HORIZON COPPER

Q1 2024

Management's Discussion and Analysis

For The Period Ended March 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 unaudited condensed consolidated interim financial statements of Horizon for the three months ended March 31, 2024 and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS"), applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Readers are encouraged to consult the Company's audited consolidated financial statements for the year ended December 31, 2023 and the corresponding notes to the financial statements which are available on SEDAR+ at www.sedarplus.ca. The information contained within this MD&A is current to April 30, 2024 and all figures are stated in U.S. dollars unless otherwise noted.

Company Highlights

Antamina Granted Approval of MEIA, Extending Mine Life

In February 2024, the Antamina copper 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.

Horizon Copper holds a net profits interest in the Antamina mine (the "Antamina NPI"). 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 which will deliver cash flow to Horizon for many years;
- no capital outlay required by Horizon for the expansion activities; to the extent expansion and development capital are funded by operating 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 deduced from the Antamina NPI payments.

Hugo North Extension Drill Results and Underground Development Update

In February 2024, Entrée Resources Ltd ("Entrée") released partial drill results from the 2022 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, demonstrate continuity of the significant copper and gold grades at the HNE deposit.

Highlighted drill results include underground drill holes:

i. DDH UGD583A: 274 metres grading 2.36% copper and 0.73 grams per tonne gold

ii. DDH UGD586: 178 metres grading 2.90% copper and 0.96 grams per tonne gold, including 144 metres grading 3.50% copper and 1.07 grams per tonne gold

In addition to the drill results, Entrée reported updates on the underground infrastructure development work on the Entrée/Oyu Tolgoi JV Property. Development activity is scheduled to commence in the second half of 2024 and will start in the southwest corner of the HNE deposit on the Shivee Tolgoi mining licence. Production from the Entrée/Oyu Tolgoi JV Property is expected to commence in 2027.

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 2024 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 – $15 million.

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 focuses on remediation efforts at its other asset, Horizon believes it is reasonable to expect some development delays at Hod Maden. Activity at Hod Maden for the first half of 2024 is expected to be focused on ongoing optimization, engineering and mine design. The Company expects to obtain further updated construction timelines from the operator when available.

Oyu Tolgoi

Based on the current schedule at Oyu Tolgoi being managed by Rio Tinto plc ("Rio Tinto"), development activity on the Entrée/Oyu Tolgoi JV Property is expected to commence in the second half of 2024 with underground production (including the Hugo North Extension) 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 the Antamina mine, Compañía Minera Antamina S.A. ("CMA"), adjusted for changes in working capital and movements in provisions such as asset retirement obligations.

Since 2006, the Antamina NPI has paid between $7–$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 securing project debt financing and initiating long-lead construction items. Early-works construction activities at Hod Maden are expected to be 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. Entrée further announced that optimization studies on Panel 1 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.

Rio Tinto has announced that underground production has commenced at Oyu Tolgoi. Over 70 drawbells have been blasted since January 2022 and the first sustainable production from the underground mine was 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 Quarterly Results

Quarters Ended

In $000s (except for per share amounts in $)	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
Total revenue	1,748	503	2,959	592
Net (loss) income	(16,334)	(31,077)	(4,048)	15,151
Adjusted net (loss) income[1]	(240)	(1,983)	835	429
Basic (loss) income per share	(0.19)	(0.36)	(0.05)	0.20
Diluted (loss) income per share	(0.19)	(0.36)	(0.05)	0.19
Cash flows from (used in) operating activities	303	2,908	766	(95)
Total assets	516,811	520,245	525,398	530,278
Total long-term liabilities	521,051	504,465	478,816	478,989

In $000s (except for per share amounts in $)	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022
Total revenue	–	–	–	(556)
Net (loss) income	(3,708)	(5,366)	(9,775)	(757)
Adjusted net (loss) income[1]	83	(179)	(403)	(633)
Basic (loss) income per share	(0.05)	(0.07)	(0.29)	(0.05)
Diluted (loss) income per share	(0.05)	(0.07)	(0.29)	(0.05)
Cash flows from (used in) operating activities	383	3	(413)	154
Total assets	300,026	300,706	300,134	58,495
Total long-term liabilities	276,431	273,382	266,043	33,839

