

Management's Discussion and Analysis

For The Period Ended June 30, 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 and six months ended June 30, 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 July 30, 2024 and all figures are stated in U.S. dollars unless otherwise noted.

Company Highlights

Record Revenue from Antamina NPI

Horizon Copper holds a net profits interest in the Antamina mine (the "Antamina NPI"). The Company generated revenue of \$5.7 million from the Antamina NPI during the three months ended June 30, 2024 representing a record amount since the asset was acquired in June 2023. The key driver of the increase in revenue compared to the prior quarter was an increase in revenue generated at Antamina, primarily due to higher copper and zinc prices realized during the second quarter. The increased commodity prices also resulted in positive settlement adjustments from provisionally priced deliveries from the prior quarter.

Additional Hugo North Extension Drill Results and Underground Development Update

In July 2024, Entrée Resources Ltd ("Entrée") released additional drill results from the 2022 and 2023 drill program at the Hugo North Extension ("HNE") — a portion of the Oyu Tolgoi copper project that is subject to the Entrée joint venture interest (the "Entrée/Oyu Tolgoi JV Property"). The additional drill results to those released in February 2024 demonstrate potential for ore grade mineralization outside the limits of the currently proposed Lift 2 block cave confirming the HNE as being capable of supporting a multi-decade mine life.

Highlighted drill results include:

HNE Surface Drill Holes

- i. EGD 161: 398 metres grading 2.07% copper equivalent¹ ("CuEq"), including 214 metres grading 2.79% CuEq.
- ii. EGD 173: 400 metres grading 1.41% CuEq, including 80 metres grading 2.61% CuEq.

HNE Underground Drill Holes

- i. UGD 579: 124 metres grading 3.67% CuEq, including 78 metres grading 5.43% CuEq.
- ii. UGD 713: 114 metres grading 3.67% CuEq, including 86 metres grading 4.61% CuEq.
- iii. UGD 735: 574.3 metres grading 1.89% CuEq, including 234 metres grading 3.73% CuEq.
- iv. UGD 753: 364.8 metres grading 2.50% CuEq, including 222 metres grading 3.30% CuEq.

In addition to the drill results, Entrée reported further updates on the underground infrastructure development work on the Entrée/Oyu Tolgoi JV Property. Development activity is scheduled to commence in the fourth quarter of 2024 and will start in the southwest corner of the HNE deposit on the Shivee Tolgoi mining licence. The development work will establish the initial Panel 1 western ore handling truck chute, including extraction level tipple development, the truck chute chamber on the haulage level, and the supporting ventilation loop with the return air level. Oyu Tolgoi LLC has planned approximately 212 equivalent metres ("eqm") of development on the Entrée/Oyu Tolgoi JV Property in 2024. Production from the Entrée/Oyu Tolgoi JV Property is expected to commence in 2027.

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

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 million–\$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 focused on remediation efforts at its other asset during the second quarter of 2024, activity at Hod Maden was focused on ongoing optimization, engineering and mine design. Other early works and site preparation activities also continued to advance. SSR Mining is currently evaluating various options regarding the timing of the continued development of Hod Maden. For the remainder of 2024, key areas of focus are expected to include awarding key contracts, commencement of construction of the main access road and continuing the process to secure project financing. Horizon expects some level of delay in the overall development schedule for Hod Maden compared to the previously contemplated commencement of production in mid 2027. The Company will continue to update this outlook as further updated construction timelines become available from the operator.

Oyu Tolgoi

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 fourth quarter 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 and operates the Antamina mine, Compañía Minera Antamina S.A. ("CMA"), adjusted for changes in working capital and movements in provisions such as asset retirement obligations. CMA is jointly owned by the subsidiaries of major stakeholders BHP Billiton plc (33.75%), Glencore plc (33.75%), Teck (22.5%) and Mitsubishi Corporation (10%).

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

Hod Maden

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

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

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

With the approval of the EIA, the release of the Feasibility Study and the receipt of key permits (with the award of the final permit from the Ministry of Forestry in 2022), Hod Maden moved into the next stage of development including securing project debt financing and initiating long-lead construction items. Early-works construction activities at Hod Maden are ongoing and have been focused on site access and earthworks, power supply construction and the land expropriation process.

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

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

Oyu Tolgoi (Hugo North Extension & Heruga)

The Company has an approximate 24% equity interest in Entrée which holds a 20% interest in the Hugo North Extension and Heruga deposits of the Oyu Tolgoi copper mine located in Mongolia, (the "Hugo North Extension" and "Heruga", respectively).

The Hugo North Extension is a copper-gold porphyry deposit and Heruga is a copper-gold-molybdenum porphyry deposit. Both projects are located in the South Gobi Desert of Mongolia, approximately 570 kilometres south of the capital city of Ulaanbaatar and 80 kilometres north of the border with China. The Hugo North Extension and Heruga are part of the Oyu Tolgoi mining complex and are managed by Oyu Tolgoi LLC, a subsidiary of Rio Tinto plc, with a 34% minority interest owned by the Government of Mongolia.

