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INTENTION TO DEMERGE AND PROGRESS AN IPO FOR THE RICHMOND – JULIA CREEK VANADIUM PROJECT

HIGHLIGHTS

- Strategic review identifies potential to unlock greater value for Horizon shareholders via a demerger, IPO and ASX listing of the Richmond – Julia Creek oxide vanadium project
- Horizon has executed a Process Deed with joint venture partner Richmond Vanadium Technology Pty Ltd ("RVT") where both companies have agreed to work to progress a transaction currently anticipated to include[1]:
    - the restructuring of the respective project ownership interests into a dedicated incorporated vehicle holding 100% of the project ("IPO Vehicle") with shares initially held by Horizon (25%) and the existing shareholders of RVT (75%)
    - establishment of a high-quality Board and executive team for the IPO Vehicle
    - an in-specie distribution of a portion of Horizon's shares in the IPO Vehicle to Horizon shareholders
    - an IPO of new shares in the IPO Vehicle and application to list on the ASX with priority to invest in the IPO given to existing Horizon shareholders
- Completion of transaction documents expected in the March Quarter 2022, enabling the IPO Vehicle to seek an ASX listing in the June Quarter 2022 [1]
- Further details on the transaction and timing will be provided in the March Quarter 2022 [1]
- The 1.8Bt Richmond – Julia Creek oxide vanadium project is located 45km north-west of Richmond in Northwest Queensland and includes the advanced Lilyvale deposit [2]
- Lilyvale is now progressing to DFS and capable of producing globally significant supply of 98% V_2O_5 product to both the steel and emerging green energy storage markets [2]
- Completion of the DFS is targeted for the second half 2022, with significant interest received from potential offtake partners[1]

Commenting on the vanadium project, Horizon Managing Director Mr Jon Price said [1]:

"The Richmond – Julia Creek oxide vanadium project is a world class asset with the strategic review clearly demonstrating greater potential shareholder value by demerging the Company's 25% interest into a dedicated vehicle with devoted technical, human and financial resources that the project deserves as it advances to DFS level in 2022."

"The Company is eager to provide existing Horizon shareholders the opportunity to participate in, and realise the inherent long-term value, of this exciting project. RVT have done an excellent job to complete several rounds of metallurgical tests leading to a complete processing flow sheet and a positive PFS at a time of significant interest in vanadium as a future green energy storage solution. Further details on the transaction will be provided in coming months and we look forward to advancing the project for the benefit of all stakeholders and the local, state and national economies."

[1] See Forward Looking and Cautionary Statement on Page 7. [2] As announced to the ASX on 17 August 2021.

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Overview

Horizon Minerals Limited (ASX: HRZ) ("Horizon" or the "Company") is pleased to announce the execution of a Process Deed with joint venture partner RVT to progress the ownership restructure, IPO and ASX listing of the Richmond-Julia Creek Vanadium Project (the "Project"). This follows a strategic review undertaken by each party in respect of the Project.

