

16 July 2019

ALTAIR EXPLORATION UPDATE

Highlights

- Moving loop electro-magnetic (MLEM) surveying has identified **a series of conductors** with similar response to the conductor associated with the known Zn-Cu-Ag mineralisation at Altair
- The MLEM survey has mapped the Altair **conductor extending over 5 km to the north**, significantly increasing the potential to expand the Altair mineralisation in this direction
- The combined strike length of the conductors mapped by the MLEM survey is **greater than 8 km**
- **None of the recently modelled conductors have been drill tested**, apart from the recent drilling by Horizon at Altair, and will form the focus for ongoing exploration in the second half of 2019
- The MLEM conductors are **clustered above a strong gravity feature** that has been interpreted to reflect a **large intrusive body at depth** and which may be the **heat source responsible for generating the mineralising hydrothermal fluids that produced the Altair mineralisation**

Non-Executive Chairman, Peter Harold, said “*the Company is delighted by the results of the MLEM survey and the exploration potential it has delineated at Altair. The Altair Zn-Cu-Ag discovery and the geological picture that is now emerging is a very exciting development for Horizon. We look forward to testing the potential extensions to Altair in the near future.*”

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 (*Figure 1*). Gum Creek has historically produced over one million ounces of gold and hosts **JORC Code (2012) Resources of 15.9 million tonnes averaging 2.7g/t gold for 1.39 million ounces of gold** (refer to the Company’s IPO Prospectus submitted to ASIC on 21 October 2016 and the Company’s 2019 Mineral Resources Statement shown in Appendix 1). The proceeds from the IPO in December 2016 are being used to fund aggressive exploration programs and development studies at Gum Creek.

Altair Prospect 2019 MLEM survey

Since completing the last drill program at Altair in March 2019, which defined a broad, continuous lens of zinc (Zn)-copper (Cu)-silver (Ag) mineralisation over a strike length of 500 metres that is open to the north and east, the Company has focused its latest effort through targeted exploration on trying to define the potential magnitude of this new Zn-Cu-Ag discovery rather than by simply step out drill testing. Between 2 June and 17 June 2019, the Company completed a moving loop electro-magnetic (MLEM) survey covering an area from Altair in the south to Mensa in the north, a distance of approximately 6 km. Apart from one infill survey line, the MLEM survey was conducted on a broad 200m x 200m grid pattern involving 323 survey stations for a total of 43 line-kms of survey. Details of the survey are presented in this announcement. Appendix 2 contains the appropriate JORC Code (2012) Compliance Tables.

The MLEM survey was undertaken due to the recognised similarities and proximity between a cluster of SkyTEM anomalies identified in the area in 2015 and the known “electro-magnetic” response of the Altair mineralisation, which down-hole electro-magnetic (DHEM) surveys of five Altair drill holes established in December 2018.

