as the operator; the expected production at Antamina and amount of the Antamina NPI, the intention and ability to increase processing capacity at Antamina and that the investment will be made to extend the extend the mine life and the timing of those investments; the expected timing of underground development on the Entrée/Oyu Tolgoi JV Property and timing and amount of subsequent cash flows attributable to Entrée; the future price and demand of gold, copper, and other metals; the estimation of Mineral Reserves and Mineral Resources; realization of Mineral Reserve estimates, business prospects and strategies; anticipated trends and challenges in Horizon’s business and the markets in which it operates; Horizon's financial position; the expectation that trading on OTCQX will enhance the visibility and accessibility of the Company to U.S. investors 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 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 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 and the residual amount of equity financing to be provided by the Company; the projected capital costs and development timelines for the Hod Maden project; SSR Mining’s ability to fulfil its role as operator of the Hod Maden Project, including social and regulatory license to operate; the expectation that the terms of the earn-in milestone payments of SSR Mining's agreement to acquire a 40% operating interest in the Hod Maden Project will be fulfilled, including the related expectation of benefits to the overall development of the project with SSR Mining as the operator; the expected production at Antamina and amount of the Antamina NPI, the intention and ability to increase processing capacity at Antamina and that the investment will be made to extend the extend the mine life and the timing of those investments; the expected timing of underground development on the Entrée/Oyu Tolgoi JV Property and timing and amount of subsequent cash flows attributable to Entrée; the future price and demand of gold, copper, and other metals; the estimation of Mineral Reserves and Mineral Resources; realization of Mineral Reserve estimates; 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.

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Consolidated Financial Statements

For The Year Ended December 31, 2024

Independent auditor's report

To the Shareholders of Horizon Copper Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Horizon Copper Corp. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of income (loss) for the years then ended;
- the consolidated statements of comprehensive income (loss) for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Eric Talbot.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 13, 2025

Consolidated Statements of Financial Position

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

	Note	December 31, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents		$ 12,221	$ 18,266
Receivables and other current assets		394	2,484
		$ 12,615	**$ 20,750**
Non-Current			
Loans to associate	5	$ 17,789	$ 6,429
Hod Maden and Entrée investments in associates	5	252,645	255,734
Mineral interests	6	229,633	237,332
Deferred financing costs	7	729	–
Total assets		**$ 513,411**	**$ 520,245**
Liabilities			
Current			
Trade and other payables		$ 164	$ 81
Expected settlement of promissory notes	8	2,199	5,757
Expected settlement of stream obligations	9	4,647	4,563
		$ 7,010	**$ 10,401**
Non-Current			
Promissory notes	8	$ 189,439	$ 181,987
Stream obligations	9	368,239	322,478
Total liabilities		**$ 564,688**	**$ 514,866**
Equity			
Share capital	10	$ 37,188	$ 37,102
Reserves		7,838	7,393
Retained deficit		(98,660)	(41,481)
Accumulated other comprehensive income		2,357	2,365
Total equity		**$ (51,277)**	**$ 5,379**
Total liabilities and equity		**$ 513,411**	**$ 520,245**

Subsequent event (Note 15)

On Behalf of the Board: "*Clark Hollands*", Director "*Erfan Kazemi*", Director

Consolidated Statements of Income (Loss)

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

	Note	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenue			
Royalty revenue		$ 12,781	$ 4,054
Depletion	6	7,699	4,536
Gross profit (loss)		**$ 5,082**	**$ (482)**
Operating expenses			
Administration expenses		$ 1,079	$ 987
Stock based compensation		484	370
Financing expenses		–	273
Exploration expenses		97	99
Operating income (loss)		**$ 3,422**	**$ (2,211)**
Other expenses (income)			
Loss on revaluation of stream obligations	9	$ 50,865	$ 20,920
Share of loss in associates	5	3,081	3,730
Gain from change in estimated timing of cash flows of promissory notes	8	(3,491)	(9,289)
Finance expense		11,558	8,428
Finance income		(1,519)	(1,598)
Foreign exchange and other		34	(743)
Net loss before taxes		**$ (57,106)**	**$ (23,659)**
Current income tax expense	11	73	23
Net loss for the year		**$ (57,179)**	**$ (23,682)**
Basic loss per share	10(e)	$ (0.66)	$ (0.29)
Diluted loss per share	10(e)	$ (0.66)	$ (0.29)
Weighted average number of common shares outstanding			
Basic		86,334,195	81,095,502
Diluted		86,334,195	81,095,502

Consolidated Statements of Comprehensive Income (Loss)

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

	Note	Year Ended December 31, 2024	Year Ended December 31, 2023
Net loss for the year		$ (57,179)	$ (23,682)
Other comprehensive loss for the year			
Items that may subsequently be reclassified to net loss:			
Currency translation differences		(8)	(4,830)
Total comprehensive loss for the year		**$ (57,187)**	**$ (28,512)**

