

22 January 2018

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Key Points

- The initial phase of the FY2018 reverse circulation (RC) drilling program is nearing completion – 39 drill-holes completed for 4,969 drill metres at 13 prospects. **Positive results from Psi, Toedter, Ray Charles and Shiraz South**, including:
 - **7m @ 4.94g/t Au from 55m in GWRC462 (Psi – reported Sept 2017 quarter)**
 - **1m @ 20.6g/t Au from 133m in GWRC482 (Toedter)**
 - **1m @ 2.53g/t Au from 83m in GWRC439 (Ray Charles)**
 - **1m @ 2.40g/t Au from 138m in GWRC429 (Shiraz South)**
- The initial phase of the FY2018 aircore (AC) drilling program is almost complete - 440 drill-holes completed for 20,118 drill metres at eight prospects. Better intersections include:
 - **4m @ 2.84g/t Au from 28m in GPAC1261 (Gidgee South)**
 - **4m @ 3.38g/t Au from 76m in GPAC0922 (Melbourne Bitter)**
 - **4m @ 2.21g/t Au from 72m in GPAC1057 (Orion)**
- Ten 10 RC drill-holes planned at Ray Charles, Howards, Big West and Rail and 92 AC drill-holes proposed for Wahoo East, which will complete the initial FY2018 RC and AC drilling programs
- **The initial FY2018 drill results warrant follow-up drill testing at several prospect areas, with priority targets at Psi and Toedter**
- **Cash of \$8.4 million at 31 December 2017**, ensuring a strong balance sheet position to fund exploration at Gum Creek and evaluation of complementary project opportunities

Details

Horizon Gold Limited (ASX Code: HRN) (Horizon or the Company) is a gold company focussed on exploration and development activities at the 100% owned Gum Creek Project in Western Australia. Gum Creek has historically produced over one million ounces of gold, and hosts JORC 2012 **Resources of 17.3 million tonnes averaging 2.25g/t gold for 1.25 million ounces of gold** (refer to the Company's IPO Prospectus submitted to ASIC on 21 October 2016). The funds raised from the IPO in December 2016 are being used to fund an aggressive exploration program and development studies at Gum Creek.

Exploration

Work Completed

The Company provided an update on Exploration activities in December 2017 (refer to the Company's ASX announcement of 21 December 2017). No additional work has been completed and no further results have been received since that announcement.

To summarise, exploration activities completed during the September and December 2017 quarters (*Figures 1 and 2*) included:

- 39 reverse circulation (RC) holes for 4,969 drill metres at 13 prospects; and
- 440 aircore (AC) holes for 20,118 drill metres at eight prospects.

Relevant JORC compliance tables and Competent Persons' Statements in relation to these activities are contained in the Company's ASX announcements dated 30 October 2017 and 21 December 2017.

RC Drilling Results

The most significant assay results from the RC drill program were returned at the Psi Prospect.

Better intersections included:

- **7m @ 4.94g/t Au from 55m in GWRC462;**
- **6m @ 4.16g/t Au from 80m in GWRC464;**
- **5m @ 4.15g/t Au from 68m in GWRC466;**
- **5m @ 3.60g/t Au from 62m in GWRC467; and**
- **4m @ 5.34g/t Au from 56m in GWRC469.**

Other encouraging results returned were at Toedter, Ray Charles and Shiraz South, including:

- Toedter - 1m @ 20.6g/t Au from 133m (GWRC482);
- Ray Charles - 1m @ 1.68g/t Au from 79m and 1m @ 2.53g/t Au from 83m (TTRC439); and
- Shiraz South - 1m @ 2.40g/t Au from 138m (TTRC429)

AC Drilling Results

Various AC intercepts were returned from Gidgee South, Melbourne Bitter and Orion prospects, with better intersections returned from the AC drill program including:

- 4m @ 0.69g/t Au from 80m in GPAC1094 (Gidgee South);
- 4m @ 0.68g/t Au from 0m in GPAC1231 (Gidgee South);
- 5m @ 0.92g/t Au from 28m in GPAC1235 (Gidgee South);
- 4m @ 0.52g/t Au from 32m in GPAC1259 (Gidgee South);
- **4m @ 2.84g/t Au from 28m in GPAC1261 (Gidgee South);**
- 4m @ 0.83g/t Au from 24m in GPAC1282 (Gidgee South);
- 4m @ 0.61g/t Au from 32m in GPAC1283 (Gidgee South);
- **4m @ 1.62g/t Au from 96m in GPAC0907 (Melbourne Bitter);**
- **4m @ 1.32g/t Au from 0m in GPAC0921 (Melbourne Bitter);**
- **4m @ 3.38g/t Au from 76m in GPAC0922 (Melbourne Bitter);**
- 4m @ 0.77g/t Au from 76m in GPAC0931 (Melbourne Bitter);
- 4m @ 0.83g/t Au from 32m in GPAC1043 (Orion);
- **4m @ 1.00g/t Au from 60m in GPAC1051 (Orion); and**
- **4m @ 2.21g/t Au from 72m in GPAC1057 (Orion).**

