

DRILLING TO COMMENCE AT GUM CREEK

HIGHLIGHTS

- **IP surveying along the Wilsons Shear, north of the Wilsons Deposit, has identified two new priority IP drill targets**
- **Only 14km of the 70km Wilsons Shear strike has been tested by detailed IP**
- **RC drilling to test four IP anomalies identified on the Wilsons Shear together with infill and extensional resource drilling at Heron South to commence in the second half of March**
- An Options Study for processing refractory mineralisation is being undertaken by GR Engineering
- Metallurgical testwork on refractory mineralisation is progressing with the aim of optimising flotation parameters and improving metallurgical recoveries

Summary

Horizon Gold Limited (**ASX:HRN**, Horizon, the Company) is pleased to provide the following update on the Gum Creek Gold Project. Exploration activities to follow up on the priority regional exploration targets outlined in the Horizon Prospectus commenced in January. The initial exploration focus has been the resumption of systematic Induced Polarisation (IP) surveying along the Wilsons Shear to the north of the Wilsons deposit.

IP surveying along the Wilsons Shear by Panoramic Resources Limited (ASX:PAN, Panoramic) in 2016, and Horizon in January 2017, has identified four priority chargeable IP anomalies, similar to the chargeable anomaly that is coincident with the Wilsons deposit. A Reverse Circulation (RC) drilling program to test all four anomalies is scheduled to begin in the second half of March. In addition to drill testing the IP anomalies, seven infill and extensional RC resource definition drill holes are planned for Heron South. This first phase RC drill program will involve 15 drill holes for approximately 3,200 drill metres.

Concurrent with these exploration activities, studies and associated metallurgical testwork to identify the optimal processing route for the Gum Creek refractory mineralisation is ongoing.

Detail

In 2015, Panoramic completed detailed ground gravity and airborne electromagnetic surveys over the Gum Creek Gold Project. The geophysical data collected was integrated with existing magnetic surveys, geological mapping and the drill-hole database and identified 28 priority exploration target areas. Fourteen of the target areas are associated with the Wilsons Shear located along the eastern side of the Project (*refer to the Company's ASX announcement of 21 December 2016*). The Wilsons Shear is the host structure for several gold deposits, most notably the Wilsons deposit, which has a 2012 JORC Resource of 391,500 ounces of gold.

In 2016, Panoramic completed an IP test survey over the Wilsons deposit. The survey identified a clear chargeable source coincident with the known Wilsons mineralisation and thereby demonstrated the potential viability of using modern IP techniques as a tool to explore for similar mineralisation along the Wilsons Shear. Inversion modelling of the Wilsons IP data also indicated that the Wilsons mineralisation was likely to continue down plunge to the west beyond the current depth of drilling.

In addition to the test IP survey at Wilsons, Panoramic completed systematic IP surveying across the Wilsons Shear for a distance of 6km to the south of the Wilsons deposit. This survey identified two chargeable IP anomalies similar to the one identified by the test survey at Wilsons (*Figure 1*). The IP anomalies on Lines 1600 and 2400 shown in *Figure 1* are part of one continuous chargeable IP zone, whilst the anomaly on Line 4000 is discrete. The source of the two chargeable IP anomalies is unknown, however based on the results of the Wilsons test survey, represented future priority drill targets. In total, Panoramic completed 25 IP lines totalling 39.15km of IP surveying in 2016.

In January 2017, Horizon resumed systematic IP surveying along the Wilsons Shear (north of Wilsons). At the end of February 2017, a further 23 IP survey lines totalling 31.784km had been completed and has **resulted in two new priority chargeable IP anomalies being identified**. To-date, only 14km of the 70km Wilsons Shear strike length (7km north and south of the Wilsons deposit), has been covered by detailed IP surveying.

An RC drill program to test the source of these priority IP anomalies will commence in the second half of March. This program will involve eight holes for approximately 1,800 drill metres (*refer Figure 1*). Specification details on the IP survey, including 2012 JORC disclosures, can be found in Table 1, Section 2 in Appendix 1. Inverted chargeability sections for the planned drill holes are presented in Appendix 2.