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

Prior to August 31, 2022, the results reflect those prior to the acquisition of the Company's existing portfolio of assets when it was previously known as Royalty North Partners Ltd. ("RNP") and are therefore not indicative of expected results of Horizon in future periods. The results of each of the quarterly periods prior to Q3 2022 have been restated in USD following the Company's change in presentation currency in Q3 2022.

Quarterly Commentary

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

For the three months ended March 31, 2024, net loss was $16.3 million, compared with $3.7 million for the comparable period in 2023. The increase in net loss is primarily attributable to the following:

- An increase in the non-cash fair value loss on the gold stream obligation whereby during the three months ended March 31, 2024 the Company recorded a fair value loss of $5.1 million, primarily due to an increase in forward gold prices used to value the liability and partially offset by changes in estimated timing of future gold deliveries, compared to a fair value loss on the gold stream obligation of $3.3 million in the comparable period. The corresponding asset associated with the gold stream obligation is not revalued based on increases in the forward gold price for accounting purposes.

- A non-cash fair value loss on the Antamina Silver Stream obligation, which was acquired in the second quarter of 2023, of $11.6 million during the three months ended March 31, 2024, primarily due to an increase in forward silver prices used to value the liability at the end of the period. The corresponding asset associated with the Antamina Silver Stream obligation is not revalued based on increases in the forward silver price for accounting purposes.

- Depletion expense of $1.8 million related to the Antamina NPI as a result of the acquisition of the Antamina NPI in June 2023.

- Non-cash accretion expense related to the Company's promissory notes with Sandstorm of $2.8 million during the three months ended March 31, 2024, compared to accretion expense of $1.2 million during the comparable period which only related to the Hod Maden Promissory Note.

Partially offset by:

- A $4.3 million gain related to changes in the estimated timing of cash flows related to the Company's promissory notes during the three months ended March 31, 2024, compared to a $1.6 million gain in the comparable period.

- $1.7 million of revenue earned during the three months ended March 31, 2024 following the acquisition of the Antamina NPI in June 2023.

For the three months ended March 31, 2024, Adjusted Net Loss[1] was $0.2 million compared to an Adjusted Net Income[1] of $0.1 million in the comparable period in 2023. The increase in adjusted net loss for the three months ended March 31, 2024 is primarily due to $1.8 million of depletion expense, partially offset by $1.7 million of revenue earned from the Antamina NPI.

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

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

When comparing net loss of $16.3 million for the three months ended March 31, 2024 with net income 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	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023
Gain (loss) on revaluation of stream obligations	(16.7)	(26.4)	(0.9)	9.6
Gain (loss) from change in estimated timing of cash flows of promissory notes	4.3	1.2	(0.4)	6.9

In $ millions	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022
Gain (loss) on revaluation of stream obligations	(3.3)	(2.6)	(6.2)	–
Gain (loss) from change in estimated timing of cash flows of promissory notes	1.6	(1.2)	–	–

- For periods prior to June 30, 2022, movements in net income (loss) and cash flows from operating activities were primarily driven by changes in revenue from the Company's legacy royalty investments. Net income was also impacted by fair value adjustments on these investments each period. All of the Company's legacy royalty investments have now been settled.

Change in Total Assets

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 September 30, 2022 to March 31, 2023.

Total assets increased by $241.6 million from June 30, 2022 to September 30, 2022 as a result of the acquisition of the Hod Maden and Entrée assets from Sandstorm in August 2022.