Figure 1 - Colour gravity image showing prospect areas targeted for drilling in FY2018

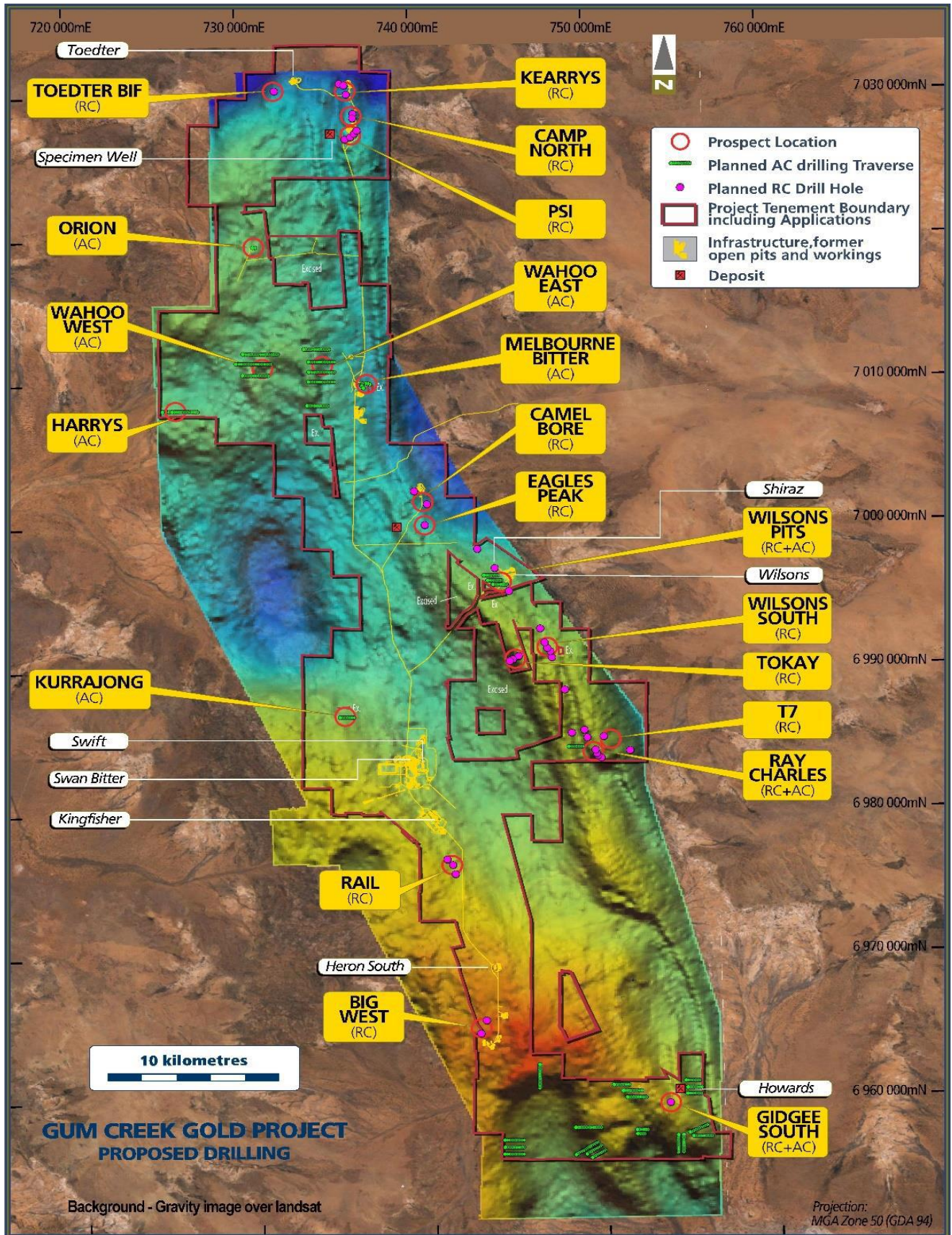
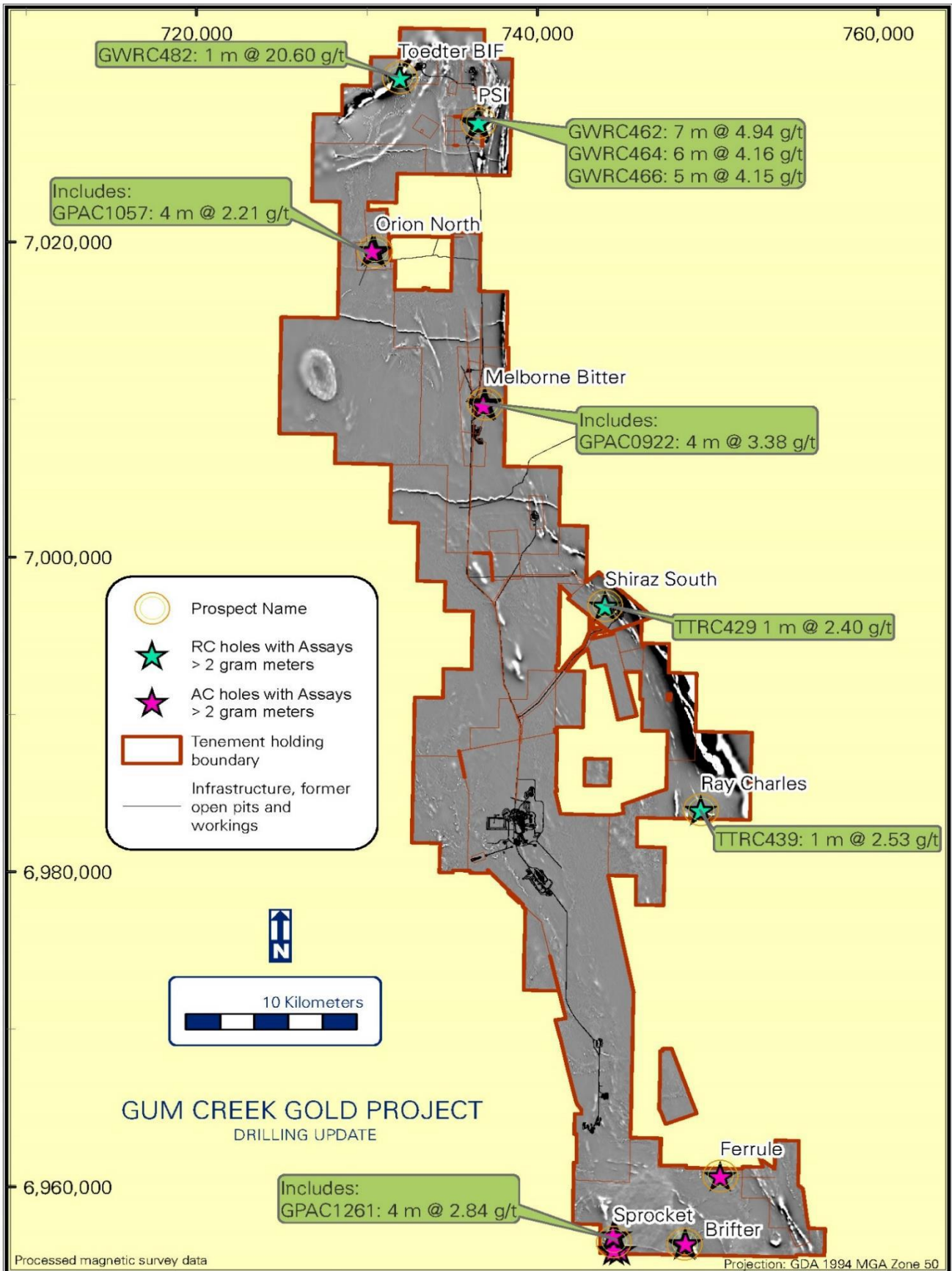