In 2021, Entrée announced the completion of an updated Feasibility Study on its interest in the Entrée/Oyu Tolgoi joint venture property. The updated report aligns Entrée's disclosure with that of other Oyu Tolgoi project stakeholders on development of the first lift of the underground mine which will be mined as three panels (Panel 0, Panel 1 and Panel 2). Entrée further announced that optimization studies on Panel 1 of the underground block cave were planned (subsequently completed in the second quarter of 2023) which have the potential to further improve Lift 1 economics for the Entrée/Oyu Tolgoi joint venture.

Underground production has commenced at Oyu Tolgoi with 114 drawbells blasted since January 2022 and the first sustainable production from the underground mine achieved in the first quarter of 2023 on the area of the mine wholly owned by Oyu Tolgoi LLC. Technical studies for Panels 1 and 2 mine design and schedule optimization were completed by Oyu Tolgoi LLC during the second quarter of 2023. According to Rio Tinto, the technical studies have resulted in substantially de-risked, resilient mine designs that provide a pathway to ramp-up, flexibility to pursue value creating opportunities and react to future risks, and improved stability, constructability, and operability. The studies also provide a pathway to bring the panels into production faster and maximize the use of the ventilation system.

The Lift 1 mine plan incorporates the development of three panels, and in order to reach the full sustainable production rate of 95,000 tonnes per day from the underground operations all three panels need to be in production. The Hugo North Extension deposit on the Entrée/Oyu Tolgoi joint venture property is located at the northern portion of Panel 1, where the first underground production is expected in 2027 and attributable cash flow to Entrée commencing in 2029.

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

Summary of Quarterly Results

Quarters Ended

In \$000s (except for per share amounts in \$)	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023
Total revenue	5,672	1,748	503	2,959
Net (loss) income	(3,485)	(16,334)	(31,077)	(4,048)
Adjusted net income (loss) ¹	3,349	(240)	(1,983)	835
Basic (loss) income per share	(0.04)	(0.19)	(0.36)	(0.05)
Diluted (loss) income per share	(0.04)	(0.19)	(0.36)	(0.05)
Cash flows from operating activities	1,606	303	2,908	766
Total assets	517,976	516,811	520,245	525,398
Total long-term liabilities	522,935	521,051	504,465	478,816

In \$000s (except for per share amounts in \$)	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022
Total revenue	592	–	–	–
Net income (loss)	15,151	(3,708)	(5,366)	(9,775)
Adjusted net income (loss) ¹	429	83	(179)	(403)
Basic income (loss) per share	0.20	(0.05)	(0.07)	(0.29)
Diluted income (loss) per share	0.19	(0.05)	(0.07)	(0.29)
Cash flows (used in) from operating activities	(95)	383	3	(413)
Total assets	530,278	300,026	300,706	300,134
Total long-term liabilities	478,989	276,431	273,382	266,043

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

Quarterly Commentary

Three Months Ended June 30, 2024 Compared to the Three Months Ended June 30, 2023

For the three months ended June 30, 2024, net loss was \$3.5 million, compared with net income of \$15.2 million for the comparable period in 2023. The increase in net loss is primarily attributable to the following:

- A non-cash fair value loss on the Antamina Silver Stream obligation, which was acquired in the second quarter of 2023, of \$9.2 million during the three months ended June 30, 2024, primarily due to an increase in forward silver prices used to value the liability at the end of the period, partially offset by an increase in the discount rate used to value the liability at the end of the period, compared to a fair value gain on the Antamina Silver Stream obligation of \$3.6 million in the comparable period. The corresponding asset associated with the Antamina Silver Stream obligation is accounted for as a mineral property at cost less depletion and is not revalued based on increases in the forward silver price.
- Depletion expense of \$2.2 million during the three months ended June 30, 2024 related to the Antamina NPI as a result of the acquisition of the Antamina NPI in June 2023, compared to depletion expense of \$0.3 million in the comparable period.
- Non-cash accretion expense related to the Company's Antamina and Hod Maden promissory notes with Sandstorm of \$2.8 million during the three months ended June 30, 2024, compared to accretion expense of \$1.4 million during the comparable period which primarily related to the Hod Maden promissory note due to the issuance of the Antamina promissory note in June 2023.
- There was no gain as a result of a modification related to changes in the estimated timing of cash flows related to the Hod Maden promissory note during the three months ended June 30, 2024, compared to a gain of \$6.9 million during the comparable period.

Partially offset by:

- \$5.7 million of revenue earned during the three months ended June 30, 2024 following the acquisition of the Antamina NPI in June 2023, compared to revenue of \$0.6 million in the comparable period.