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

Non-IFRS and Other Measures

The Company has included, throughout this document, Adjusted Net Income (loss) and all-in sustaining costs ("AISC") per copper pound as non-IFRS performance measures. The presentation of these non-IFRS 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 Net Income (loss) is a non-IFRS financial measure and is calculated by taking net income (loss) and deducting finance expense and other adjustments on promissory notes, share of loss in associates, fair value changes on stream obligations and unrealized foreign exchange gains (losses). The Company presents adjusted net income (loss) as it believes that certain investors use this information to evaluate the Company's performance in comparison to other companies. Figure 1.1 provides a reconciliation of Adjusted Net Income (loss).

Figure 1.1 **In $000s**	**Three Months Ended March 31, 2024**	**Three Months Ended March 31, 2023**
Net loss	$ (16,334)	$ (3,708)
Add (Deduct):		
Share of loss in associates	882	962
Loss on revaluation of stream obligations	16,669	3,263
Other (gains) losses and finance expense on promissory notes	(1,463)	(376)
Unrealized foreign exchange loss (gain)	6	(58)
Equals:		
Adjusted Net (Loss) Income	**$ (240)**	**$ 83**

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 March 31, 2024, the Company had cash and cash equivalents of $16.4 million (December 31, 2023 – $18.3 million) and working capital (current assets less current liabilities) of $13.5 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 net current assets of $20.3 million as at March 31, 2024 (December 31, 2023 – $20.7 million). In addition, the Company has access to up to $150 million, in certain circumstances, under a revolving credit facility with Sandstorm. No amounts have been drawn under this facility as of the date of the MD&A.

During the three months ended March 31, 2024, the Company generated cash flows from operating activities of $0.3 million compared with cash flows from operating activities of $0.4 million during the comparable period in 2023. The cash inflows during the three months ended March 31, 2024 were primarily a result of $0.3 million of royalty revenue received from the Antamina NPI and $0.3 million of interest income offset by general and administrative expenses, compared to cash inflows in the comparable period in 2023 being generated from interest income.

During the three months ended March 31, 2024 and the three months ended March 31, 2023, the Company had no cash flows from investing activities.

During the three months ended March 31, 2024, the Company had net cash outflows from financing activities of $2.1 million primarily from interest repayments on the Antamina Promissory Note and Antamina Silver Stream servicing payments. During the three months ended March 31, 2023, the Company had no cash flows from financing activities.

Contingencies

In the fourth quarter of 2022, a lawsuit was filed by a former employee of the predecessor company to Artmin Madencilik Sanayi ve Ticaret A.S ("Artmin"), the Turkish entity which holds the Hod Maden project. The former employee claims that he is entitled to 1% of the value of the project as a finder fee. The claim was settled for an insignificant amount in January 2024.

Share Capital

As of April 30, 2024, the Company had 86,100,252 common shares outstanding.

A summary of the Company's stock options as of April 30, 2024 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per option (CAD)	Weighted average exercise price per option (CAD)[1]
2024	167,261	167,261	0.14	0.14
2025	167,260	167,260	0.25	0.25
2028	3,850,000	–	0.80	–
	4,184,521	**334,521**		**0.19**

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

A summary of the Company's warrants as of April 30, 2024 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per warrant (CAD)	Weighted average exercise price per warrant (CAD)[1]
2025	1,144,570	1,144,570	0.35	0.35
2027	35,595,593	35,595,593	0.80	0.80
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 April 30, 2024, the Company had 350,000 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 March 31, 2024 was CAD19,500.

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 period.

Key Management Compensation

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

In $000s		3 Months Ended March 31, 2024		3 Months Ended March 31, 2023
Salaries and benefits	$	56	$	11[1]
Share-based payments		165		–
Total key management compensation expense	**$**	**221**	**$**	**11**

1) Related to a recharge of CAD15,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to March 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 March 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 (i) the absence of substantial changes in the market interest rates between the date of the loan and March 31, 2024, and (ii) the absence of significant changes in the associate's overall risk profile. The stream obligations are measured at fair value as at March 31, 2024 based on a model which utilized level 3 inputs. The fair value of the Hod Maden Promissory Note was $65.8 million as at March 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 $119.1 million as at March 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 receivable from Sandstorm, the loan to associate and the receivable from the Antamina NPI which is paid by a subsidiary of Teck Resources. 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 US 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 March 31, 2024, the Company had cash and cash equivalents of $16.4 million available to settle its accounts payable and accrued liabilities, as well as its short-term funding obligations related to its equity interest in Hod Maden. In addition, the Company has a receivable of $1.9 million from Sandstorm to fund its share of the remaining 2022 budget for Hod Maden, which was received in full in April 2024.