Heron South was also identified in the Horizon Prospectus as a priority target. Previous drilling has intersected significant thicknesses and grades of gold mineralisation below the base of the existing Heron South open pit (*Figure 2*). Further infill and extensional drilling consisting of seven holes for 1,400m are planned to be drilled at Heron South. **Over the coming months, test IP surveys are planned to the north and south of Heron South with the aim of identifying additional high priority drill targets in this area.**

Recently, Horizon has engaged GR Engineering Services Limited to undertake an Options Study for processing Gum Creek refractory mineralisation. Previous studies had proposed bacterial oxidation of a sulphide flotation concentrate to treat the refractory mineralisation. However, the Company believes there may be other processing methods which could enhance project value. Metallurgical testwork completed by Panoramic in 2016 identified a potential processing route using moderate temperature and pressure conditions to oxidise the flotation concentrate. Other processing options under consideration in the Study include Albion Process™ and alkaline leach. The objectives of the Options Study are to:

- determine indicative capital and operating costs for the four methods;
- complete a high-level risk and opportunity assessment for each method; and
- to develop a scope of work for any additional metallurgical testwork required.

In parallel with this abovementioned Options Study, **further metallurgical test work on processing refractory material has now commenced.** The current phase of testwork is focusing on optimising flotation performance to improve gold recovery into the flotation concentrate.

Figure 1: Gum Creek Project TMI image showing Wilsons Shear and IP survey activity