For the three months ended June 30, 2024, Adjusted Net Income¹ was \$3.3 million compared to an Adjusted Net Income¹ of \$0.4 million for the comparable period in 2023. The increase in adjusted net income for the three months ended June 30, 2024 is primarily due to \$5.7 million of revenue earned from the Antamina NPI, partially offset by \$2.2 million of depletion expense.

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

Six Months Ended June 30, 2024 Compared to the Six Months Ended June 30, 2023

For the six months ended June 30, 2024, net loss was \$19.8 million, compared with net income of \$11.4 million for the comparable period in 2023. The increase in net loss is primarily attributable to the following:

- A non-cash fair value loss on the Antamina Silver Stream obligation, which was acquired in the second quarter of 2023, of \$20.8 million during the six months ended June 30, 2024, primarily due to an increase in forward silver prices used to value the liability at the end of the period, partially offset by an increase in the discount rate used to value the liability, compared to a fair value gain on the Antamina Silver Stream obligation of \$3.6 million in the comparable period. The corresponding asset associated with the Antamina Silver Stream obligation is accounted for as a mineral property at cost less depletion and is not revalued based on increases in the forward silver price.
- Depletion expense of \$4.1 million during the six months ended June 30, 2024 related to the Antamina NPI as a result of the acquisition of the Antamina NPI in June 2023, compared to depletion expense of \$0.3 million in the comparable period.
- Non-cash accretion expense related to the Company's Antamina and Hod Maden promissory notes with Sandstorm of \$5.6 million during the six months ended June 30, 2024, compared to accretion expense of \$2.6 million during the comparable period which primarily related to the Hod Maden promissory note due to the issuance of the Antamina promissory note in June 2023.
- A \$4.3 million gain as a result of a modification related to changes in the estimated timing of cash flows related to the Company's promissory notes during the six months ended June 30, 2024, compared to an \$8.4 million gain in the comparable period.
- A decrease in the non-cash fair value gain on the gold stream obligation whereby during the six months ended June 30, 2024 the Company recorded a fair value gain of \$0.9 million, due to an increase in the discount rate used to value the liability and changes in the estimated timing of future gold deliveries, partially offset by an increase in forward gold prices used to value the liability, compared to a fair value gain on the gold stream obligation of \$2.7 million in the comparable period. The corresponding asset associated with the gold stream obligation is accounted for as an investment in associate under the equity method and is not revalued based on increases in the forward gold price.

Partially offset by:

- \$7.4 million of revenue earned during the six months ended June 30, 2024 following the acquisition of the Antamina NPI in June 2023, compared to revenue of \$0.6 million in the comparable period.

For the six months ended June 30, 2024, Adjusted Net Income¹ was \$3.1 million compared to an Adjusted Net Income¹ of \$0.5 million for the comparable period in 2023. The increase in adjusted net income for the six months ended June 30, 2024 is primarily due to \$7.4 million of revenue earned from the Antamina NPI, partially offset by \$4.1 million of depletion expense.

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

Three Months Ended June 30, 2024 Compared to the Other Quarters Presented

When comparing net loss of \$3.5 million for the three months ended June 30, 2024 with net income (loss) for the other quarters presented, the following items impact comparability:

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

In \$ millions	Jun. 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023
Gain (loss) on revaluation of stream obligations	(3.3)	(16.7)	(26.4)	(0.9)
Gain (loss) from change in estimated timing of cash flows of promissory notes	–	4.3	1.2	(0.4)

In \$ millions	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022
Gain (loss) on revaluation of stream obligations	9.6	(3.3)	(2.6)	(6.2)
Gain (loss) from change in estimated timing of cash flows of promissory notes	6.9	1.6	(1.2)	–

Change in Total Assets

Total assets increased by \$1.2 million from March 31, 2024 to June 30, 2024 primarily as a result of the receivable related to the Antamina NPI, partially offset by depletion of the Antamina NPI and the Company's share in net loss of associates.

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

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

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

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

There were no material changes in total assets from 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.

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 adding (deducting) other losses (gains) and finance expense on promissory notes, share of loss (gain) in associates, losses (gains) on stream obligations and unrealized foreign exchange losses (gains). 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	3 Months Ended Jun. 30, 2024	3 Months Ended Jun. 30, 2023	6 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2023
Net (loss) income	\$ (3,485)	\$ 15,151	\$ (19,819)	\$ 11,443
Add (Deduct):				
Loss (gain) on revaluation of stream obligations	3,279	(9,602)	19,948	(6,339)
Share of loss in associates	721	1,063	1,603	2,025
Other losses (gains) and finance expense on promissory notes	2,828	(5,485)	1,365	(5,861)
Unrealized foreign exchange loss (gain)	6	(698)	12	(756)
Equals:				
Adjusted Net Income	\$ 3,349	\$ 429	\$ 3,109	\$ 512