Figure 1: Gum Creek Resource and Prospect Location Plan

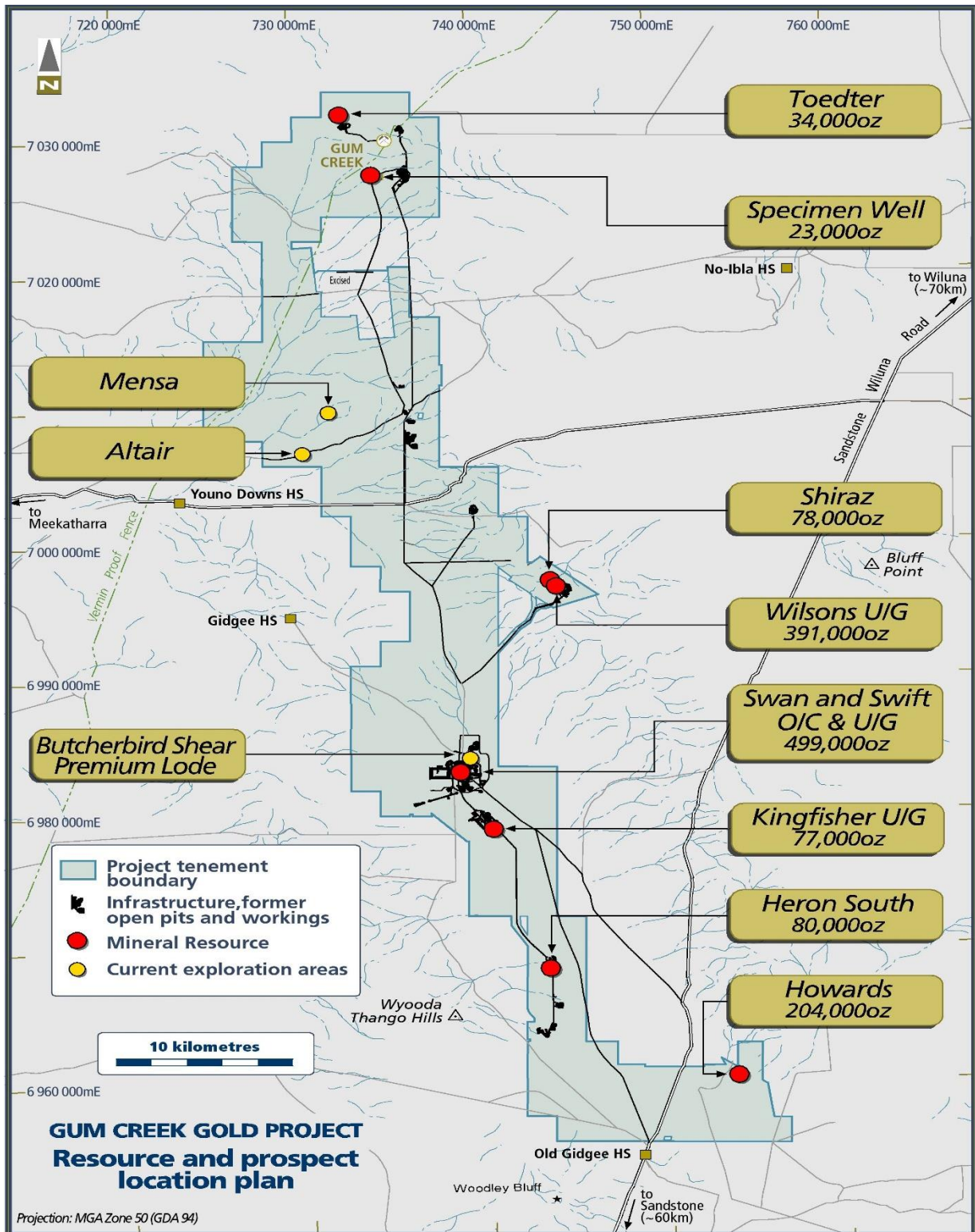
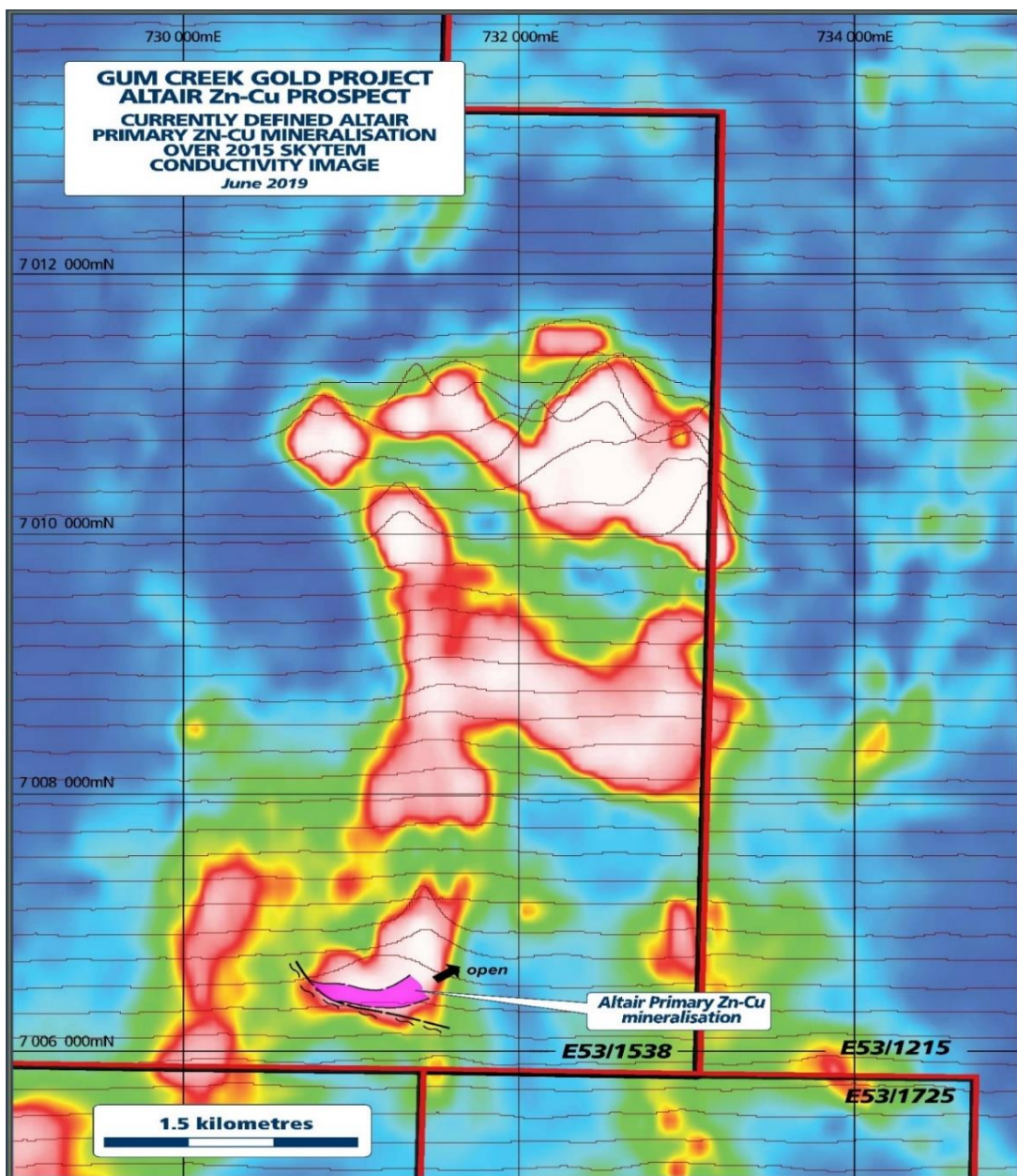