Consolidated Statements of Cash Flow

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

Cash flow from (used in):	Note	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating Activities			
Net loss for the year		$ (57,179)	$ (23,682)
Items not affecting cash:			
Depletion expense	6	$ 7,699	$ 4,536
Share-based payments		484	370
Share of loss in associates	5	3,081	3,730
Loss on revaluation of stream obligations	9	50,865	20,920
Gain from change in estimated timing of cash flows of promissory notes	8	(3,491)	(9,289)
Finance expense		11,558	8,428
Unrealized foreign exchange loss (gain) and other		34	(743)
Changes in non-cash working capital	12	145	(308)
		$ 13,196	**$ 3,962**
Investing Activities			
Loans to associate	5	$ (11,360)	$ (6,429)
Proceeds from Hod Maden receivable recorded on acquisition		1,918	6,429
Acquisition of Antamina NPI		–	(18,740)
Proceeds from Antamina NPI receivable recorded on acquisition		–	2,884
		$ (9,442)	**$ (15,856)**
Financing Activities			
Settlement of stream obligations	9	$ (5,020)	$ (2,185)
Interest paid	8	(4,061)	(1,187)
Promissory note repayments	8	–	(4,026)
Proceeds from subscription receipt financing		–	5,058
Share issuance costs		–	(161)
Stock option proceeds		48	35
Deferred financing costs and other		(729)	–
		$ (9,762)	**$ (2,466)**
Effect of exchange rate changes on cash and cash equivalents		(37)	(69)
Net decrease in cash and cash equivalents		$ (6,045)	$ (14,429)
Cash and cash equivalents — beginning of the year		18,266	32,695
Cash and cash equivalents — end of the year		**$ 12,221**	**$ 18,266**

Supplemental cash flow information (Note 12)

Consolidated Statements of Changes in Equity

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

	Note	Number	Amount	Share Options, Warrants and Restricted Share Units	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total
At January 1, 2023		**74,927,903**	**$ 31,269**	**$ 6,518**	**$ (17,799)**	**$ 7,195**	**$ 27,183**
Issuance of units from subscription receipts		8,378,500	4,533	525	–	–	5,058
Share issuance costs		–	(161)	–	–	–	(161)
Issuance of shares as part of asset acquisition		2,329,849	1,406	–	–	–	1,406
Share-based payments		–	–	370	–	–	370
Options exercised		464,000	55	(20)	–	–	35
Total comprehensive loss		–	–	–	(23,682)	(4,830)	(28,512)
At December 31, 2023		**86,100,252**	**$ 37,102**	**$ 7,393**	**$ (41,481)**	**$ 2,365**	**$ 5,379**
Share-based payments		–	–	484	–	–	484
Options exercised	10(c)	334,521	75	(28)	–	–	47
Vesting of restricted share rights		20,000	11	(11)	–	–	–
Total comprehensive loss		–	–	–	(57,179)	(8)	(57,187)
At December 31, 2024		**86,454,773**	**$ 37,188**	**$ 7,838**	**$ (98,660)**	**$ 2,357**	**$ (51,277)**

Notes to the Consolidated Financial Statements

December 31, 2024 | Expressed in U.S. Dollars

1. Nature of Operations

Horizon Copper Corp. 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 net profits interest on the Antamina copper mine in Peru (“Antamina NPI”), a 30% equity interest in the entity which holds the Hod Maden copper-gold project in Türkiye (“Hod Maden”) and an approximate 24% equity stake in Entrée Resources Ltd. (“Entrée”). The acquisition of these assets was partially funded by precious metal streams and promissory notes with Sandstorm Gold Ltd. (“Sandstorm”).

The head office, principal address and registered office of the Company are located at Suite 3200, 733 Seymour Street, Vancouver, British Columbia, V6B 0S6.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on February 13, 2025.

2. Summary of Material Accounting Policies

a) Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards” or “IFRS”).

b) Basis of Presentation

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

The consolidated financial statements are presented in United States dollars (“USD”), which is the Company’s functional currency, and all values are rounded to the nearest thousand except as otherwise indicated.

c) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries (all wholly owned). Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation.

d) Investments in Associates

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor a joint arrangement. The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for its investments in associates using the equity method. Under the equity method, the Company’s investments in associates are initially recognized at cost when acquired and subsequently increased or decreased to recognize the Company’s share of net income and losses of the associate, after any adjustments necessary to give effect to uniform accounting policies, any other movement in the associate’s reserves, and for impairment losses after the initial recognition date. The Company’s share of income and losses of the associate is recognized in net income during the period. Dividends received from the associate are accounted for as a reduction in the carrying amount of the Company’s investment.

At the end of each reporting period, the Company assesses whether there is objective evidence that an investment in associate is impaired. This assessment is made by considering factors such as the progress of development of the mining projects held by the associate, whether there have been any significant adverse changes in the economic or legal environment of the associate and whether there has been any significant or prolonged decline in the fair value of the associate. When there is objective evidence that an investment in associate is impaired, the recoverable amount is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the fair value less costs of disposal and value in use.

An assessment is made at each reporting period to determine whether there is any indication that a previous impairment loss may no longer exist or has decreased. If any indications are present, the carrying amount of the investment in associate is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount had no impairment loss been recognized in previous periods.

e) Mineral Interests

Mineral interests are recorded at cost and capitalized as long-term tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific mineral interest are expensed in the period incurred.

Mineral interests related to producing mines are depleted using the units-of-production method over the life of the property, which is estimated using available information of Proven and Probable Reserves and the portion of Mineral Resources expected to be classified as Mineral Reserves at the mine corresponding to the specific interest.

Evaluation of the carrying values of mineral interests is undertaken when events or changes in circumstances indicate that the carrying values may not be recoverable and at each reporting period. If any indication of impairment exists, the recoverable amount is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the fair value less costs of disposal and value in use.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Fair value less costs of disposal is usually estimated using a discounted cash flow approach. Estimated future cash flows are calculated using estimated production, sales prices, and a discount rate. Estimated production is determined using current Mineral Reserves and the portion of Mineral Resources expected to be classified as Mineral Reserves as well as exploration potential expected to be converted into Mineral Resources. Estimated sales prices are determined by reference to long-term metal price forecasts by analysts and management’s expectations. The discount rate is estimated using a discount rate incorporating analyst views and management’s assessment of the risk profile of the underlying cash flows. Value in use is determined as the present value of future cash flows expected to be derived from continuing use of an asset in its present form. If it is determined that the recoverable amount is less than the carrying value, then an impairment is recognized within net income (loss) immediately.