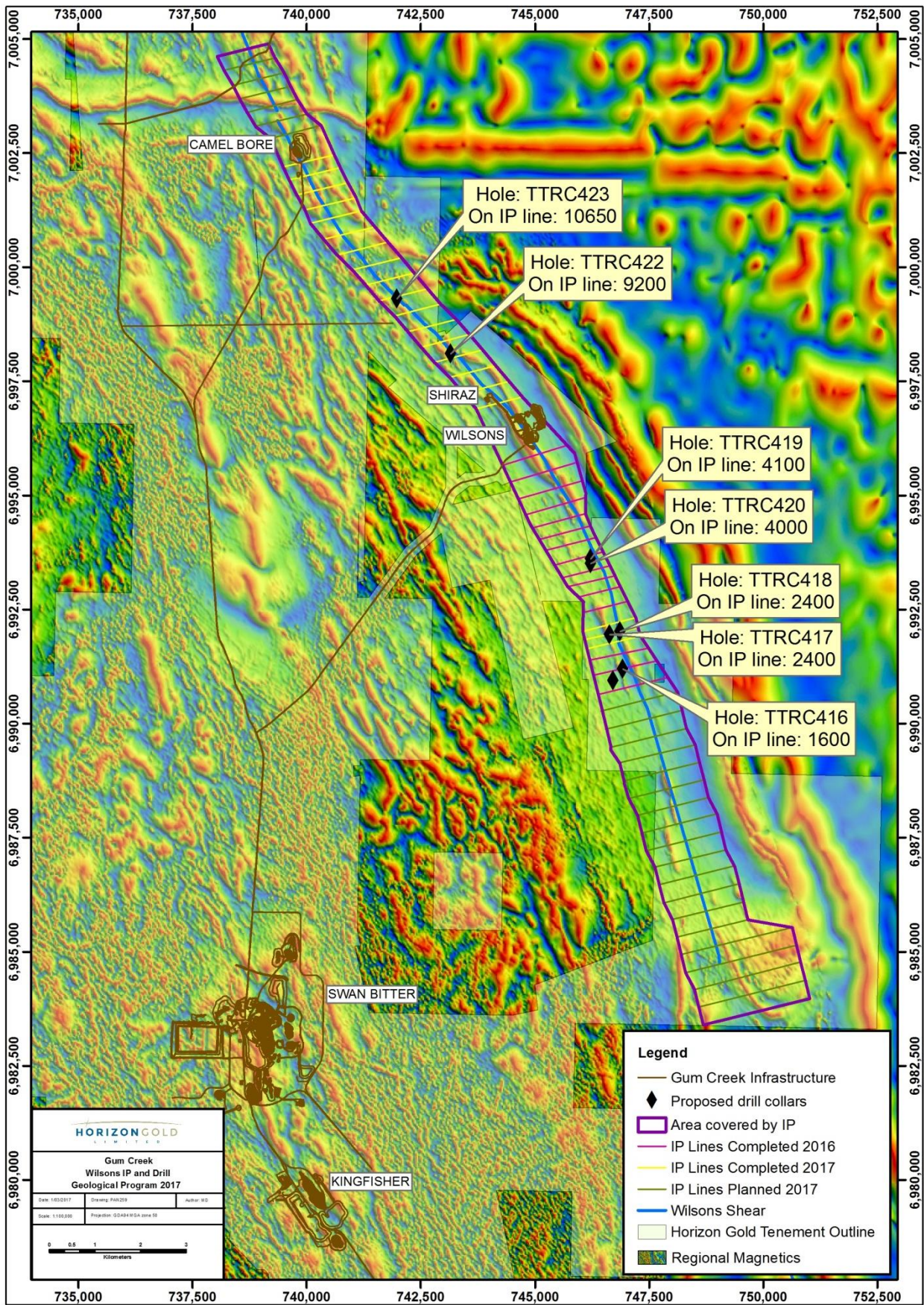