- 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 June 30, 2024, the Company had cash and cash equivalents of \$14.0 million (December 31, 2023 — \$18.3 million) and working capital (current assets less current liabilities) of \$11.5 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 \$20.4 million as at June 30, 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 six months ended June 30, 2024, the Company generated cash flows from operating activities of \$1.9 million compared with cash flows from operating activities of \$0.3 million during the comparable period in 2023. The cash inflows during the six months ended June 30, 2024 were primarily a result of \$1.9 million of royalty revenue received from the Antamina NPI and \$0.6 million of interest

income offset by general and administrative expenses, compared to cash inflows in the comparable period in 2023 being generated from \$0.8 million of interest income offset by general and administrative and financing expenses.

During the six months ended June 30, 2024, the Company had cash outflows from investing activities of \$1.6 million related to \$3.5 million of shareholder loans to fund the Company's share of cash calls for ongoing development costs at Hod Maden, partially offset by receipt of \$1.9 million from the Company's receivable from Sandstorm acquired in 2022. During the six months ended June 30, 2023, the Company had cash outflows from investing activities of \$20.0 million related to the acquisition of the Antamina NPI in June 2023.

During the six months ended June 30, 2024, the Company had net cash outflows from financing activities of \$4.5 million primarily from interest payments on the Antamina Promissory Note and Antamina Silver Stream servicing payments. During the six months ended June 30, 2023, the Company had cash inflows from financing activities of \$4.9 million primarily from a private placement in April 2023.

Share Capital

As of July 30, 2024, the Company had 86,454,773 common shares outstanding.

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

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

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

A summary of the Company's warrants as of July 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 July 30, 2024, the Company had 330,000 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 June 30, 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.

Artmin Madencilik San. ve Tic. A.S. ("Artmin"), the entity which holds the Hod Maden project, is a related party as a result of the Company having significant influence through its 30% ownership interest. During the three months ended June 30, 2024, the Company advanced \$3.5 million of shareholder loans to fund the Company's share of cash calls for ongoing development costs at Hod Maden. The loans bear interest at 4% plus the credit default swap rate of Türkiye at the start of each quarterly period and have five-year terms.

Key Management Compensation

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

In \$000s	3 Months Ended Jun. 30, 2024	3 Months Ended Jun. 30, 2023	6 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2023
Salaries and benefits	\$ 56	\$ 11 ¹	\$ 112	\$ 22 ¹
Share-based payments	148	32	313	32
Total key management compensation expense	\$ 204	\$ 43	\$ 425	\$ 54

- 1) Related to a recharge of CAD15,000 of salary costs borne by Sandstorm related to key management personnel of the Company from April 2023 to June 2023 and a recharge of CAD30,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to June 2023.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, trade and other payables, loan to associate, promissory notes, and stream obligations. The fair value of cash and cash equivalents, receivables, and trade and other payables, approximate their carrying values as at June 30, 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 the absence of significant changes in the associate's overall risk profile. The stream obligations are measured at fair value as at

June 30, 2024 based on a model which utilized level 3 inputs. The fair value of the Hod Maden Promissory Note was \$61.7 million as at June 30, 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 \$119.5 million as at June 30, 2024 (\$122.3 million — December 31, 2023) based on a discounted cash flow model which utilized level 2 inputs.

Credit Risk

The Company's credit risk is limited to cash and cash equivalents, the loan to associate and the 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 U.S. dollar that materially impact its net income (loss).

Liquidity Risk

The Company manages liquidity risk through a planning and budgeting process, which is reviewed and updated on a regular basis, to help determine future funding requirements. As at June 30, 2024, the Company had cash and cash equivalents of \$14.0 million available to settle its accounts payable and accrued liabilities, as well as its short-term funding obligations related to its equity interest in Hod Maden.

Under the terms of the 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 June 30, 2024.

The following table shows the Company's undiscounted contractual obligations as they fall due as at June 30, 2024 and December 31, 2023:

In \$000s	Within 1 year		2–5 years		Over 5 years		Total Jun. 30, 2024	Total Dec. 31, 2023
Accounts payable	\$	134	\$	–	\$	–	\$ 134	\$ 81
Promissory notes ¹		1,767		13,264		225,034	240,065	240,065
Promissory note interest ²		4,050		17,589		33,640	55,279	54,486
Total	\$	5,951	\$	30,853	\$	258,674	\$ 295,478	\$ 294,632

1) Amounts payable within the next five years are estimated based on assumptions of expected future proceeds from the Antamina NPI.

2) As the applicable interest rate for the Hod Maden Promissory Note is floating in nature, the interest charges are estimated based on market forward interest rate curves at the end of the reporting period. Promissory note interest for both the Hod Maden and Antamina Promissory Notes are based on expected future principal balances.