An assessment is made at each reporting period to determine whether there is any indication that a previous impairment loss may no longer exist or has decreased. If any indications are present, the carrying amount of the mineral interest is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount net of depletion that would have been determined had no impairment loss been recognized for the mineral interest in previous periods.

f) Revenue Recognition

For royalty revenue, the Company has determined that each unit of a commodity that is delivered to a customer under the royalty is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement. In accordance with IFRS 15, the Company recognizes revenue to depict the transfer of the relevant commodity to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those commodities.

For the Antamina NPI royalty, revenue is recognized on an accruals basis and is measured at the fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty agreement. If the Company does not have access to sufficient information to make a reasonable estimate of consideration to which it expects to be entitled, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

When the Company acquired the Antamina NPI, Sandstorm retained a portion of the royalty. Accordingly, the revenue recognized by the Company relates to only the portion of the Antamina NPI that was acquired.

g) Foreign Currency Translation

The functional currency of the Company and its subsidiaries is the principal currency of the economic environment in which they operate. For the Company and its subsidiaries: Hod Maden Holdings Ltd., Mariana Resources Limited, Mariana Turkey Limited and Upper Peninsula Holdings Ltd., the functional currency is USD. For the Entrée Resources investment in associate, the functional currency is CAD.

Transactions in foreign currencies are initially recorded in the entity's functional currency at the rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate as at the reporting date.

h) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, loans to associate, trade and other payables, promissory notes and stream obligations. All financial instruments are initially recorded at fair value and designated as follows:

- Financial assets at amortized cost - cash and cash equivalents, receivables, loans to associate
- Financial liabilities at fair value through profit and loss ("FVTPL") – stream obligations
- Financial liabilities at amortized cost – trade and other payables, promissory notes

The Company's financial assets which are subject to credit risk include cash and cash equivalents, receivables and loans to associate. The Company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost.

Transaction costs on initial recognition of financial instruments classified as FVTPL are expensed as incurred. Transaction costs incurred on initial recognition of financial liabilities classified at amortized costs are offset against the related liability. Transaction costs incurred in connection with the Revolving Facility (Note 7) are amortized over the life of the facility.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled or they expire. On derecognition, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability obtained) is recognized in profit or loss.

i) Stream Obligations

The stream obligations with Sandstorm are derivative liabilities due to the variability caused by changes in future commodity prices and production levels. These liabilities are classified as at fair value through profit (loss) and accordingly, are recorded on the statement of financial position at fair value. Gains and losses on the stream obligations are recorded within the statement of income (loss).

j) Cash and Cash Equivalents

Cash and cash equivalents include cash at bank, demand deposits and money market investments with maturities from the date of acquisition of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value.

k) Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. Deferred tax assets are only recognized if it is probable that they can be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

l) Share Capital and Warrants

The proceeds from the issue of units are allocated between common shares and warrants (with an exercise price denominated in the functional currency of the Company) on a pro-rata basis based on relative fair values at the date of issuance. The fair value of common shares is based on the market closing price on the date the units are issued and the fair value of warrants is determined using the quoted market price or if the warrants are not traded, using the Black-Scholes Model ("BSM") as of the date of issuance. Equity instruments issued to agents as financing costs are measured at their fair value at the date the services were provided. Upon exercise, the original consideration is reallocated from share purchase warrants reserve to issued share capital along with the associated exercise price. Original consideration associated with expired warrants is reallocated to issued share capital.

m) Earnings Per Share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated assuming that outstanding share options and warrants, with an average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year.

n) Share-based Compensation

The Company recognizes share based compensation expense for all share purchase options and restricted share rights ("RSRs") awarded to employees, officers and directors based on the fair values of the share purchase options and RSRs at the date of grant. The fair values of share purchase options and RSRs at the date of grant are expensed over the vesting periods of the share purchase options and RSRs, respectively, with a corresponding increase to equity. The fair value of share purchase options is determined using the BSM with market related inputs as of the date of grant. Share purchase options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The fair value of RSRs is the market value of the underlying shares at the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the Consolidated Statements of Income (Loss).

The BSM requires management to estimate the expected volatility and expected term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. The Company uses its competitor's market data with respect to expected volatility and expected dividend yield to the extent these factors are indicative of the Company's future expectations. The expected term is estimated using historical exercise data, and the number of equity instruments expected to vest is estimated using historical forfeiture data.

o) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

p) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company's operating segments are components of the Company's business for which discrete financial information is available and which are reviewed regularly by the Company's chief operating decision maker, which is the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

q) New and Amended Accounting Standards

ADOPTION OF NEW ACCOUNTING STANDARDS

In October 2022, the International Accounting Standards Board ("IASB") issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, Classification of Liabilities as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments were effective for the year ended December 31, 2024 and adoption of these amendments did not have an effect on the Company's financial statements.

NEW ACCOUNTING STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

The IASB has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 with an effective date for years beginning on or after January 1, 2026 with earlier application permitted. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows (including instruments where cash flows changes are linked to environment, social or governance (ESG) targets).

IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18) is a new standard that will provide new presentation and disclosure requirements and replace International Accounting Standard 1, *Presentation of Financial Statements* (IAS 1). IFRS 18 introduces changes to the structure of the income statement; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

The Company has not yet commenced the evaluation of the impact of these new standards and amendments.