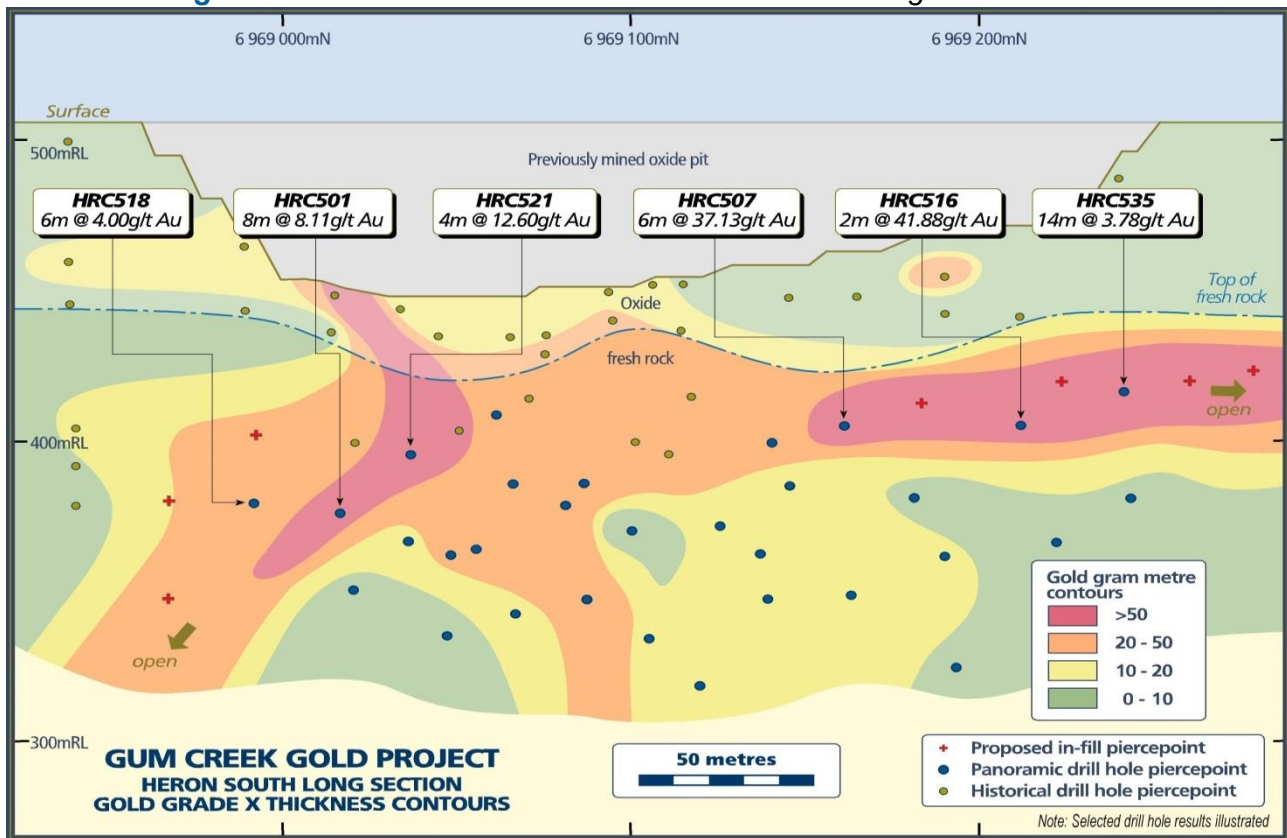