Figure 2 is an image from the 2015 SkyTEM survey across Altair, transformed to conductivity at depth and sliced at 350m below surface. Superimposed on the figure is a trace of the Altair mineralisation defined to date. The image shows that the Altair mineralisation is coincident with a significant SkyTEM anomaly and that the shape of the SkyTEM anomaly appears to mirror the changing orientation of the Altair mineralisation which remains open to the north. Further to the north towards Mensa, there are two broad SkyTEM responses similar in appearance and within the same carbonaceous siliciclastic sequence that hosts the Altair mineralisation.

The cluster of SkyTEM anomalies are underlain by what has been interpreted to be a large, emergent intrusive body at depth. The intrusive body, which can be observed as the circular, doughnut shaped feature on the corresponding gravity image of the area (*Figure 3*), is possibly the heat source responsible for generating the hydrothermal mineralising fluids that have produced the Altair mineralisation. Therefore, any EM conductors overlying or proximal to this gravity feature are prospective targets for Altair style Zn-Cu-Ag discoveries.

The aim of the Altair MLEM survey was two-fold. Firstly, to refine and expand the known EM response associated with the Altair mineralisation and, if possible, map it to the north towards the other SkyTEM anomalies. The second aim of the survey was to better define and model the SkyTEM anomalies, thereby allowing the Company to effectively target them and quickly gauge the potential extent and magnitude of the broader Altair system by undertaking larger drill hole step-out programs.

Figure 2: Altair primary Zn-Cu mineralisation over 2015 SkyTEM conductivity image at depth.



Results

The Altair MLEM survey data has been processed and modelled by the Company’s consultant geophysicists at Newexco Exploration Pty Ltd (‘Newexco’).

Confidence in the Newexco modelling and interpretation of the MLEM data is, in part, due to the program of down-hole electro-magnetic (DHEM) surveying supervised by Newexco at Altair in December 2018. In drill-hole ALDD002, the DHEM survey identified a strong “on-hole” anomaly with a 70ms exponential decay constant that was coincident with the Zn-Cu mineralisation intersected in the hole between 184-239m down-hole. Interpretation and modelling suggested this anomaly was either wholly or partially sourced by the Zn-Cu mineralisation intersected at that depth. The interpretation was later confirmed in drill hole ALDD009, where DHEM returned a similar anomaly that was coincident with the Zn-Cu intersection reported in ALDD009 between 154–186m down-hole.