3. Key Sources of Estimation Uncertainty and Accounting Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Key Sources of Estimation Uncertainty

a) Valuation of Stream Obligations

The Company's stream obligations with Sandstorm are financial liabilities which are measured at fair value through profit and loss. The calculation of the fair value at each period end utilizes a discounted cash flow model with a number of non-observable inputs. The key assumptions which impact the fair value of the stream obligations are the estimated number and timing of gold and silver ounces to be delivered under the streams, long term commodity prices and the discount rate. The production profile and Mineral Reserves are based on the information in the Feasibility Study for Hod Maden compiled by qualified persons and assessed by management's experts. The production profile and Mineral Reserves for Antamina are based on the silver produced from the Antamina life of mine plan and Mineral Reserve information published by qualified persons employed by a shareholder of the joint operator. The impact of changes in each of these key assumptions on the value of the stream obligations as at December 31, 2024 are included in Note 9.

b) Attributable Reserves and Resource Estimates

Mineral interests are a significant class of assets of the Company, with a carrying value of $229.6 million at December 31, 2024 (December 31, 2023 — $237.3 million). This amount represents the capitalized expenditures related to the acquisition of the mineral interests net of accumulated depletion and any impairments. The Company estimates the Mineral Reserves and Mineral Resources relating to each interest. Management estimates Mineral Reserves and Mineral Resources based on information compiled by appropriately qualified persons. Mineral Reserves and Mineral Resources are estimates of the amount of minerals that can be economically and legally extracted from the mining properties at which the Company has mineral interests, adjusted where applicable to reflect the Company's percentage entitlement to minerals produced from such mines. The public disclosures of Mineral Reserves and Mineral Resources that are released by the operators of the interests involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. The estimates of Mineral Reserves and Mineral Resources may change based on additional knowledge gained subsequent to the initial assessment. Changes in the estimates of Mineral Reserves or Mineral Resources may impact the carrying value of the Company's mineral interests and depletion charges.

The Company's mineral interests are depleted on a units-of-production basis, with estimated recoverable Mineral Reserves and Mineral Resources being used to determine the depletion rate for each of the Company's mineral interests. These calculations require determination of the amount of recoverable Mineral Resources to be converted into Mineral Reserves. Changes to depletion rates are accounted for prospectively.

Accounting Judgments

a) Impairment of Assets

INVESTMENTS IN ASSOCIATES

There is judgment required to determine whether any indication of impairment exists at the end of each reporting period for the Hod Maden and Entrée investments in associates, including assessing whether there is objective evidence of impairment as a result of loss events such as significant adverse changes in the economic or legal environment of the associate and whether there has been any significant or prolonged decline in the fair value of the associate. For the Entrée investment in associate, where the shares are traded on an active market, management assesses whether there has been any significant or prolonged decline in the value of the shareholding at each period end. No impairment indicators were identified as at December 31, 2024.

MINERAL INTERESTS

There is judgment required to determine whether any indication of impairment exists at the end of each reporting period for each mineral interest including assessing whether there are observable indications that the asset's value has declined during the period. Management uses judgment when assessing whether there are indicators of impairment, such as significant changes in future commodity prices, discount rates, operator Mineral Reserve and Mineral Resource estimates or other relevant information received from the operators that indicates production from mineral interests will not likely occur or may be significantly reduced in the future. No impairment indicators were identified as at December 31, 2024.

4. Financial Instruments

Capital Risk Management

The Company manages its capital such that it endeavors to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. At December 31, 2024, the capital structure of the Company consists of $(51.3) million (2023 — $6.0 million) of equity attributable to common shareholders, comprising issued share capital (Note 10), reserves, retained deficit and accumulated other comprehensive income (loss). The Company was not subject to any externally imposed capital requirements as at December 31, 2024. The Company is required to comply with certain covenants under the Revolving Facility in order for the facility to be available (Note 7). The Company was in compliance with the debt covenants as at December 31, 2024.

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 in markets (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 December 31, 2024 and December 31, 2023.

As at December 31, 2024:

In $000s	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Current liabilities				
Expected settlement of stream obligations	$ 4,647	$ –	$ –	$ 4,647
Non-current liabilities				
Stream obligations	$ 368,239	$ –	$ –	$ 368,239
	$ 372,886	**$ –**	**$ –**	**$ 372,886**

As at December 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)
Current liabilities				
Expected settlement of stream obligations	$ 4,563	$ –	$ –	$ 4,563
Non-current liabilities				
Stream obligations	$ 322,478	$ –	$ –	$ 322,478
	$ 327,041	**$ –**	**$ –**	**$ 327,041**

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 December 31, 2024 and December 31, 2023 due to their short-term nature. The fair value of the loans to associate, which is measured using level 2 inputs, approximates its carrying value due the absence of significant changes in the associate's overall risk profile. The fair value of the Hod Maden Promissory Note was $55.3 million as at December 31, 2024 ($69.6 million — December 31, 2023) based on a discounted cash flow model which utilized level 2 inputs. The fair value of the Antamina Promissory Note was $116.4 million as at December 31, 2024 ($122.3 million — December 31, 2023) 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 year ended December 31, 2024 and the year ended December 31, 2023.

a) Credit Risk

The Company's credit risk is limited to cash and cash equivalents, the loan to associate and the amount of any receivable outstanding at period end from the Antamina NPI which is paid by a subsidiary of Teck Resources Limited. 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.

b) 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 December 31, 2024, the Company had cash and cash equivalents of $12.2 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.

The Company can access up to $30 million, plus an uncommitted accordion of up to $20 million, under its Revolving Facility (Note 7). Amounts drawn on the Revolving Facility are subject to interest at SOFR plus a variable spread of between 2.50%–3.75%. No amounts had been drawn under the Revolving Facility as at December 31, 2024.

Under the terms of the Hod Maden Promissory Note with Sandstorm, the Company can also access up to $150 million, in certain circumstances, under a revolving credit facility. Interest is payable quarterly at a rate of the greater of (a) Secured Overnight Financing Rate ("SOFR") + 2.0%; or (b) the cost of funds of Sandstorm under its revolving credit facility, commencing the earlier of (a) January 1, 2029; or (b) when Horizon receives dividends from its investment in Hod Maden. No amounts had been drawn under this facility as at December 31, 2024.