The amount expected to be settled under the Antamina Silver Stream within the next year is \$6.1 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 and six months ended June 30, 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 June 30, 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 expectation that the terms of the earn-in milestone payments of SSR Mining's agreement to acquire a 40% operating interest in the Hod Maden Project will be fulfilled, including the related expectation of benefits to the overall development of the project with SSR Mining as the operator; the expected production at Antamina and amount of the Antamina NPI, the intention and ability to increase processing capacity at Antamina and that the investment will be made to extend the extend the mine life and the timing of those investments; the expected timing of underground development on the Entrée/Oyu Tolgoi JV Property and timing and amount of subsequent cash flows attributable to Entrée; the future price and demand of gold, copper, and other metals; the estimation of mineral reserves and resources; realization of mineral reserve estimates, business prospects and strategies; anticipated trends and challenges in Horizon's business and the markets in which it operates; Horizon's financial position; the expectation that trading on OTCQX will enhance the visibility and accessibility of the Company to U.S. investors and other risks and factors that Horizon is unaware of at this time. By identifying such information and statements in this manner, Horizon is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Horizon to be materially different from those expressed or implied by such information and statements.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes that the expectations reflected in its forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by applicable law. These forward-looking statements involve risks and uncertainties relating to, among other things, the state of the financial markets for Horizon's securities; the state of the natural resources sector; recent market volatility and potentially negative capital raising conditions; Horizon's ability to be fully able to implement its business strategies; the ability of the Hod Maden Project to obtain project level financing or on terms that are acceptable and the residual amount of equity financing to be provided by the Company; the projected capital costs and development timelines for the Hod Maden project; SSR Mining's ability to fulfil its role as operator of the Hod Maden Project, including social and regulatory license to operate; the expectation that the terms of the earn-in milestone payments of SSR Mining's agreement to acquire a 40% operating interest in the Hod Maden Project will be fulfilled, including the related expectation of benefits to the overall development of the project with SSR Mining as the operator; the expected production at Antamina and amount of the Antamina NPI, the intention and ability to increase processing capacity at Antamina and that the investment will be made to extend the extend the mine life and the timing of those investments; the expected timing of underground development on the Entrée/Oyu Tolgoi JV Property and timing and amount of subsequent cash flows attributable to Entrée; the future price and demand of gold, copper, and other metals; the estimation of mineral reserves and resources; realization of mineral reserve estimates; the need for additional financing; the relative speculative and illiquid nature of an investment in Horizon; the volatility of Horizon's share price; Horizon's ability to generate sufficient revenues and cash flows from operations; dependence on the operations, assets and financial health of investee companies; limited ability to exercise control or direction over investee companies; potential defaults by investee companies; Horizon's ability to enforce on any default by an investee company; competition with other investment entities; tax matters; reliance on key personnel; dilution of shareholders' interest through future financings; and general economic and political conditions; as well as the risks discussed above under the heading "Other Risks to Horizon". Actual results may differ materially from those expressed or implied by such forward-looking statements or forward-looking information.

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

Condensed Consolidated Interim Financial Statements

(Unaudited)

For The Period Ended June 30, 2024

Condensed Consolidated Interim Statements of Financial Position

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

	Note	June 30, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents		\$ 14,045	\$ 18,266
Receivables and other current assets		6,477	2,484
		\$ 20,522	\$ 20,750
Non-Current			
Loan to associate	4	\$ 9,959	\$ 6,429
Hod Maden and Entrée investments in associates	4	254,194	255,734
Mineral interests	5	233,275	237,332
Other long term assets		26	–
Total assets		\$ 517,976	\$ 520,245
Liabilities			
Current			
Trade and other payables		\$ 134	\$ 81
Expected settlement of promissory notes	6	2,776	5,757
Expected settlement of stream obligations	7	6,147	4,563
		\$ 9,057	\$ 10,401
Non-Current			
Promissory notes	6	\$ 184,302	\$ 181,987
Stream obligations	7	338,633	322,478
Total liabilities		\$ 531,992	\$ 514,866
Equity			
Share capital	8	\$ 37,188	\$ 37,102
Reserves		7,668	7,393
Retained deficit		(61,300)	(41,481)
Accumulated other comprehensive income (loss)		2,428	2,365
Total equity		\$ (14,016)	\$ 5,379
Total liabilities and equity		\$ 517,976	\$ 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 Jun. 30, 2024	3 Months Ended Jun. 30, 2023	6 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2023
Revenue					
Royalty revenue		\$ 5,672	\$ 592	\$ 7,420	\$ 592
Depletion	5	2,210	340	4,057	340
Gross profit (loss)		\$ 3,462	\$ 252	\$ 3,363	\$ 252
Operating expenses					
Administration expenses		\$ 299	\$ 280	\$ 578	\$ 401
Stock based compensation		148	–	313	–
Financing expenses		–	–	–	152
Exploration expenses		23	11	42	32
Operating income (loss)		\$ 2,992	\$ (39)	\$ 2,430	\$ (333)
Other expenses (income)					
Loss (gain) on revaluation of stream obligations	7	\$ 3,279	\$ (9,602)	\$ 19,948	\$ (6,339)
Share of loss in associates	4	721	1,063	1,603	2,025
Finance expense and other losses (gains) on promissory notes	6	2,828	(5,485)	1,365	(5,861)
Finance income		(373)	(468)	(706)	(845)
Foreign exchange and other		6	(698)	12	(756)
Net (loss) income before taxes		\$ (3,469)	\$ 15,151	\$ (19,792)	\$ 11,443
Current income tax expense		16	–	27	–
Net (loss) income for the period		\$ (3,485)	\$ 15,151	\$ (19,819)	\$ 11,443
Basic loss per share	8(e)	\$ (0.04)	\$ 0.20	\$ (0.23)	\$ 0.15
Diluted loss per share	8(e)	\$ (0.04)	\$ 0.19	\$ (0.23)	\$ 0.15
Weighted average number of common shares outstanding					
Basic		86,324,332	77,075,832	86,212,292	76,007,801
Diluted		86,324,332	78,161,154	86,212,292	77,145,791

