

Horizon Minerals Limited: Positive Cannon Mine Results and Feasibility Study Update

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Perth, Australia - [Horizon Minerals Ltd.](#) (ASX:HRZ) is pleased to announce the results of the Cannon Pre-Feasibility Study ("PFS" or "Study") including a maiden Ore Reserve. The 100% owned Cannon gold project is located 30km east-southeast of Kalgoorlie-Boulder in the heart of the Western Australian goldfields (Figure 1*).

The high-grade Cannon underground gold project was acquired as part of the Bulong South, Glandore and Cowarna project acquisition completed in October 2021 for \$5 million in cash. The project includes an historic open pit mined in 2017 and is located 10km east of the proposed Boorara mill site via existing roads. Cannon is also close to other existing milling facilities, with the Lakewood plant being only 17km by road to the east.

HIGHLIGHTS

- Review of early production opportunities completed with the Cannon underground project prioritised and the Penny's Find and Rose Hill underground projects under assessment for potential sequential development
- The Mineral Resource Estimate for Cannon underground stands at:
 - o 226kt grading 4.4g/t Au for 32,330oz at a 1.0g/t Au lower cut-off grade
- Pre-Feasibility Study has now been completed for Cannon demonstrating positive economic results including the following:
 - o Maiden Ore Reserve of 135kt grading 4.1g/t Au for 17,680oz
 - o Underground decline development from a portal within the historic open pit
 - o Ore processing at the Lakewood toll mill at 90% recovery produces 15,900oz
 - o Upfront capital costs of A\$4.3m
 - o AISC of A\$1,873/oz using contract mining and haulage
 - o Generates net cash flow of A\$10.1m over 16-month life at A\$2,600/oz
- Significant potential for resource growth down plunge and along strike on the Cannon shear zone with further drilling planned from both surface and underground drilling locations
- Development decision for Cannon expected in the June Quarter 2022 with potential for first gold production in the first half of 2023
- Toll milling development studies to be conducted in parallel with resource extension and new discovery drilling including testing multi-commodity potential at Golden Ridge and Yarmany
- Consolidated Feasibility Study placed on hold due to significant short-term volatility in capital and operating costs due to labour shortages, materials cost inflation and supply shortages
- Technical and approvals workstreams to continue to support a future consolidated development strategy and enable study recommencement when cost volatility reduces
- Concurrent toll milling strategy using contract mining and third-party processing infrastructure carries lower risk given the close proximity to existing infrastructure and previous success, and will continue to be pursued to generate cash and de-risk development

Commenting on the Cannon project and update, Horizon Managing Director Mr Jon Price said:

"We commenced the consolidated Feasibility Study for a standalone development centred around our baseload Boorara project near Kalgoorlie at the onset of the global pandemic. Our team and our potential contracting partners and suppliers have done an excellent job in managing the operating challenges and we have continued to run our business without interruption.

"Unfortunately, we've seen inflation and volatility in cost estimates increase materially since the second half of last year to a point where we now believe too much risk and potential for value destruction exists making it reckless to pursue a large-scale development in such an uncertain operating environment.

"We are fortunate to have a +1.1 million ounce resource within close proximity to the mining centre of Kalgoorlie-Boulder which provides significant opportunity and flexibility. Our location gives us the opportunity to monetise low tonnage high grade assets through a contract mining and toll milling model as we have done successfully in the past.

"The results of the Cannon underground Pre-Feasibility Study demonstrate the ability to produce solid cash flow of an estimated \$10.1 million over five quarters with a proven and relatively low risk operating strategy.

"By maintaining our technical and approval workstreams for the consolidated development we retain the ability to quickly update and finalise the feasibility work when more predictability returns to the cost, labour and material supply environment. We will also continue to evaluate other business development opportunities to facilitate the larger scale development in a lower risk way.

"We now look forward to continuing our drilling program and advancing the project to a development decision in coming months, completing mining studies on Penny's Find and Rose Hill to deliver a potential sequence of underground projects and testing the depth and strike extensions at Cannon."

*To view tables and figures, please visit:
<https://abnnewswire.net/Ink/8C9527LD>

About Horizon Minerals Limited:

[Horizon Minerals Ltd.](#) (ASX:HRZ) is a gold exploration and mining company focussed on the Kalgoorlie and Menzies areas of Western Australia which are host to some of Australia's richest gold deposits. The Company is developing a mining pipeline of projects to generate cash and self-fund aggressive exploration, mine developments and further acquisitions. The Teal gold mine has been recently completed.

Horizon is aiming to significantly grow its JORC-Compliant Mineral Resources, complete definitive feasibility studies on core high grade open cut and underground projects and build a sustainable development pipeline.

Horizon has a number of joint ventures in place across multiple commodities and regions of Australia providing exposure to Vanadium, Copper, PGE's, Gold and Nickel/Cobalt. Our quality joint venture partners are earning in to our project areas by spending over \$20 million over 5 years enabling focus on the gold business while maintaining upside leverage.

Source:
[Horizon Minerals Ltd.](#)

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