The following table shows the Company's undiscounted contractual obligations as they fall due as at December 31, 2024 and December 31, 2023:

In $000s	Within 1 year	2-5 years	Over 5 years	Total Dec. 31, 2024	Total Dec. 31, 2023
Accounts payable	$ 164	$ –	$ –	$ 164	$ 81
Promissory notes[1]	1,186	26,460	212,419	240,065	240,065
Promissory note interest[2]	4,050	20,089	35,177	59,316	54,486
	$ 5,400	**$ 46,549**	**$ 247,596**	**$ 299,545**	**$ 294,632**

1) Amounts payable within the next five years are estimated based on assumptions of expected future proceeds from the Antamina NPI.
2) As the applicable interest rate for the Hod Maden Promissory Note is floating in nature, the interest charges are estimated based on market forward interest rate curves at the end of the reporting period. Promissory note interest for both the Hod Maden and Antamina Promissory Notes are based on expected future principal balances.

The amount expected to be settled under the Antamina Silver Stream within the next year is $4.6 million. Settlements of the Company's stream obligations in 2026 and beyond will be based on the future production of silver (Antamina) and gold (Hod Maden) as described in Note 9.

c) Market Risk

CURRENCY RISK

The Company does not have any financial instruments denominated in currencies other than USD that materially impact its net income (loss).

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 cash flow interest rate risk through the Company's loan to associate, which bears interest at the credit default swap rate of Türkiye + 4% and the Hod Maden Promissory note which bears interest at SOFR + 2%, commencing from the earlier of January 1, 2029 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 stream obligations.

5. 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		(1,454)		(2,276)		(3,730)
Company's share of other comprehensive loss of associate		–		(180)		(180)
Currency translation adjustments		–		710		710
At December 31, 2023	**$**	**225,613**	**$**	**30,121**	**$**	**255,734**
Company's share of net loss of associate		(536)		(2,545)		(3,081)
Company's share of other comprehensive loss of associate		–		(8)		(8)
At December 31, 2024	**$**	**225,077**	**$**	**27,568**	**$**	**252,645**

a) Hod Maden Interest

The Company has a 30% equity interest in Artmin Madencilik Sanayi ve Ticaret A.S ("Artmin"), privately incorporated in Türkiye which owns the Hod Maden project.

As at December 31, 2024, the Company had advanced $17.8 million (including $11.4 million advanced during the year ended December 31, 2024) of shareholder loans to fund the Company's share of cash calls for ongoing development costs at Hod Maden. The loans bear interest at 4% plus the credit default swap rate of Türkiye at the start of each quarterly period and have five-year terms.

Summarized financial information for the Company's investment in Artmin, on a 100% basis and reflecting adjustments made by the Company, including fair value adjustments made at the time of acquisition is as follows:

In $000s		Year Ended December 31, 2024		Year Ended December 31, 2023
Administration expenses	$	(133)	$	(848)
Other expenses		(1,785)		(4,009)
Other income		134		13
Net loss		(1,784)		(4,844)
Company's share of net loss of associate	**$**	**(536)**	**$**	**(1,454)**

In $000s		December 31, 2024		December 31, 2023
Current assets	$	5,072	$	11,126
Non-current assets		97,936		52,454
Total assets	$	103,008	$	63,580
Current liabilities	$	4,458	$	1,709
Non-current liabilities		60,300		21,836
Total liabilities	$	64,758	$	23,545
Net Assets	**$**	**38,250**	**$**	**40,035**
Company's share of net assets of associate	$	11,475	$	12,011
Fair value adjustment on acquisition		213,602		213,602
Carrying amount of investment in associate	**$**	**225,077**	**$**	**225,613**

b) Entrée Resources Ltd.

The Company holds a position in Entrée Resources Ltd. ("Entrée"), a public Canadian mining company with a carried joint venture interest in the Hugo North Extension and Heruga deposits located in Mongolia. As at December 31, 2024, this position represents approximately 24% of the common shares of Entrée on a non-diluted basis. Using the quoted price of Entrée's common shares, the fair value of the Company's interest was $83.9 million (CAD120.7 million) as at December 31, 2024 and $44.7 million (CAD59.1 million) as at December 31, 2023.

Due to the fact that Entrée's financial statements are typically not publicly available at the time the Company files its financial statements, the share of Entrée's results are recognized using a reporting period which is three months prior to that of the Company.

Summarized financial information for the Company's investment in Entrée (using a reporting period which is three months prior to that of the Company), on a 100% basis and reflecting adjustments made by the Company, including fair value adjustments made at the time of acquisition is as follows:

In $000s		12 Months Ended September 30, 2024[1]		12 Months Ended September 30, 2023[1]
Administration expenses	$	4,723	$	4,308
Other expenses		5,700		4,845
Net loss		10,423		9,153
Company's share of net loss of associate	**$**	**2,545**	**$**	**2,276**

1) Derived by adding the results for the three months ended December 31, 2023 and December 31, 2022 to those from the nine months ended September 30, 2024 and September 30, 2023, respectively.