The MLEM survey was designed to map and expand the Altair mineralisation and better define and model the cluster of SkyTEM anomalies to the north (Figure 4). Modelling of the recent MLEM survey data over the known Altair mineralisation returned a bedrock source coincident with the Zn-Cu mineralisation, and with a similar time constant to that established by the DHEM survey data. **Intuitive interpretation of the data suggests the Altair mineralisation continues strongly to the north for at least 600m where it is interpreted to plunge slightly deeper and continue north for a further five kilometres.** This is confirmed by numerical modelling which returned a series of plates as shown in Figure 4. The modelled plates imply, a probably continuous, gently folded, steep dipping conductor of similar conductivity and time constant to the Altair mineralisation.

The MLEM survey also delineated the SkyTEM anomalies to the north east. **Preliminary modelling of the MLEM in this area, suggest they are sourced by shallow flat lying bedrock conductors of a similar conductivity and time constant as Altair. The combined strike length of the conductors mapped by the MLEM survey is greater than 8 km.**

Figure 3: Altair primary Zn-Cu mineralisation and MLEM survey stations over Bouguer Gravity.

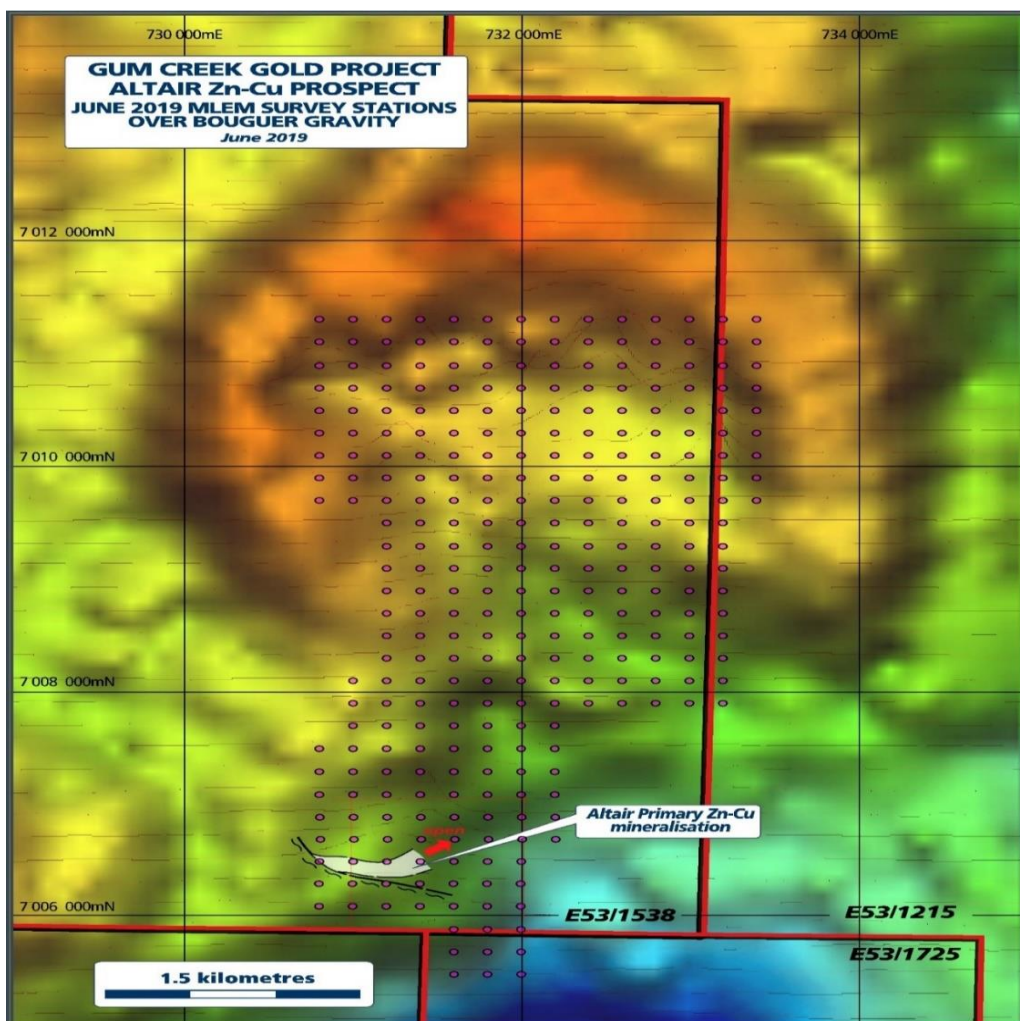
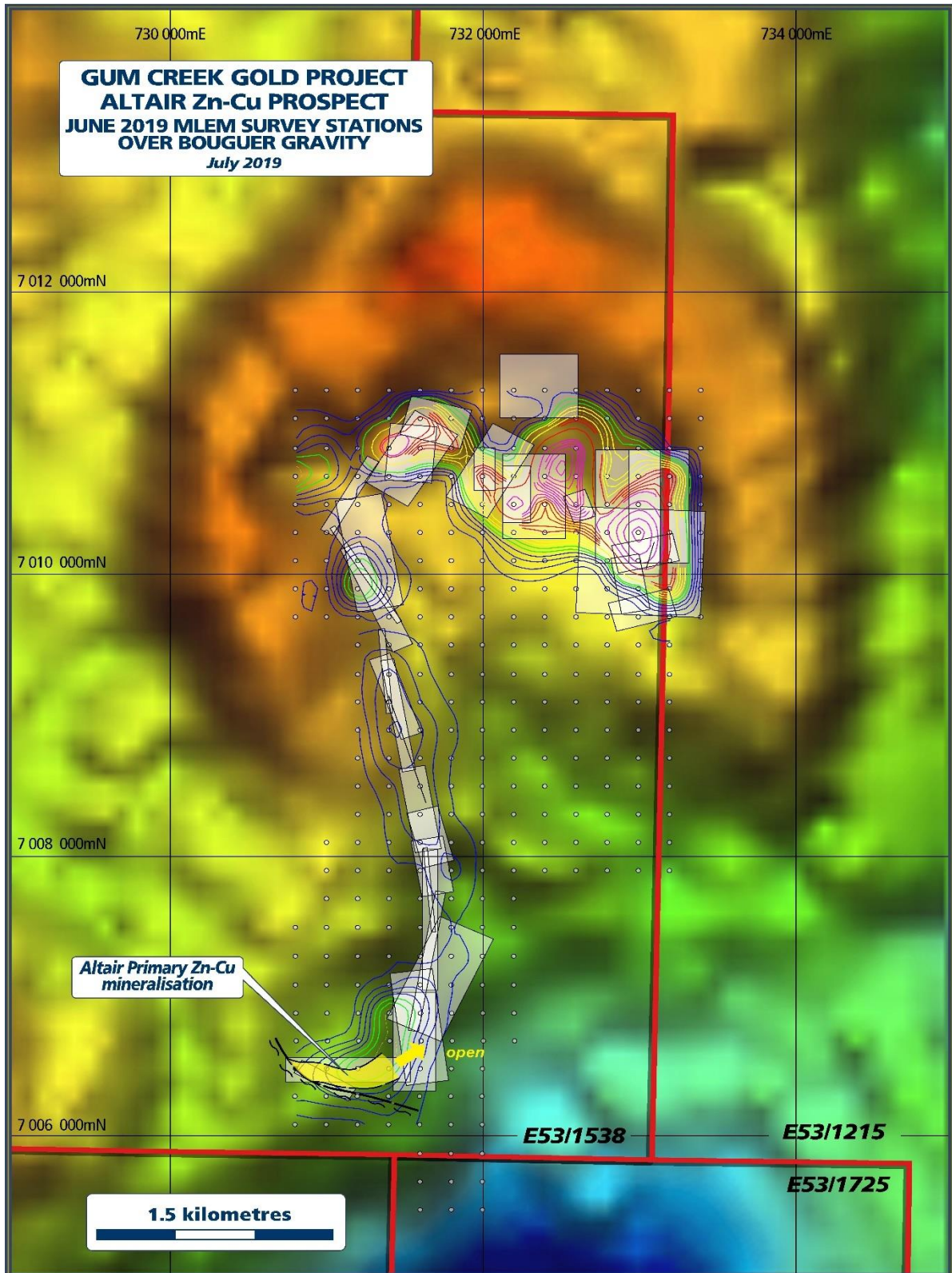


Figure 4: Altair Bouguer Gravity showing MLEM survey results at 6 milli-seconds (pT/A) and modelled plates.



Background Information

On 23 October 2018, the Company reported on drill hole ALDD002 at Altair (Figure 5) which returned the following significant zinc-copper base metal intersection:

- 55.0m @ 3.32% Zn and 0.52% Cu from 184.0m, including 9.0m @ 6.69% Zn and 1.00% Cu from 213.0m.