Under the terms of the Hod Maden promissory note with Sandstorm, the Company has access to up 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 March 31, 2024.

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

In $000s	Within 1 year	2–5 years	Over 5 years	Total Mar. 31, 2024	Total Dec. 31, 2023
Accounts payable	$ 96	$ –	$ –	$ 96	$ 81
Promissory notes[1]	711	14,000	225,353	240,064	240,065
Promissory note interest[2]	4,061	16,339	35,825	56,225	54,486
Total	**$ 4,868**	**$ 30,339**	**$ 261,178**	**$ 296,385**	**$ 294,632**

1) Amounts payable within the next 5 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 year is $5.1 million. Settlements of the Company's stream obligations in 2025 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 condensed consolidated interim financial statements of Horizon for the three months ended March 31, 2024 are the same as the key sources of estimation uncertainty disclosed in Note 3 of the Company's 2023 annual consolidated financial statements.

Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the three-month period ended March 31, 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 unaudited condensed consolidated interim 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 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 future price and demand of gold, copper, and other metals, the estimation of mineral reserves and resources, realization of mineral reserve estimates, business prospects and strategy; anticipated trends and challenges in Horizon's business and the markets in which it operates; Horizon's financial position; 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 in the event of the SSR Mining acquisition; 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 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 future price and demand of gold, copper, and other metals, the estimation of mineral reserves and resources, realization of mineral reserve estimates; 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 in the event of the SSR Mining acquisition; 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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Condensed Consolidated Interim Financial Statements

(Unaudited)

For The Period Ended March 31, 2024

Condensed Consolidated Interim Statements of Financial Position

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

	Note	March 31, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents		$ 16,415	$ 18,266
Receivables and other current assets		3,950	2,484
		$ 20,365	**$ 20,750**
Non-Current			
Loan to associate	4	$ 6,429	$ 6,429
Hod Maden and Entrée investments in associates	4	254,532	255,734
Mineral interests	5	235,485	237,332
Total assets		**$ 516,811**	**$ 520,245**
Liabilities			
Current			
Trade and other payables		$ 77	$ 81
Expected settlement of promissory notes	6	1,721	5,757
Expected settlement of stream obligations	7	5,072	4,563
		$ 6,870	**$ 10,401**
Non-Current			
Promissory notes	6	$ 183,539	$ 181,987
Stream obligations	7	337,512	322,478
Total liabilities		**$ 527,921**	**$ 514,866**
Equity			
Share capital	8	$ 37,102	$ 37,102
Reserves		7,558	7,393
Retained deficit		(57,815)	(41,481)
Accumulated other comprehensive income (loss)		2,045	2,365
Total equity		**$ (11,110)**	**$ 5,379**
Total liabilities and equity		**$ 516,811**	**$ 520,245**

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

Condensed Consolidated Interim Statements of Income (Loss)