In $000s	September 30, 2024	September 30, 2023
Current assets	$ 3,745	$ 7,200
Non-current assets	727	775
Total assets	$ 4,472	$ 7,975
Current liabilities	$ 205	$ 319
Non-current liabilities	74,521	68,598
Total liabilities	$ 74,726	$ 68,917
Net Assets	**$ (70,254)**	**$ (60,942)**
Company's share of net assets of associate	$ (17,158)	$ (14,940)
Fair value adjustment on acquisition and other adjustments	44,726	45,061
Carrying amount of investment in associate	**$ 27,568**	**$ 30,121**

6. Mineral Interests

The following table summarizes the changes in the carrying amount of the Company's mineral interests as of December 31, 2024:

	Cost			Accumulated Depletion			
In $000s	Jan. 1, 2024	Net Additions (Disposals)	Dec. 31, 2024	Jan. 1, 2024	Depletion	Dec. 31, 2024	Carrying Amount
Antamina NPI, Peru	$ 241,456	$ –	$ 241,456	$ 4,536	$ 7,699	$ 12,235	$ 229,221
Peninsula Project, USA	412	–	412	–	–	–	412
Total	$ 241,868	$ –	$ 241,868	$ 4,536	$ 7,699	$ 12,235	$ 229,633

The following table summarizes the changes in the carrying amount of the Company's mineral interests as of December 31, 2023:

	Cost			Accumulated Depletion			
In $000s	Jan. 1, 2023	Net Additions (Disposals)	Dec. 31, 2023	Jan. 1, 2023	Depletion	Dec. 31, 2023	Carrying Amount
Antamina NPI, Peru	$ –	$ 241,456[1]	$ 241,456	$ –	$ 4,536	$ 4,536	$ 236,920
Peninsula Project, USA	412	–	412	–	–	–	412
Total	$ 412	$ 241,456	$ 241,868	$ –	$ 4,536	$ 4,536	$ 237,332

1) Includes a $1.3 million adjustment related to the actual amount received in excess of the estimated Antamina royalty receivable acquired on June 15, 2023.

7. Revolving Facility and Deferred Financing Costs

On September 9, 2024, Horizon entered into a revolving credit agreement with National Bank of Canada and The Bank of Nova Scotia allowing the Company to borrow up to $30 million with an additional uncommitted accordion of up to $20 million, for total potential availability of up to $50 million (the "Revolving Facility"). The Revolving Facility has a term of four years, maturing in September 2028 and is extendable subject to approval by the lenders. The Revolving Facility is for future asset acquisitions, the Company's funding requirements related to the development of the Hod Maden project and general corporate purposes. As of December 31, 2024, there was no amount drawn on the Revolving Facility.

The amounts drawn on the Revolving Facility are subject to interest at SOFR plus 2.50%–3.75% per annum, and the undrawn portion of the Revolving Facility is subject to a standby fee of 0.56%–0.84% per annum, both of which are dependent on the Company's leverage ratio.

The Company is required to maintain a leverage ratio of net debt divided by EBITDA (as defined in the Revolving Facility) of less than or equal to 4.00:1.00, and an interest coverage ratio of greater than or equal to 3.00:1.00 for each fiscal quarter. In both cases, the calculations exclude amounts related to all existing obligations held by Sandstorm. The Company is also required to maintain a total interest coverage ratio of greater than or equal to 1.10:1.00 for each fiscal quarter. The Company was in compliance with the debt covenants as at December 31, 2024.

The Revolving Facility is secured against the Company's assets, including the Company's mineral property interests and investments.

Deferred financing costs are amortized on a straight-line basis over the term of the Revolving Facility. At December 31, 2024, deferred financing costs, net of accumulated amortization, were $0.7 million (December 31, 2023 — nil).

8. Promissory Notes

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

In $000s		Antamina Promissory Note		Hod Maden Promissory Note		Total
At December 31, 2022	$	–	$	71,163	$	71,163
Additions		122,745		–		122,745
Impact of change in estimated timing of cash flows		(862)		(8,427)		(9,289)
Interest and principal payments		(5,214)		–		(5,214)
Accretion expense		3,796		4,633		8,429
Currency translations adjustments		–		(90)		(90)
At December 31, 2023	**$**	**120,465**	**$**	**67,279**	**$**	**187,744**
Impact of change in estimated timing of cash flows		706		(4,197)		(3,491)
Interest payments		(4,061)		–		(4,061)
Accretion expense		6,961		4,485		11,446
At December 31, 2024	**$**	**124,071**	**$**	**67,567**	**$**	**191,638**
Current portion	$	2,199	$	–	$	2,199
Long term portion		121,872		67,567		189,439
Total	**$**	**124,071**	**$**	**67,567**	**$**	**191,638**

Antamina Promissory Note

The Antamina Promissory Note had an original principal amount of $149.1 million, of which $145.1 million remains outstanding as of December 31, 2024 ($145.1 million — December 31, 2023). Interest on $135 million of the Antamina Promissory Note is to be paid quarterly at 3% with the remaining $10.1 million principal amount being interest-free. Any excess cash flow from the Antamina NPI, after satisfying the silver stream and interest payments on the Antamina Promissory Note, will be used to repay principal on the promissory note and reduce the Company's debt, unless it is agreed with Sandstorm that these amounts can be retained and used for other corporate purposes. If there has been a change in the equity of Horizon, the Antamina 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. As at December 31, 2024, the holder owned 34% of the Company's outstanding common shares (34% — December 31, 2023). Horizon also has the option to settle the Antamina Promissory Note by issuing common shares based on the VWAP if it is above a floor of CAD0.60. The Antamina Promissory Note matures on June 15, 2033 and is secured against the Company's interest in the Antamina NPI.

Hod Maden Promissory Note

The Hod Maden Promissory Note has a principal amount of $95 million and currently bears no interest. Interest on the Hod Maden Promissory Note is to be paid quarterly at SOFR + 2% commencing on the earlier of (i) January 1, 2029; or (ii) when Horizon receives dividends from its investment in Hod Maden. If there has been a change in the equity of Horizon, 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 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. As at December 31, 2024, the holder owned 34% of the Company's outstanding common shares (34% — December 31, 2023). Horizon also has the option to settle the Hod Maden Promissory Note by issuing common shares based on the VWAP if it is above a floor of CAD0.60. The Hod Maden Promissory Note matures on August 31, 2032; however, if the Hod Maden Project does not enter into commercial production by December 31, 2026, the Company has the option to defer the maturity date by up to two years to August 31, 2034. The Hod Maden Promissory Note is secured against the Company's interest in the Hod Maden Project and investment in Entrée.