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

	Note	3 Months Ended Jun. 30, 2024	3 Months Ended Jun. 30, 2023	6 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2023
Net (loss) income for the period		\$ (3,485)	\$ 15,151	\$ (19,819)	\$ 11,443
Other comprehensive loss for the period					
Items that may subsequently be reclassified to net loss:					
Currency translation differences		383	(4,488)	63	(4,806)
Total comprehensive (loss) income for the period		\$ (3,102)	\$ 10,663	\$ (19,756)	\$ 6,637

Condensed Consolidated Interim Statements of Cash Flow

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

Cash flow from (used in):	Note	3 Months Ended Jun. 30, 2024	3 Months Ended Jun. 30, 2023	6 Months Ended Jun. 30, 2024	6 Months Ended Jun. 30, 2023
Operating Activities					
Net (loss) income for the period		\$ (3,485)	\$ 15,151	\$ (19,819)	\$ 11,443
Items not affecting cash:					
Depletion expense	5	\$ 2,210	\$ 340	\$ 4,057	\$ 340
Share-based payments		148	–	313	–
Share of loss in associates	4	721	1,063	1,603	2,025
Loss (gain) on revaluation of stream obligations	7	3,279	(9,602)	19,948	(6,339)
Other losses (gains) and finance expense on promissory notes	6	2,828	(5,485)	1,365	(5,861)
Unrealized foreign exchange loss (gain) and other		6	(665)	12	(723)
Changes in non-cash working capital	9	(4,101)	(897)	(5,570)	(597)
		\$ 1,606	\$ (95)	\$ 1,909	\$ 288
Investing Activities					
Loan to associate	4	\$ (3,530)	\$ –	\$ (3,530)	\$ –
Proceeds from Hod Maden receivable recorded on acquisition		1,918	–	1,918	–
Acquisition of Antamina NPI		–	(20,040)	–	(20,040)
		\$ (1,612)	\$ (20,040)	\$ (1,612)	\$ (20,040)
Financing Activities					
Settlement of stream obligations		\$ (1,373)	\$ –	\$ (2,499)	\$ –
Interest paid		(1,010)	–	(2,031)	–
Proceeds from subscription receipt financing		–	5,058	–	5,058
Share issuance costs		–	(161)	–	(161)
Stock option proceeds		48	35	48	35
Deferred financing costs and other		(26)	(50)	(26)	(50)
		\$ (2,361)	\$ 4,882	\$ (4,508)	\$ 4,882
Effect of exchange rate changes on cash and cash equivalents		(3)	(80)	(10)	(56)
Net (decrease) increase in cash and cash equivalents		\$ (2,370)	\$ (15,333)	\$ (4,221)	\$ (14,926)
Cash and cash equivalents — beginning of the period		16,415	33,102	18,266	32,695
Cash and cash equivalents — end of the period		\$ 14,045	\$ 17,769	\$ 14,045	\$ 17,769

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
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		—	—	32	—	—	32
Options exercised		464,000	55	(20)	—	—	35
Total comprehensive income (loss)		—	—	—	11,443	(4,806)	6,637
At June 30, 2023		86,100,252	\$ 37,102	\$ 7,055	\$ (6,356)	\$ 2,389	\$ 40,190
Share-based payments		—	—	338	—	—	338
Total comprehensive loss		—	—	—	(35,125)	(24)	(35,149)
At December 31, 2023		86,100,252	\$ 37,102	\$ 7,393	\$ (41,481)	\$ 2,365	\$ 5,379
Share-based payments		—	—	313	—	—	313
Options exercised	8 (c)	334,521	75	(27)	—	—	48
Vesting of restricted share rights		20,000	11	(11)	—	—	—
Total comprehensive (loss) income		—	—	—	(19,819)	63	(19,756)
At June 30, 2024		86,454,773	\$ 37,188	\$ 7,668	\$ (61,300)	\$ 2,428	\$ (14,016)

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

June 30, 2024 | Expressed in U.S. Dollars

1. Nature of Operations

Horizon Copper Corp. was incorporated under the Business Corporations Act of British Columbia on March 17, 2011.