Figure 2 – Gum Creek regional plan showing areas with significant RC and AC drill results





Geochemical Review

The Company has an extensive geochemical database for the Gum Creek Project, comprising over 81,000 surface samples and 70,000 drill holes. During the December 2017 quarter, Horizon engaged GCXplore Pty Ltd to undertake a comprehensive review of the Gum Creek geochemical database with the aim of generating new drill targets and to assist in the planning for new exploration activities.

The work by GCXplore is well advanced, **with several targets identified for drill testing in 2018.**

March 2018 Quarter Exploration Program

The immediate focus for the March 2018 quarter will be to complete the remaining 10 planned RC drill-holes at Ray Charles, Howards, Big West and Rail in the initial phase of the FY2018 RC program.

Follow-up RC drilling is planned at Psi and Toedter. At Psi, an additional eight RC drill-holes are planned to test the shallow, south plunging banded iron formation (BIF) hosted mineralisation. The mineralised grades and thicknesses intersected at Psi are consistent with historical drilling intercepts and confirm that the mineralisation is mostly confined to a single sheared structure with higher-grade lenses plunging more shallowly to the south than previously thought.

At Toedter, a combination of AC and RC drilling is planned to follow-up the high-grade intersection in drill-hole GWRC482 and to test five other coincident de-magnetised BIF and EM conductors identified along a 6km long, mostly buried BIF unit located to the west of the main Toedter prospect area.

Initial AC drilling is planned at **Wahoo East** (92 holes). Follow-up AC drilling, to better define the anomalous results returned from the initial FY2018 AC drilling program, is planned at **Toedter, Gidgee South, Melbourne Bitter and Orion.**

The geochemical review is expected to be completed during the March 2018 quarter, with the resulting targets to be included in the 2018 drilling programs.

Corporate

As at 31 December 2017, the Company's cash position was \$8.4 million.

The Company made payments during the quarter totalling \$1.53 million, as detailed in the accompanying Appendix 5B.

The Company is fully funded for its exploration activities at Gum Creek and is in a strong financial position to evaluate complementary project opportunities.

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 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 has identified multiple high priority drill targets and plans to undertake ongoing exploration and development studies with the aim of becoming a stand-alone gold producer.

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Previously reported information

This announcement contains references to exploration results and Mineral Resource estimates, which were disclosed in previous market announcements made by Panoramic Resources Limited (ASX: PAN) and/or disclosed by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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.