9. Stream Obligations

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

In $000s		Antamina Silver Stream		Hod Maden Gold Stream		Total
At December 31, 2022	$	–	$	202,219	$	202,219
Acquisition of Antamina NPI		101,449		–		101,449
Stream deliveries		(2,185)		–		(2,185)
Change in fair value of stream obligations		1,842		19,078		20,920
Currency translation adjustments		30		4,608		4,638
At December 31, 2023	**$**	**101,136**	**$**	**225,905**	**$**	**327,041**
Stream deliveries		(5,020)		–		(5,020)
Change in fair value of stream obligations		24,771		26,094		50,865
At December 31, 2024	**$**	**120,887**	**$**	**251,999**	**$**	**372,886**
Current portion	$	4,647	$	–	$	4,647
Long term portion		116,240		251,999		368,239
Total	**$**	**120,887**	**$**	**251,999**	**$**	**372,886**

Antamina Silver Stream

As part of the consideration for the acquisition of the Antamina NPI from Sandstorm, Horizon entered into a silver purchase agreement (silver stream) whereby it will be required to sell and deliver refined silver in the amount of 1.66% of the produced silver from the Antamina property. Sandstorm will pay 2.5% of the London Bullion Market Association ("LBMA") quoted price of silver for each ounce of silver delivered. There are no obligations for Horizon to sell and deliver silver ounces under the silver stream should there be no production from the Antamina mine.

The key assumptions used to determine the fair value of the silver stream as at December 31, 2024 include the production profile based on the Antamina life of mine plan and reserve information published by qualified persons employed by a shareholder of the joint operator, silver prices using the forward curve (estimates ranged from $29.56 to $46.08 per ounce) and the discount rate. Changes in each of these key assumptions would have the following impact on the value of the stream obligation as at December 31, 2024:

Key assumption	Sensitivity applied to key assumption		In $000s Impact on value of stream liability
Production profile and mineral reserves	5% increase in estimated number of silver ounces	$	5,274
Silver price — forward curve	$1/oz increase in silver price		3,180
Discount rate	0.25% increase to discount rate		(2,832)

Hod Maden Gold Stream

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 LBMA quoted price of gold for each ounce of gold delivered (for the first 405,000 ounces) and 60% of the LBMA 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.

The key assumptions used to determine the fair value of the gold stream as at December 31, 2024 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 (estimates ranged from $2,692 to $4,218 per ounce) and the discount rate. Changes in each of these key assumptions would have the following impact on the value of the stream obligation as at December 31, 2024:

Key assumption	Sensitivity applied to key assumption		In $000s Impact on value of stream liability
Production profile and mineral reserves	5% increase in estimated number of gold ounces	$	7,465
Gold price — forward curve	$100/oz increase in gold price		7,169
Discount rate	0.25% increase to discount rate		(5,012)

10. 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. 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	36,740,163	0.79
Issued in connection with private placement	4,189,250	1.10
Warrants outstanding at December 31, 2023 and December 31, 2024	**40,929,413**	**0.82**

In June 2023, the Company issued 4,189,250 warrants with a weighted average exercise price of CAD1.10 and a fair value of CAD0.7 million or CAD0.17 per warrant. The fair value of the warrants granted was determined using a BSM using the following weighted average assumptions: grant date share price of CAD0.80, expected volatility of 37.2%, risk-free interest rate of 3.71%, dividend yield of 0%, and an expected life of 4 years. Expected volatility was determined by considering the trailing 5 year historical average share price volatility of similar companies in the same industry and business model.

The weighted average remaining contractual life of the warrants as at December 31, 2024 was 2.59 years (year ended December 31, 2023 — 3.59 years).

A summary of the Company's warrants as of December 31, 2024 is as follows:

Date of expiry	Number outstanding	Exercisable	Exercise price per warrant (CAD)	Weighted average exercise price per warrant (CAD)[1]
July 2025	1,144,570	1,144,570	0.35	0.35
September 2027	35,595,593	35,595,593	0.80	0.80
June 2027	4,189,250	4,189,250	1.10	1.10
	40,929,413	**40,929,413**		**0.82**

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

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 10 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.

In June 2023, the Company granted 3,850,000 options with a weighted average exercise price of CAD0.80 and a fair value of CAD1.2 million or CAD0.31 per option. The fair value of the options granted was determined using a BSM using the following weighted average assumptions: grant date share price and exercise price of CAD0.80, expected volatility of 37.2%, risk-free interest rate of 3.71%, dividend yield of 0%, and an expected life of 5 years. Expected volatility was determined by considering the trailing 5 year historical average share price volatility of similar companies in the same industry and business model.

A summary of changes in stock options outstanding for the year is as follows:

	Number of options	Weighted average exercise price per share (CAD)
Options outstanding at December 31, 2022	798,521	0.14
Exercised	(464,000)	0.10
Granted	3,850,000	0.80
Options outstanding at December 31, 2023	**4,184,521**	**0.75**
Exercised	(334,521)	0.19
Options outstanding at December 31, 2024	**3,850,000**	**0.80**

The weighted average remaining contractual life of the options as at December 31, 2024 was 3.46 years (year ended December 31, 2023 — 4.16 years). The weighted average share price, at the time of exercise, for those share options that were exercised during the year ended December 31, 2024 was CAD0.70 per share (year ended December 31, 2023 — CAD0.55 per share).