Figure 2: Planned Resource Infill and Extensional Drilling at Heron South



Competent Person's Statement

The information in this release that relates to Exploration Targets and Exploration Results is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights in relation to Panoramic Resources Limited.

Under a Management Agreement between Panoramic Resources Limited and Horizon Gold Limited dated 21 October 2016 Mr Hicks is authorised to report on Horizon Gold Limited exploration activities.

The aforementioned has sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on the information in the form and context in which it appears.

About the Company

Horizon Gold Limited (**ASX:HRN**) is an exploration company focused on its 100% owned Gum Creek Gold Project in Western Australia. The Gum Creek Gold Project covers approximately 724 square kilometres and hosts JORC 2012 Mineral Resources of **17.3 million tonnes averaging 2.25g/t gold for 1.25 million ounces of gold**. It is located within a well-endowed gold region that hosts multi-million ounce deposits including Big Bell, Wiluna, Mt Magnet, Meekatharra and Agnew/Lawlers. Horizon believes there are multiple high priority drill targets and plans to undertake ongoing exploration and development studies with the aim of becoming a stand-alone gold producer. The Company had \$13.63 million in cash as at 31 December 2016.

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Appendix 1 – 2012 JORC Disclosures

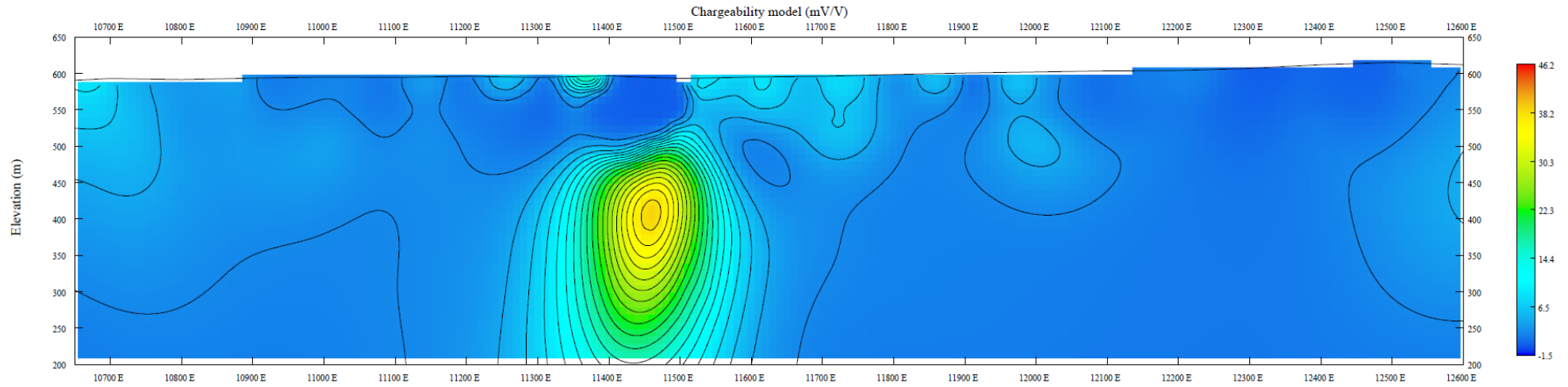
Gum Creek Gold Project - Table 1, Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • The Gum Creek Gold Project (GCGP), formerly the Gidgee Gold Project, is a gold mining centre that has been on care and maintenance since 2005. The GCGP is currently secured by 46 tenements, comprising 7 Exploration Licences (ELs), 21 Mining Leases (MLs), 6 Prospecting Licences (PLs) and 10 Miscellaneous Licences (refer to the “Schedule of Tenements” in the latest PAN Annual Report). If there is production on the tenements, various royalties will be payable to third parties in relation to various tenements. • All tenements and land tenure are current and in good standing. Horizon Gold Limited (HRN), through its wholly owned entity, Panoramic Gold Pty Ltd, has 100% ownership of the tenements and subject, to any necessary approvals, the sole right to explore for and/or mine all commodities within the area of the PLs, ELs and MLs.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Horizon Gold Limited acquired control of the GCGP 21 Dec 2016.. Previous owners of the Project include: <ul style="list-style-type: none"> ○ Australian Resources Limited, 1988 – 1999 ○ Abelle Limited, 1999 – 2003 ○ Harmony Gold Mining Co Ltd, 2003 ○ Legend Mining Limited, 2003 – 2005 (mining ceased) ○ Apex Minerals Limited, 2008 - 2011 ○ Panoramic Resources Ltd 2011 – Dec 2016
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The GCGP contains a series of shear and vein host gold deposits of both free milling and refractory character. All deposits are classified as belonging to the Archaean orogenic category of gold deposits.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • Exploration at Gum Creek is conducted on the series of historical exploration grids within the Map Grid of Australia (MGA) GDA94 Zone 50. • The exploration results and information reported in this announcement relate to the undertaking of a geophysical Induced Polarisation (IP) Survey and did not involve drilling – therefore no drill hole information is applicable to the results.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • The exploration results and information reported in this announcement relate to the undertaking of a geophysical Induced Polarisation (IP) Survey and did not involve drilling – therefore no drill hole data aggregation methods is applicable to the results.