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

	Note	3 Months Ended Mar. 31, 2024	3 Months Ended Mar. 31, 2023
Revenue			
Royalty revenue		$ 1,748	$ –
Depletion	5	1,847	–
Gross loss		**$ (99)**	**$ –**
Operating expenses			
Administration expenses		$ 279	$ 121
Stock based compensation		165	–
Financing expenses		–	152
Exploration expenses		19	21
Operating loss		**$ (562)**	**$ (294)**
Other expenses (income)			
Loss on revaluation of stream obligations	7	$ 16,669	$ 3,263
Share of loss in associates	4	882	962
Other (gains) losses and finance expense on promissory notes	6	(1,463)	(376)
Finance income		(333)	(377)
Foreign exchange and other		6	(58)
Net loss before taxes		**$ (16,323)**	**$ (3,708)**
Current income tax expense		11	–
Net loss for the period		**$ (16,334)**	**$ (3,708)**
Basic loss per share	8(e)	$ (0.19)	$ (0.05)
Diluted loss per share	8(e)	$ (0.19)	$ (0.05)
Weighted average number of common shares outstanding			
Basic		86,100,252	74,927,903
Diluted		86,100,252	74,927,903

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

	Note	3 Months Ended March 31, 2024	3 Months Ended March 31, 2023
Net loss for the period		$ (16,334)	$ (3,708)
Other comprehensive loss for the period			
Items that may subsequently be reclassified to net loss:			
Currency translation differences		(320)	(318)
Total comprehensive loss for the period		**$ (16,654)**	**$ (4,026)**

Condensed Consolidated Interim Statements of Cash Flow

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

Cash flow from (used in):	Note		3 Months Ended March 31, 2024		3 Months Ended March 31, 2023
Operating Activities					
Net loss for the period		$	(16,334)	$	(3,708)
Items not affecting cash:					
Depletion expense	5	$	1,847	$	–
Share-based payments			165		–
Share of loss in associates	4		882		962
Loss on revaluation of stream obligations	7		16,669		3,263
Other (gains) losses and finance expense on promissory notes	6		(1,463)		(376)
Unrealized foreign exchange (gain) loss and other			6		(58)
Changes in non-cash working capital	9		(1,469)		300
		$	**303**	**$**	**383**
Financing Activities					
Settlement of stream obligations	7	$	(1,126)	$	–
Interest paid			(1,021)		–
		$	**(2,147)**	**$**	**–**
Effect of exchange rate changes on cash and cash equivalents			(7)		24
Net (decrease) increase in cash and cash equivalents		$	(1,851)	$	407
Cash and cash equivalents — beginning of the period			18,266		32,695
Cash and cash equivalents — end of the period		**$**	**16,415**	**$**	**33,102**

Supplemental cash flow information (note 9)

Condensed Consolidated Interim Statements of Changes in Equity

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

	Note	Number	Amount	Share Options, Warrants and Restricted Share Units	Retained Deficit	Accumulated Other Comprehensive Income (Loss)	Total
At January 1, 2023		**74,927,903**	**$ 31,269**	**$ 6,518**	**$ (17,799)**	**$ 7,195**	**$ 27,183**
Total comprehensive loss		–	–	–	(3,708)	(318)	(4,026)
At March 31, 2023		**74,927,903**	**$ 31,269**	**$ 6,518**	**$ (21,507)**	**$ 6,877**	**$ 23,157**
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		–	–	–	(19,974)	(4,512)	(24,486)
At December 31, 2023		**86,100,252**	**$ 37,102**	**$ 7,393**	**$ (41,481)**	**$ 2,365**	**$ 5,379**
Share-based payments		–	–	165	–	–	165
Total comprehensive loss		–	–	–	(16,334)	(320)	(16,654)
At March 31, 2024		**86,100,252**	**$ 37,102**	**$ 7,558**	**$ (57,815)**	**$ 2,045**	**$ (11,110)**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

March 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 25% equity stake in Entrée Resources Ltd. (“Entrée”).

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 condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on April 30, 2024.

2. Summary of Material Accounting Policies

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards” or “IFRS”), as applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2023.

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

b) Basis of Presentation

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

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

3. Financial Instruments

Fair Value Estimation

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

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

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

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

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2024 and December 31, 2023.