Details of stock options outstanding as of December 31, 2024 are as follows:

Date of expiry	Number outstanding	Vested	Exercise price per option (CAD)	Weighted average exercise price per option (CAD)[1]
June 2028	3,850,000	1,283,334	0.80	0.80

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 rights (“RSRs”) 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 8,610,025 restricted share rights, of which 6,962,555 were available for grant as at December 31, 2024.

In December 2024, the Company granted 1,240,000 RSRs with a grant date fair value of CAD1.0 million, a three year vesting term, and a weighted average grant date fair value of CAD0.80 per unit. As at December 31, 2024 the Company had 1,570,000 RSRs outstanding (December 31, 2023 — 350,000 RSRs).

e) Earnings Per Share

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

In $000s (except for shares and per share amounts)	Year Ended December 31, 2024	Year Ended December 31, 2023
Net loss for the year	$ (57,179)	$ (23,682)
Basic weighted average number of shares	86,334,195	81,095,502
Basic loss per share	**$ (0.66)**	**$ (0.29)**
Effect of dilutive securities		
Stock options	–	–
Warrants	–	–
Restricted share rights	–	–
Diluted weighted average number of common shares	86,334,195	81,095,502
Diluted loss per share	**$ (0.66)**	**$ (0.29)**

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 years ended December 31, 2024 and December 31, 2023:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Stock options	3,850,000	2,109,589
Warrants	40,929,413	37,891,072
Restricted share rights	401,148	–

The Company has a net loss for the year ended December 31, 2024; however, if the Company had net earnings, 82,074 stock options, 602,307 warrants and 249,171 RSRs would have been included in the computation of diluted weighted average number of common shares as they would have been dilutive (381,739 stock options, 571,518 warrants and 56,365 RSRs in the comparable period).

11. Income Taxes

The income tax expense differs from the amount that would result from applying the federal and provincial income tax rate to the net income before income taxes.

These differences result from the following items:

In $000s		**Year Ended December 31, 2024**		**Year Ended December 31, 2023**
Loss before income taxes	$	(57,106)	$	(23,659)
Canadian federal and provincial income tax rates		27 %		27 %
Income tax recovery based on the above rates	**$**	**(15,419)**	**$**	**(6,388)**
Increase due to:				
Non-deductible expenses and permanent differences		121		62
Change in unrecognized temporary differences and other		15,371		6,349
Income tax expense	**$**	**73**	**$**	**23**

Deferred Income Taxes

The Company's deferred income taxes are as follows:

In $000s	Year Ended December 31, 2024	Year Ended December 31, 2023
Deferred Income Tax Assets (Liabilities)		
Non-capital losses	$ 3,003	$ 1,773
Investment in associate	(401)	(754)
Stream obligation	23,552	9,811
Promissory note	444	(82)
Other	(1,344)	82
Total unrecognized deferred income tax assets	**$ 25,254**	**$ 10,830**

The Company has deductible unused tax losses, for which a deferred tax asset has not been recognized, expiring as follows:

In $000s	Location	Amount	Expiration
Non-capital loss carry-forwards	Canada	$ 11,035	2038–2043

No deferred tax asset is recognized in respect of these items because it is not probable that future taxable capital gains or taxable income will be available against which the Company can utilize the benefit.

12. Supplemental Cash Flow Information

In $000s	Year Ended December 31, 2024	Year Ended December 31, 2023
Change in non-cash working capital:		
Trade receivables and other	$ 171	$ (248)
Trade and other payables	(26)	(60)
Net increase (decrease) in cash	**$ 145**	**$ (308)**
Significant non-cash transactions:		
Common shares issued as part of the Antamina NPI asset acquisition	$ –	$ 1,406
Stream obligation assumed as part of the Antamina NPI asset acquisition	–	101,449
Promissory note assumed as part of the Antamina NPI asset acquisition	–	122,745
Other:		
Interest received	$ 1,309	$ 1,452

13. 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 amounts related to the promissory notes and stream obligations with Sandstorm are set out in Notes 8 and 9.

The Company has entered into a services agreement with Sandstorm for CAD6,500 per month for general administrative services including rent and other shared office costs. The amount outstanding related to this agreement as at December 31, 2024 was CAD19,500. In addition, during the year ended December 31, 2024, the Company received $0.2 million from Sandstorm to reimburse the Company for costs incurred on Sandstorm's behalf in connection with corporate reorganizations following the acquisition of the Hod Maden asset.

Entrée is a related party as a result of the Company having significant influence through its approximate 24% interest in Entrée. There were no transactions with Entrée during the year.

Artmin, the entity which holds the Hod Maden project, is a related party as a result of the Company having significant influence through its indirect 30% ownership interest. The transactions with Artmin during the year are set out in Note 5.

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		Year Ended December 31, 2024		Year Ended December 31, 2023
Salaries and benefits	$	323	$	170[1]
Share-based payments		445		370
Total key management compensation expense	**$**	**768**	**$**	**540**

1) Includes a recharge of CAD30,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to June 2023.

14. Segmented Information

The Company's reportable operating segments are the Antamina NPI mineral interest and the investments in Hod Maden and Entrée. All of the Company's revenue and depletion is generated from the Antamina NPI and details of the amounts related to the investments in Hod Maden and Entrée and the Antamina NPI are included in Notes 5 and 6 respectively.

15. Subsequent Event

In January 2025, the Company, through its wholly owned subsidiary, 1363013 B.C. Ltd., subscribed to 625,202 units in Entrée via a non-brokered private placement at a price of CAD2.21 per unit for total consideration of CAD1.4 million. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the Company to purchase one additional common share of Entrée at a price of CAD3.00 per share for a period of two years following the date of issuance. The acquisition of the shares in this private placement maintains the Company's current proportionate interest in Entrée.