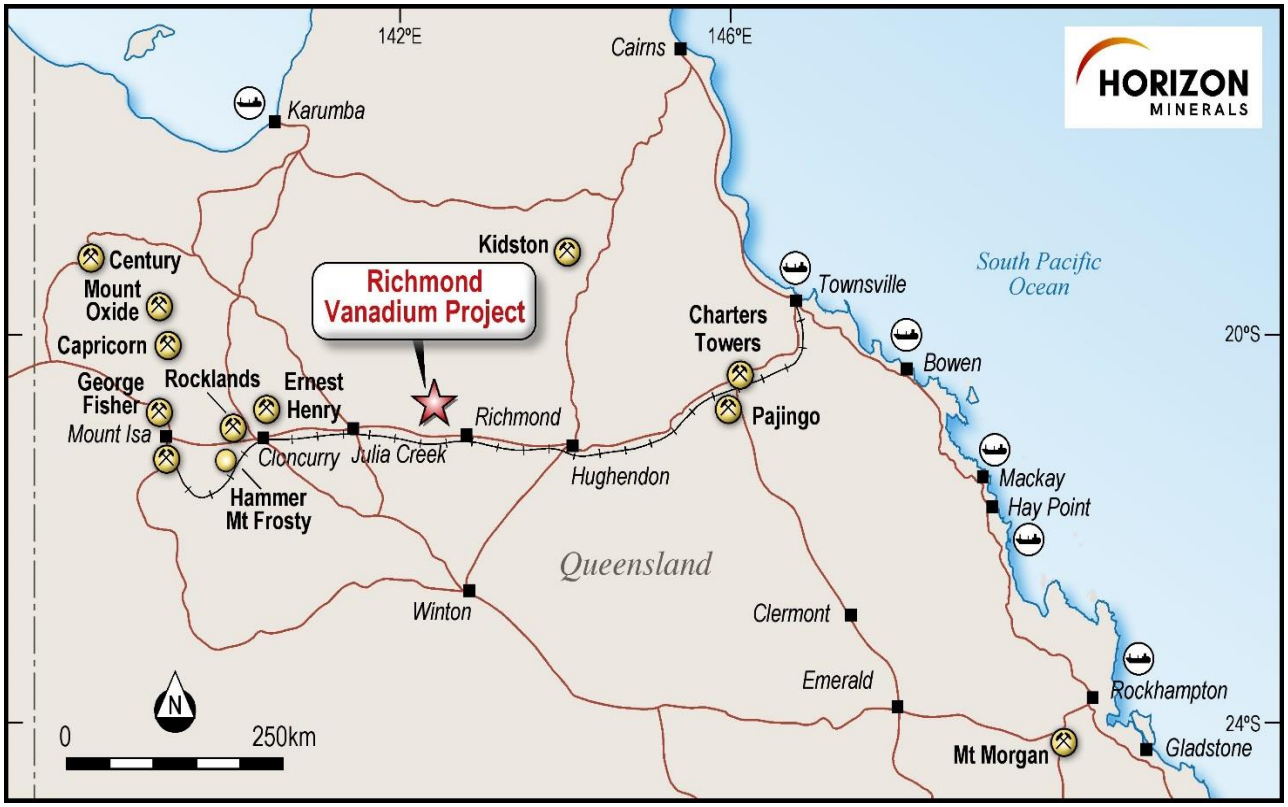


Figure 1: Richmond – Julia Creek Vanadium Project location and surrounding infrastructure

The Project is located approximately 45km northwest of Richmond in Northwest Queensland (Figure 1). Richmond is a regional service town situated 500km by road to the west of Townsville and 400km east of the mining town of Mt Isa.

In December 2016, the Company entered a strategic development Joint Venture ("JV") with RVT covering Horizon's 100% interest in the Project (Figure 2) [1].

RVT completed the initial earn in period in March 2018 and recently completed the second stage expenditure commitment over three years inclusive of a Feasibility Study to earn a further 50% interest in the project, with Horizon retaining a 25% interest.

As announced to the ASX on 17 August 2021, RVT completed the Pre-Feasibility Study on the advanced Lilyvale deposit with strong economic results. The Study included extensive metallurgical test work and a complete processing flowsheet design. The JV agreed to advance the Project to DFS with targeted completion in 2022 [2].

[1] As announced to the ASX on 13 December 2016. [2] See Forward Looking and Cautionary Statements on Page 7.

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Process Deed

Horizon and RVT have now entered into a Process Deed under which they have acknowledged that a restructuring of their interests in, and an IPO of, the Project represents their mutually preferred strategic approach to achieve their objectives for the Project (including procurement of funding for its advancement and achieving an appropriate management and governance structure).

Under the Process Deed, Horizon and RVT have agreed to progress a transaction currently anticipated to include:

- the restructuring of the ownership in the Project (which at present take the form of interests in an unincorporated joint venture) into an incorporated structure, with 100% of the interests in the Project to be held by the IPO Vehicle, whose shares will initially be held by Horizon (as to 25%) and the existing shareholders of RVT (as to 75%) in line with current Project ownership;
- establishment of a dedicated Board and focussed, experienced executive and management team;
- an in-specie distribution of a portion of Horizon's shares in the IPO Vehicle to Horizon shareholders; and
- an IPO of new shares in the IPO Vehicle and application to list on the ASX.

The above transaction structure is at this stage indicative only and is subject to review following further investigation (including further legal, tax and accounting analysis). Horizon and RVT have, under the Process Deed, agreed to progress such further investigation and to negotiate in good faith with a view to agreeing definitive transaction documents. The implementation of the transaction is subject to each party executing definitive transaction documents (and to the receipt of appropriate regulatory and shareholder approvals, amongst other conditions) and at this stage there can therefore be no guarantee that the transaction set out above (or any transaction) will proceed.

The Company will provide further updates as appropriate in accordance with its continuous disclosure obligations. The amount of funds required as part of the IPO will be determined in the March Quarter 2022. The record date for the in specie distribution for eligible shareholders is yet to be determined and will be advised in the March Quarter 2022.

Strategic Rationale [1]

The Richmond – Julie Creek Project has many favourable attributes supporting a future development including shallow, continuous mineralisation, a long mine life, modest upfront capital costs and attractive forecast financial returns. The Project is located in a mature mining region with established infrastructure including a sealed highway, railway network and port.