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

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

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

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors of the Company on July 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.

c) New Accounting Standards/Amendments Issued But Not Yet Effective

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

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

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

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 June 30, 2024 and December 31, 2023.

As at June 30, 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	\$ 6,147	\$ –	\$ –	\$ 6,147
Non-current liabilities				
Stream obligations	\$ 338,633	\$ –	\$ –	\$ 338,633
	\$ 344,780	\$ –	\$ –	\$ 344,780

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 June 30, 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 the absence of significant changes in the associate's overall risk profile. The fair value of the Hod Maden Promissory Note was \$61.7 million as at June 30, 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 \$119.5 million as at June 30, 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 June 30, 2024 and the year ended December 31, 2023.

a) Credit Risk

The Company's credit risk is limited to cash and cash equivalents, the loan to associate and the 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 June 30, 2024, the Company had cash and cash equivalents of \$14.0 million available to settle its accounts payable and accrued liabilities, as well as its short-term funding obligations related to its equity interest in Hod Maden.

The Company 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 June 30, 2024.

The following table shows the Company's undiscounted contractual obligations as they fall due as at June 30, 2024 and December 31, 2023:

In \$000s				Total	Total
	Within 1 year	2-5 years	Over 5 years	Jun. 30, 2024	Dec. 31, 2023
Accounts payable	\$ 134	\$ –	\$ –	\$ 134	\$ 81
Promissory notes ¹	1,767	13,264	225,034	240,065	240,065
Promissory note interest ²	4,050	17,589	33,640	55,279	54,486
	\$ 5,951	\$ 30,853	\$ 258,674	\$ 295,478	\$ 294,632

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

The amount expected to be settled under the Antamina Silver Stream within the next year is \$6.1 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	(103)	(1,500)	(1,603)
Company's share of other comprehensive loss of associate	–	63	63
At June 30, 2024	\$ 225,510	\$ 28,684	\$ 254,194

Loan to Associate

During the three months ended June 30, 2024, the Company advanced \$3.5 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 June 30, 2024:

In \$000s	Cost			Accumulated Depletion			Carrying Amount
	Jan. 1, 2024	Net Additions (Disposals)	Jun. 30, 2024	Jan. 1, 2024	Depletion	Jun. 30, 2024	
	Antamina NPI, Peru	\$ 241,456	\$ –	\$ 241,456	\$ 4,536	\$ 4,057	
Peninsula Project, USA	412	–	412	–	–	–	412
Total	\$ 241,868	\$ –	\$ 241,868	\$ 4,536	\$ 4,057	\$ 8,593	\$ 233,275

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

In \$000s	Cost			Accumulated Depletion			Carrying Amount
	Jan. 1, 2023	Net Additions (Disposals)	Dec. 31, 2023	Jan. 1, 2023	Depletion	Dec. 31, 2023	
	Antamina NPI, Peru	\$ –	\$ 241,456 ¹	\$ 241,456	\$ –	\$ 4,536	
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 payments	(2,031)	–	(2,031)
Accretion expense	3,406	2,221	5,627
At June 30, 2024	\$ 120,716	\$ 66,362	\$ 187,078
Current portion	\$ 2,776	–	\$ 2,776
Long term portion	117,940	66,362	184,302
Total	\$ 120,716	\$ 66,362	\$ 187,078

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 June 30, 2024 (\$145.1 million – December 31, 2023). Interest on \$135 million of the Antamina Promissory Note is to be paid quarterly at 3% with the remaining \$10.1 million principal amount being interest-free. Any excess cash flow from the Antamina NPI, after satisfying the silver stream and interest payments on the Antamina Promissory Note, will be used to repay principal on the promissory note and reduce the Company's debt. 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	(2,209)	–	(2,209)
Change in fair value of stream obligations	20,802	(854)	19,948
At June 30, 2024	\$ 119,729	\$ 225,051	\$ 344,780
Current portion	\$ 6,147	–	\$ 6,147
Long term portion	113,582	225,051	338,633
Total	\$ 119,729	\$ 225,051	\$ 344,780