As at March 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	$ 5,072	$ –	$ –	$ 5,072
Non-current liabilities				
Stream obligations	$ 337,512	$ –	$ –	$ 337,512
	$ 342,584	**$ –**	**$ –**	**$ 342,584**

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 March 31, 2024 and December 31, 2023 due to their short-term nature. The fair value of the loan to associate, which is measured using level 2 inputs, approximates its carrying value due (i) the absence of substantial changes in the market interest rates between the date of the loan and March 31, 2024, and (ii) the absence of significant changes in the associate’s overall risk profile. The fair value of the Hod Maden Promissory Note was $65.8 million as at March 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 $119.1 million as at March 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 period ended March 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 receivable from Sandstorm, the loan to associate and the receivable from the Antamina NPI which is paid by a subsidiary of Teck Resources. 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 March 31, 2024, the Company had cash and cash equivalents of $16.4 million available to settle its accounts payable and accrued liabilities, as well as its short-term funding obligations related to its equity interest in Hod Maden. In addition, the Company has a receivable of $1.9 million from Sandstorm to fund its share of the 2022 budget for Hod Maden, which was received in full in April 2024.

The Company has access to up 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 March 31, 2024.

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

In $000s	Within 1 year	2-5 years	Over 5 years	Total Mar. 31, 2024	Total Dec. 31, 2023
Accounts payable	$ 96	$ –	$ –	$ 96	$ 81
Promissory notes[1]	711	14,000	225,353	240,064	240,065
Promissory note interest[2]	4,061	16,339	35,825	56,225	54,486
	$ 4,868	**$ 30,339**	**$ 261,178**	**$ 296,385**	**$ 294,632**

1) Amounts payable within the next 5 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 $5.1 million. Settlements of the Company's stream obligations in 2025 and beyond will be based on the future production of silver (Antamina) and gold (Hod Maden) as described in Note 7.

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 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.

4. Hod Maden and Entrée Investments in Associates

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

In $000s		Hod Maden Interest		Entrée Resources Ltd.		Total Investments in Associates
At December 31, 2023	$	225,613	$	30,121	$	255,734
Company's share of net loss of associate		(33)		(849)		(882)
Company's share of other comprehensive loss of associate		–		(320)		(320)
At March 31, 2024	**$**	**225,580**	**$**	**28,952**	**$**	**254,532**

Loan to Associate

Subsequent to the period ended March 31, 2024, the Company advanced $1.9 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.

5. Mineral Interests

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

	Carrying Amount			Accumulated Depletion			
In $000s	**Jan. 1, 2024**	**Net Additions (Disposals)**	**Mar. 31, 2024**	**Jan. 1, 2024**	**Depletion**	**Mar. 31, 2024**	**Carrying Amount**
Antamina NPI, Peru	$ 241,456	$ –	$ 241,456	$ 4,536	$ 1,847	$ 6,383	$ 235,073
Peninsula Project, USA	412	–	412	–	–	–	412
Total	$ 241,868	$ –	$ 241,868	$ 4,536	$ 1,847	$ 6,383	$ 235,485

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

	Carrying Amount			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.

6. 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, 2023	$	120,465	$	67,279	$	187,744
Impact of change in estimated timing of cash flows		(1,124)		(3,138)		(4,262)
Interest and principal payments		(1,021)		–		(1,021)
Accretion expense		1,698		1,101		2,799
At March 31, 2024	**$**	**120,018**	**$**	**65,242**	**$**	**185,260**
Current portion	$	1,721	$	–	$	1,721
Long term portion		118,297		65,242		183,539
Total	**$**	**120,018**	**$**	**65,242**	**$**	**185,260**

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 March 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. 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. 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.

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 the Secured Overnight Financing Rate ("SOFR") + 2% commencing on the earlier of (i) January 1, 2029; or (ii) when Horizon receives dividends from its investment in Hod Maden. The Hod Maden Promissory Note may be settled at any time in Horizon shares at the election of the holder based on a 20-day volume weighted average price ("VWAP") of the market price of the shares unless the holder would beneficially own in excess of 34% of the number of common shares outstanding immediately after giving effect to such conversion or issuance. Horizon also has the option to settle the Hod Maden Promissory Note by issuing common shares 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.