Vanadium has been declared a critical mineral by the Australian Government and United States Department of Interior and has a positive demand outlook. A key driver of the expected future demand for vanadium is from use in vanadium redox flow batteries which have many advantages over alternative storage methods when it comes to applications for stationary, grid-scale storage in grid or off-grid settings. This supports the use of vanadium redox flow batteries in storing electricity produced by renewable sources.

[1] See Forward Looking and Cautionary Statements on Page 7.

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By demerging the Project into the IPO Vehicle with its own funding and dedicated Board and executive team, Horizon believes greater shareholder value can be achieved. The pathway will also allow Horizon to focus all of its resources on its advanced Western Australian gold assets and is consistent with the Company's strategy of realising value for shareholders from its non-core assets.

Next Steps

The joint venture partners will now work to finalise formal transaction documents for the Project restructure and commence the IPO process [1].

Further information and timing will be provided in the March Quarter 2022.

In addition, work will continue advancing the DFS inclusive of detailed capital and operating cost review, environmental and statutory approvals, option analysis for optimal downstream processing locations, transport option analysis and further discussions with potential offtake partners.

For further information on the technical and economic aspects of the Lilyvale project from the Pre-Feasibility Study, please refer to the Company's ASX Announcement: "Richmond – Julia Creek Oxide Vanadium Project Advances to DFS on Strong Price Outlook" dated 17 August 2021 on the Company's website.

Approved for release by the Board of Directors of Horizon.

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About the Richmond - Julia Creek oxide vanadium project

The Project is located within marine sediments of the Early Cretaceous Toolebuc Formation, a stratigraphic unit that occurs throughout the Eromanga Basin in central - northern Queensland. The Eromanga Basin is a sub-basin of the Great Artesian Basin and consists of several thick sequences of non-marine and marine sedimentary units.

The Toolebuc Formation is a flat lying early Cretaceous (Albian ~ 100My) sediment that consists predominantly of black carbonaceous and bituminous shale and minor siltstone, with limestone lenses and coquinites (mixed limestone and clays). It is composed of two distinct units representing two different facies: an upper coarse limestone-rich-clay-oil shale unit (coquina) and a lower fine-grained carbonate-clay-oil shale unit.

Extensive infill and extensional drilling have been completed at the project with the most recent program completed at the advanced Lilyvale deposit in late 2019 comprising 333 aircore holes for 7,817m, as announced to the ASX on 16 June 2020. The drilling enabled the compilation of an updated global Mineral Resource estimate as shown in the Table below [1].

Project (Res Cat)	Cut-off	Tonnage	Grade			Metal content (Mt)		
	grade %	(Mt)	% V_2O_5	ppm Mo	ppm Ni	V_2O_5	Mo	Ni
Rothbury (Inferred)	0.30	1202	0.312	259	151	3.75	0.31	0.18
Lilyvale (Indicated)	0.30	430	0.500	240	291	2.15	0.10	0.10
Lilyvale (Inferred)	0.30	130	0.412	213	231	0.53	0.03	0.03
Manfred (Inferred)	0.30	76	0.345	369	249	0.26	0.03	0.02
TOTAL		**1,838**	**0.364**	**256**	**193**	**6.65**	**0.46**	**0.36**

[1] Competent Persons Statement

The Information in this announcement that relates to Mineral Resources is based on and fairly represents information and supporting documentation prepared by Mr Warwick Nordin, who is a Competent Person and a member of the Australasian Institute of Geoscientists. Mr Nordin is a full-time employee of Richmond Vanadium Technology Pty Ltd. Mr Nordin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nordin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Lilyvale Deposit

The Lilyvale deposit is located 45km northwest of the Richmond Township and in close proximity to the Flinders Highway and Great Northern Railway line (Figure 2). The deposit is 5m to 12m thick, up to 4km wide, over 5km long and is open along strike. Lilyvale has been the focus for initial development studies and extensive metallurgical test work given the grade, shallow depth and continuity of the deposit that can provide globally significant supply to the steel and emerging energy storage markets.