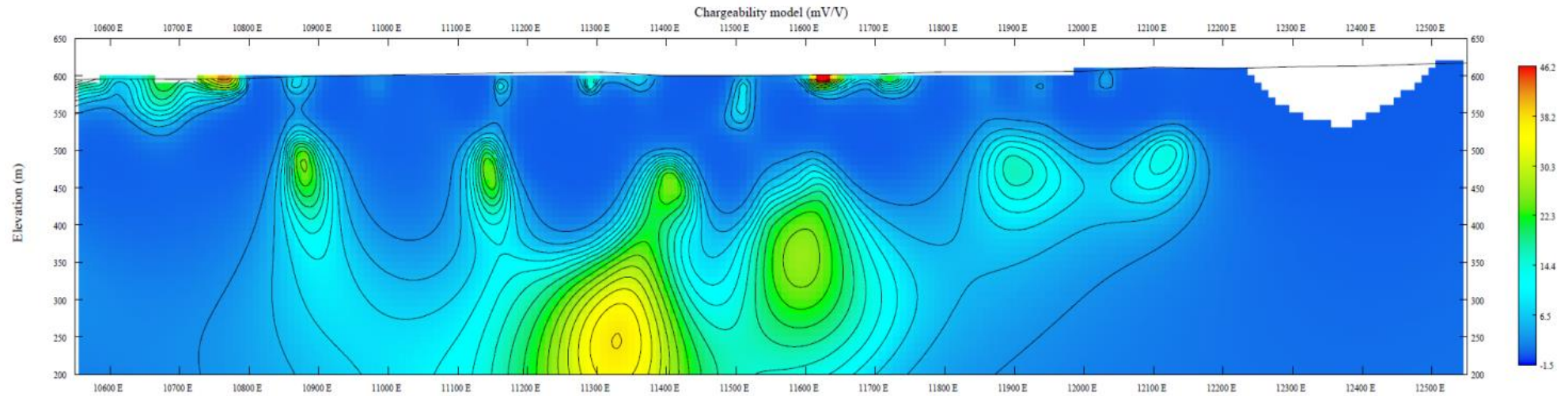
Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The exploration results and information reported in this announcement relate to the undertaking of a geophysical Induced Polarisation (IP) Survey and did not involve drilling – therefore relationships between mineralisation widths and intercept lengths are not applicable to the results.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • The diagrams and plans in this announcement are deemed to be appropriate for the level of data available and on the information being reported on.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • The exploration results and information reported in this announcement are sufficiently detailed in nature for the announcement to be considered sufficiently balanced and not misleading.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • The exploration results and information reported in this announcement relate to the undertaking of a geophysical Induced Polarisation (IP) Survey conducted at Target 13 within the GCGP. The Survey was supervised by Newexco. Survey specifications are as follows: <ul style="list-style-type: none"> ○ Location – Gum Creek Greenstone Belt ○ Project – Gum Creek Gold Project ○ Prospect – Wilsons South ○ Client – Panoramic Gold Pty Ltd ○ Grid 1 – Mt Townsend ○ Grid 2 – GDA94MGAZ50 ○ Survey Configuration – Dipole-Dipole ○ Number of Profiles – 13 ○ Line spacing – 400m ○ Target 13 line spacing – 800m ○ Target 13 nos profiles – 11 ○ Target 13 length – 2,000m ○ Number of RX dipoles – 180 ○ Base Frequency – 0.125 Hz ○ A spacing – 100m ○ N spacing – 8 ○ M – 450ms to 1150ms ○ Stacking – As required ○ Readings– Consistent readings ○ Windowing – Semi log ○ Receiver – GDD 32 ○ Transmitter – GDD 5000 ○ Generator – 10kva ○ Wire – HV Tx ○ Target 13 datum – 755100mE, 6955560mN
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • The exploration results and information reported in this announcement relate to recent data data data aggregation or other drill hole data calculation methods methods are applicable. Work is ongoing and further results will be reported if and when they become available.