7. 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, 2023	$	101,136	$	225,905	$	327,041
Stream deliveries		(1,126)		–		(1,126)
Change in fair value of stream obligations		11,608		5,061		16,669
At March 31, 2024	**$**	**111,618**	**$**	**230,966**	**$**	**342,584**
Current portion	$	5,072	$	–	$	5,072
Long term portion		106,546		230,966		337,512
Total	**$**	**111,618**	**$**	**230,966**	**$**	**342,584**

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 March 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 and the discount rate.

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 March 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 and the discount rate.

8. 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, 2023 and March 31, 2024	40,929,413	0.82

The weighted average remaining contractual life of the warrants as at March 31, 2024 was 3.34 years (year ended December 31, 2023 — 3.59 years).

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

Year of expiry	Number outstanding	Vested	Exercise price per warrant (CAD)	Weighted average exercise price per warrant (CAD)[1]
2025	1,144,570	1,144,570	0.35	0.35
2027	35,595,593	35,595,593	0.80	0.80
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.

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

	Number of options	Weighted average exercise price per share (CAD)
Options outstanding at December 31, 2023 and March 31, 2024	4,184,521	0.75

The weighted average remaining contractual life of the options as at March 31, 2024 was 3.92 years (year ended December 31, 2023 — 4.16 years).

A summary of the Company's options as of March 31, 2024 is as follows:

Year of expiry	Number outstanding	Vested	Exercise price per option (CAD)	Weighted average exercise price per option (CAD)[1]
2024	167,261	167,261	0.14	0.14
2025	167,260	167,260	0.25	0.25
2028	3,850,000	–	0.80	–
	4,184,521	**334,521**		**0.19**

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 8,202,555 were available for grant as at March 31, 2024.

As at March 31, 2024, the Company had 350,000 RSRs outstanding.

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)		3 Months Ended March 31, 2024		3 Months Ended March 31, 2023
Net loss for the period	$	(16,334)	$	(3,708)
Basic weighted average number of shares		86,100,252		74,927,903
Basic loss per share	**$**	**(0.19)**	**$**	**(0.05)**
Effect of dilutive securities				
Stock options		–		–
Warrants		–		–
Restricted share rights		–		–
Diluted weighted average number of common shares		**86,100,252**		**74,927,903**
Diluted loss per share	**$**	**(0.19)**	**$**	**(0.05)**

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 periods ended March 31, 2024 and 2023:

	3 Months Ended March 31, 2024	3 Months Ended March 31, 2023
Stock options	4,184,521	798,521
Warrants	40,929,413	36,740,163
Restricted share rights	350,000	–

9. Supplemental Cash Flow Information

In $000s		3 Months Ended March 31, 2024		3 Months Ended March 31, 2023
Change in non-cash working capital:				
Trade receivables and other	$	(1,465)	$	3
Trade and other payables		(4)		297
Net (decrease) increase in cash	**$**	**(1,469)**	**$**	**300**
Other:				
Interest received	$	320	$	377

10. 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 6 and 7.

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 March 31, 2024 was CAD19,500.

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 period.

b) Compensation of Key Management Personnel

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

In $000s		3 Months Ended March 31, 2024		3 Months Ended March 31, 2023
Salaries and benefits	$	56	$	11[1]
Share-based payments		165		–
Total key management compensation expense	**$**	**221**	**$**	**11**

1) Related to a recharge of CAD15,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to March 2023.

11. 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 4 and 5 respectively.

12. Contingencies

In the fourth quarter of 2022, a lawsuit was filed by a former employee of the predecessor company to Artmin Madencilik Sanayi ve Ticaret A.S ("Artmin"), the Turkish entity which holds the Hod Maden project. The former employee claims that he is entitled to 1% of the value of the project as a finder fee. The claim was settled for an insignificant amount in January 2024.