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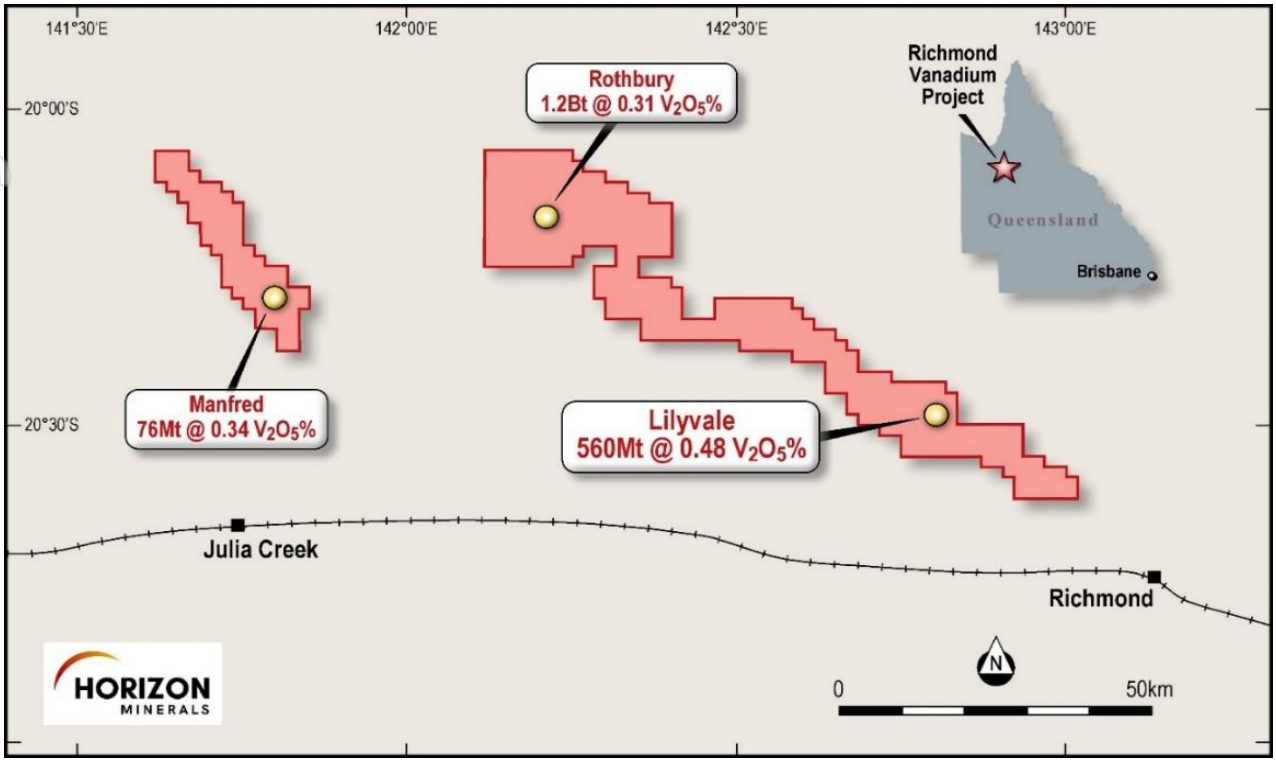


Figure 2: Richmond – Julia Creek Vanadium Project location and Richmond Lease areas

The Mineral Resource update for Lilyvale resulted in improved grades over the previous Mineral Resource Estimate, and importantly led to 76% of the Mineral Resource upgraded to the Indicated JORC Category for estimation of maiden Ore Reserves[1]. In addition, a representative sample to best characterise the physical status of future mine production was taken (along strike) for concentration and downstream processing test work to also feed into the Pre-Feasibility Study.

Extensive laboratory and commercial scale metallurgical test work have been conducted to assess the optimal processing pathway for the Lilyvale deposit. A two-step process has been determined to concentrate the V_2O_5 to a commercial grade product. In the first stage, the pentoxide will be upgraded from a mined grade of 0.49% V_2O_5 to a concentrate grade of approximately 1.82% V_2O_5.[1] The second stage involves extraction via conventional refining to produce V_2O_5 flake and electrolyte.

The Pre-Feasibility Study was completed on the Lilyvale deposit in October 2020 and updated in August 2021. The Study delivered a robust economic project with a long mine life and modest upfront capital and operating costs utilising conventional processing techniques. For further details and results of the Pre-Feasibility Study, please refer to the Company's ASX Announcement: "Richmond – Julia Creek Oxide Vanadium Project Advances to DFS on Strong Price Outlook" dated 17 August 2021.

The JV is now advancing the project to a DFS level of study, targeted for completion in 2022, and reviewing optimal power supplies for the project along with progressing environmental studies and preparing the documents for government permitting and approvals. [2] In parallel, discussions shall continue with potential offtake partners with considerable interest received to date.

[1] As announced to the ASX on 17 August 2021. [2] See Forward Looking and Cautionary Statements on Page 7.

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Forward Looking and Cautionary Statements

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

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

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

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