Appendix 2

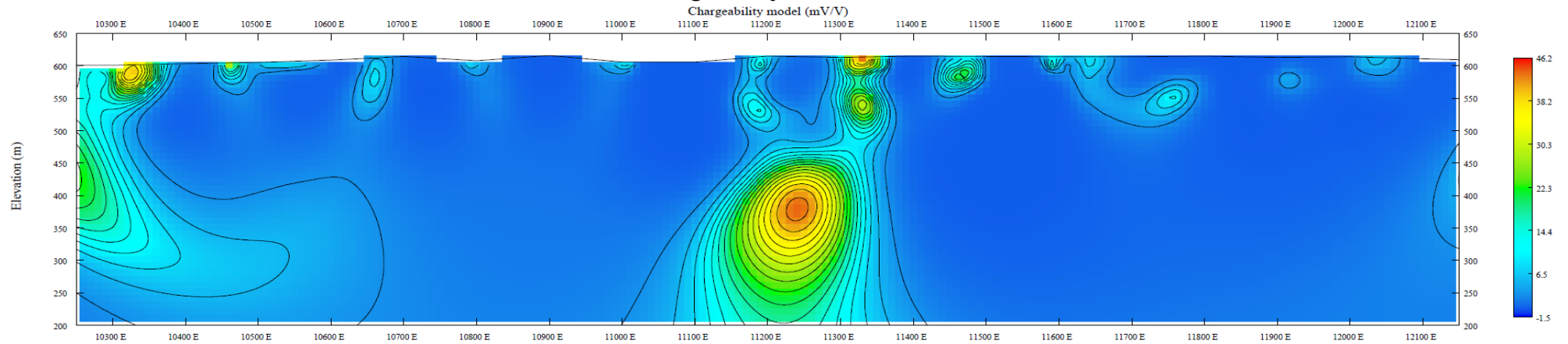
Inverted Chargeability – Section 1600mN



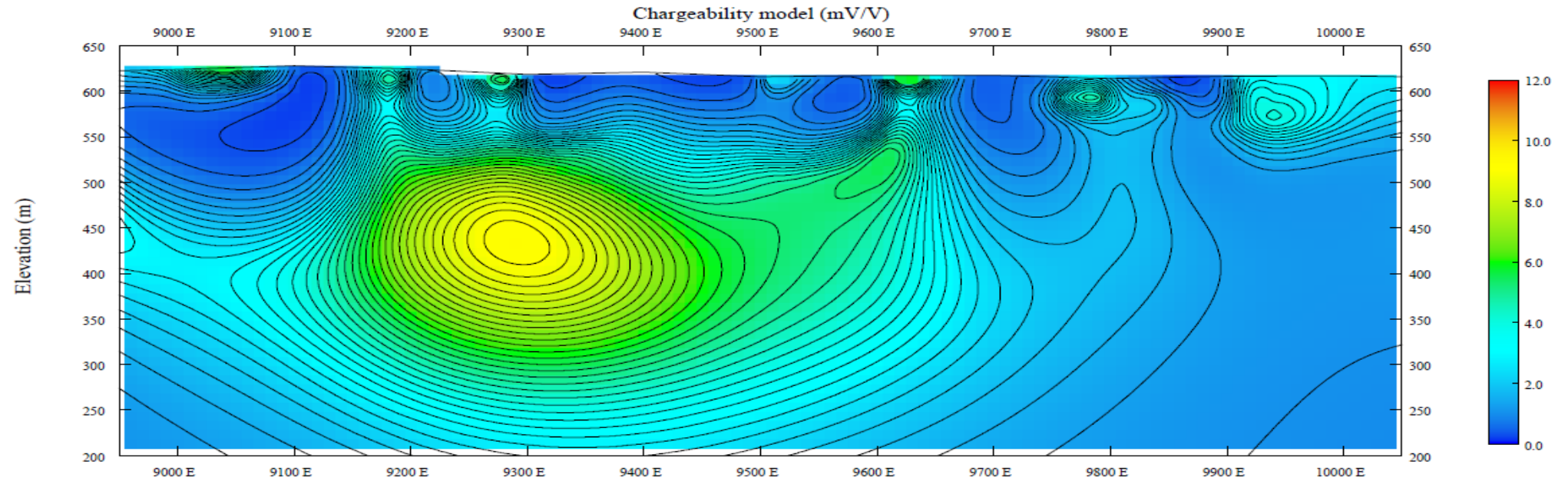
Inverted Chargeability – Section 2400mN



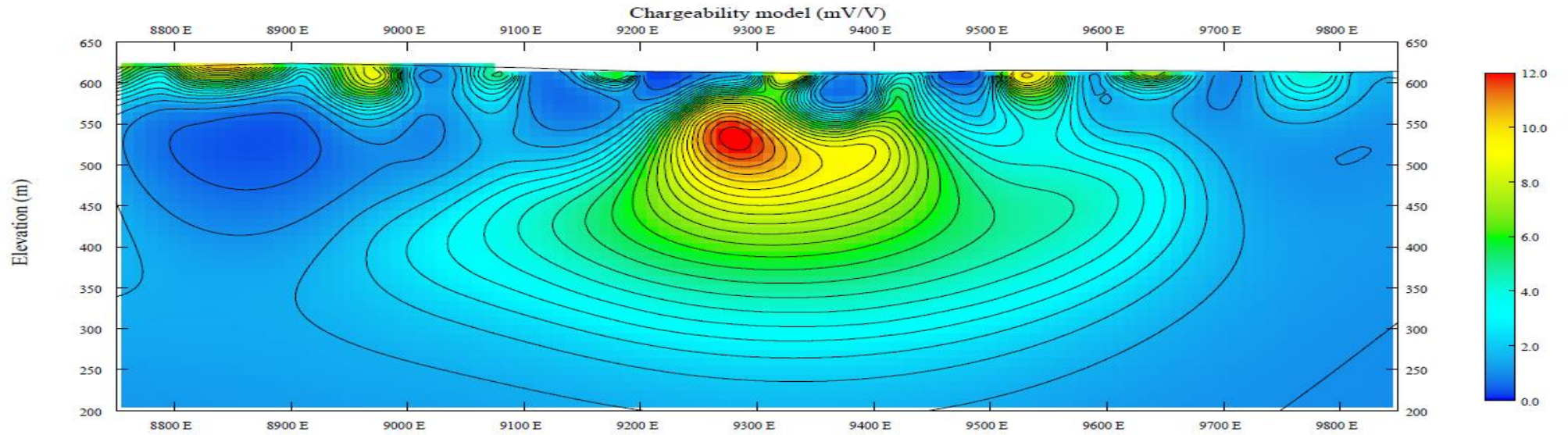
Inverted Chargeability – Section 4000mN



Inverted Chargeability – Section 9000mN



Inverted Chargeability – Section 9400mN



Inverted Chargeability – Section 10650mN