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 June 30, 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. Changes in each of these key assumptions would have the following impact on the value of the stream obligation as at June 30, 2024:

In \$000s	Key assumption	Sensitivity applied to key assumption	Impact on value of stream liability
Antamina silver stream obligation	Production profile and mineral reserves	5% increase in estimated number of silver ounces	\$ 4,487
	Silver price - forward curve	\$1/oz increase in silver price	3,107
	Discount rate	0.25% increase to discount rate	(2,488)

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 June 30, 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. Changes in each of these key assumptions would have the following impact on the value of the stream obligation as at June 30, 2024:

In \$000s	Key assumption	Sensitivity applied to key assumption	Impact on value of stream liability
Hod Maden gold stream obligation	Production profile and mineral reserves	5% increase in estimated number of gold ounces	\$ 6,599
	Gold price - forward curve	\$100/oz increase in gold price	7,331
	Discount rate	0.25% increase to discount rate	(4,436)

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 June 30, 2024	40,929,413	0.82

The weighted average remaining contractual life of the warrants as at June 30, 2024 was 3.09 years (year ended December 31, 2023 — 3.59 years).

A summary of the Company's warrants as of June 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.

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	4,184,521	0.75
Exercised	(334,521)	0.19
Options outstanding at June 30, 2024	3,850,000	0.80

The weighted average remaining contractual life of the options as at June 30, 2024 was 3.96 years (year ended December 31, 2023 — 4.16 years). The weighted average share price, at the time of exercise, for those share options that were exercised during the six months ended June 30, 2024 was CAD0.70 per share (year ended December 31, 2023 — CAD0.55 per share).

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

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

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

d) Restricted Share Units

The Company has a restricted share plan (the "Restricted Share Plan") whereby the Company may grant restricted share rights ("RSRs") to eligible employees, officers, directors and consultants at an expiry date to be determined by the Board of Directors. Each restricted share right entitles the holder to receive a common share of the Company without any further consideration. The Restricted Share Plan permits the issuance of up to a maximum of 8,610,025 restricted share rights, of which 8,202,555 were available for grant as at June 30, 2024.

During the three months ended June 30, 2024, 20,000 RSRs were exercised. As at June 30, 2024, the Company had 330,000 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 June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Net (loss) income for the period	\$ (3,485)	\$ 15,151	\$ (19,819)	\$ 11,443
Basic weighted average number of shares	86,324,332	77,075,832	86,212,292	76,007,801
Basic loss (income) per share	\$ (0.04)	\$ 0.20	\$ (0.23)	\$ 0.15
Effect of dilutive securities				
Stock options	–	418,742	–	532,825
Warrants	–	605,042	–	605,042
Restricted share rights	–	61,538	–	123
Diluted weighted average number of common shares	86,324,332	78,161,154	86,212,292	77,145,791
Diluted loss (income) per share	\$ (0.04)	\$ 0.19	\$ (0.23)	\$ 0.15

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 June 30, 2024 and June 30, 2023:

	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Stock options	3,850,000	676,923	3,850,000	340,331
Warrants	40,929,413	36,332,164	40,929,413	35,965,913
Restricted share rights	330,000	–	330,000	–

9. Supplemental Cash Flow Information

In \$000s	3 Months Ended June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Change in non-cash working capital:				
Trade receivables and other	\$ (4,157)	\$ (532)	\$ (5,622)	\$ (529)
Trade and other payables	56	(365)	52	(68)
Net decrease in cash	\$ (4,101)	\$ (897)	\$ (5,570)	\$ (597)
Significant non-cash transactions:				
Common shares issued as part of the consideration for the asset acquisition	\$ –	\$ 1,406	\$ –	\$ 1,406
Stream obligation assumed as part of the consideration for the asset acquisition	–	101,449	–	101,449
Promissory note assumed as part of the consideration for the asset acquisition	–	122,745	–	122,745
Other:				
Interest received	\$ 328	\$ 468	\$ 648	\$ 845

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 June 30, 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.

Artmin Madencilik San. ve Tic. A.S. (“Artmin”), the entity which holds the Hod Maden project, is a related party as a result of the Company having significant influence through its 30% ownership interest. The transactions with Artmin during the period are set out in note 4.

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 June 30, 2024	3 Months Ended June 30, 2023	6 Months Ended June 30, 2024	6 Months Ended June 30, 2023
Salaries and benefits	\$ 56	\$ 11 ¹	\$ 112	\$ 22 ¹
Share-based payments	148	32	313	32
Total key management compensation expense	\$ 204	\$ 43	\$ 425	\$ 54

- 1) Related to a recharge of CAD15,000 of salary costs borne by Sandstorm related to key management personnel of the Company from April 2023 to June 2023 and a recharge of CAD30,000 of salary costs borne by Sandstorm related to key management personnel of the Company from January 2023 to June 2023.

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.