The Company followed-up the Zn-Cu intercept in ALDD002 with two subsequent drill programs. The first drill program, of eight holes (ALDD003 to ALDD010) for 2,648 drill metres, commenced on 6 November 2018 and was completed on 8 December 2018. Details of the program, including JORC disclosure and compliance information are included in the Company’s ASX announcement of 21 December 2018. Final assay results for the program, together with a comprehensive summary of the drill program were reported in the Company’s ASX announcement of 13 February 2019.

The second follow-up drill program, consisting of twelve RC / diamond drill holes (ALDD011 to ALDD022) for a total of 4,184 drill metres was completed between 23 January 2019 and 5 March 2019 (Figure 5). The aim of the second (Stage 2) drill program was to test the continuation of the Altair mineralisation along the interpreted down plunge direction towards the east-south east. Full assay results for this program were reported in the Company’s ASX announcements of 26 March 2019 and 2 April 2019.

The location of the Altair drill holes in relation to discovery hole ALDD002 is shown in Figure 5. Schematic geological cross sections for 7,006,360 mN and 731,350 mE are shown in Figures 6 and 7, respectively.

Figure 5: Altair Zn-Cu Prospect - drill hole location plan showing position of latest and historic drill holes

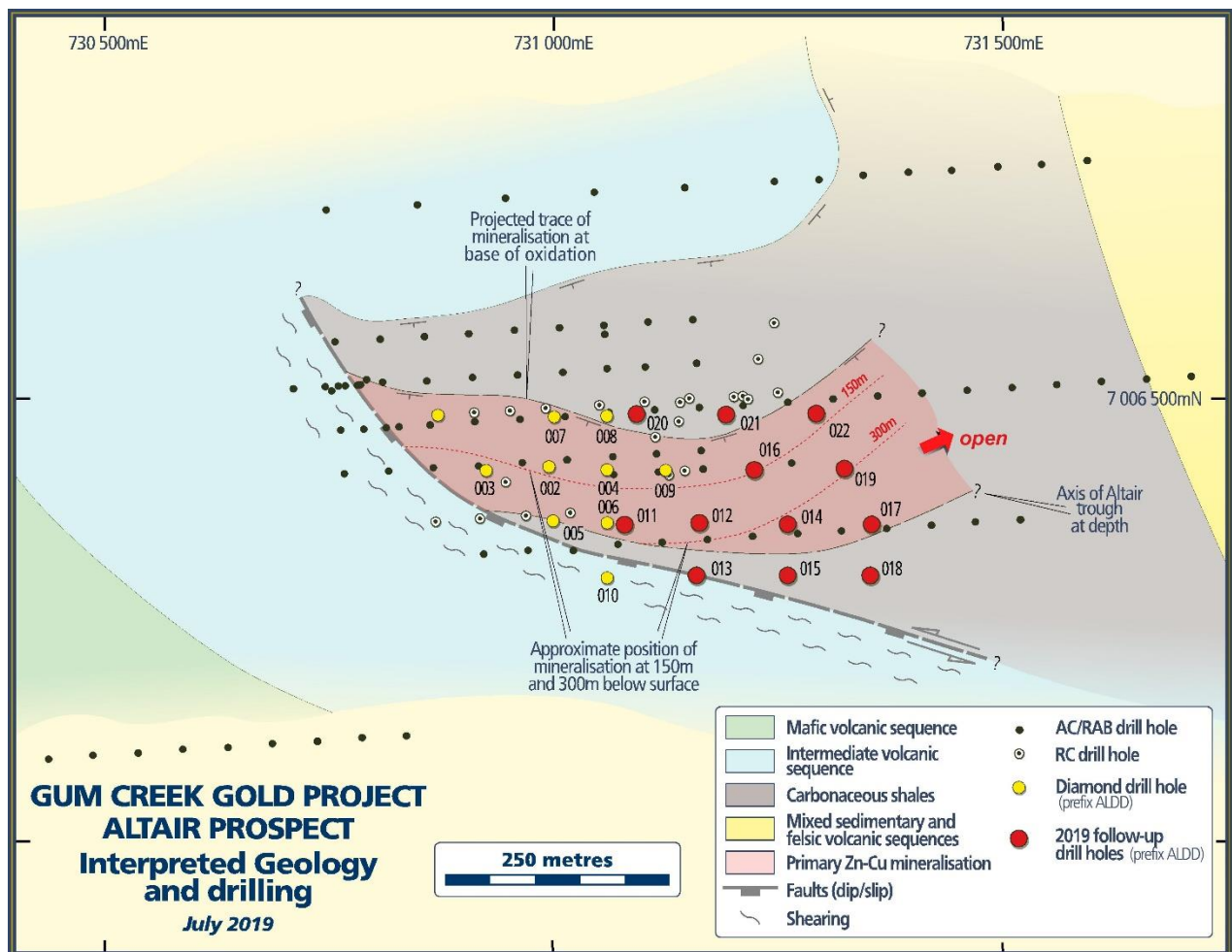


Figure 6: Altair Zn-Cu Prospect – Cross section 7,006,360mN (± 20m) showing significant zinc intercept for holes ALDD006, ALDD011, ALDD012, ALDD014 and ALDD017

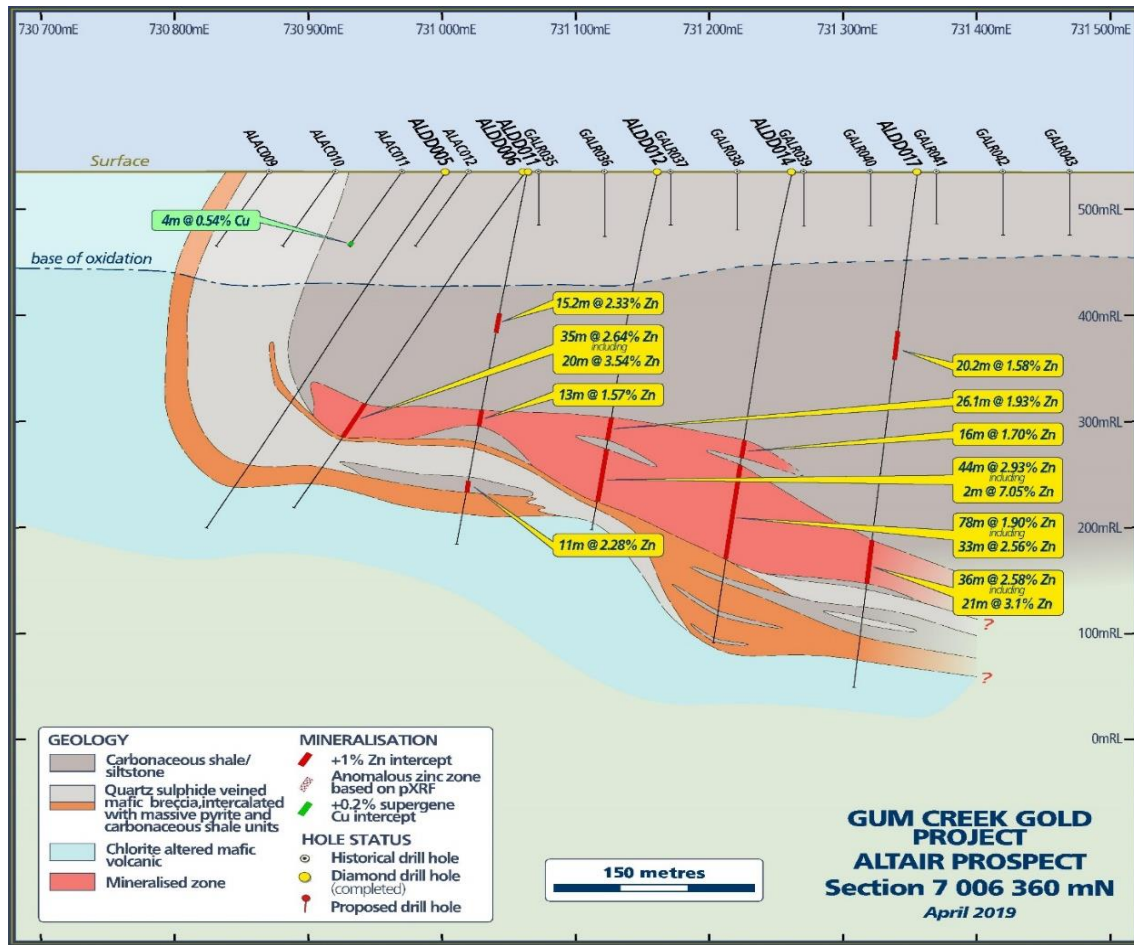
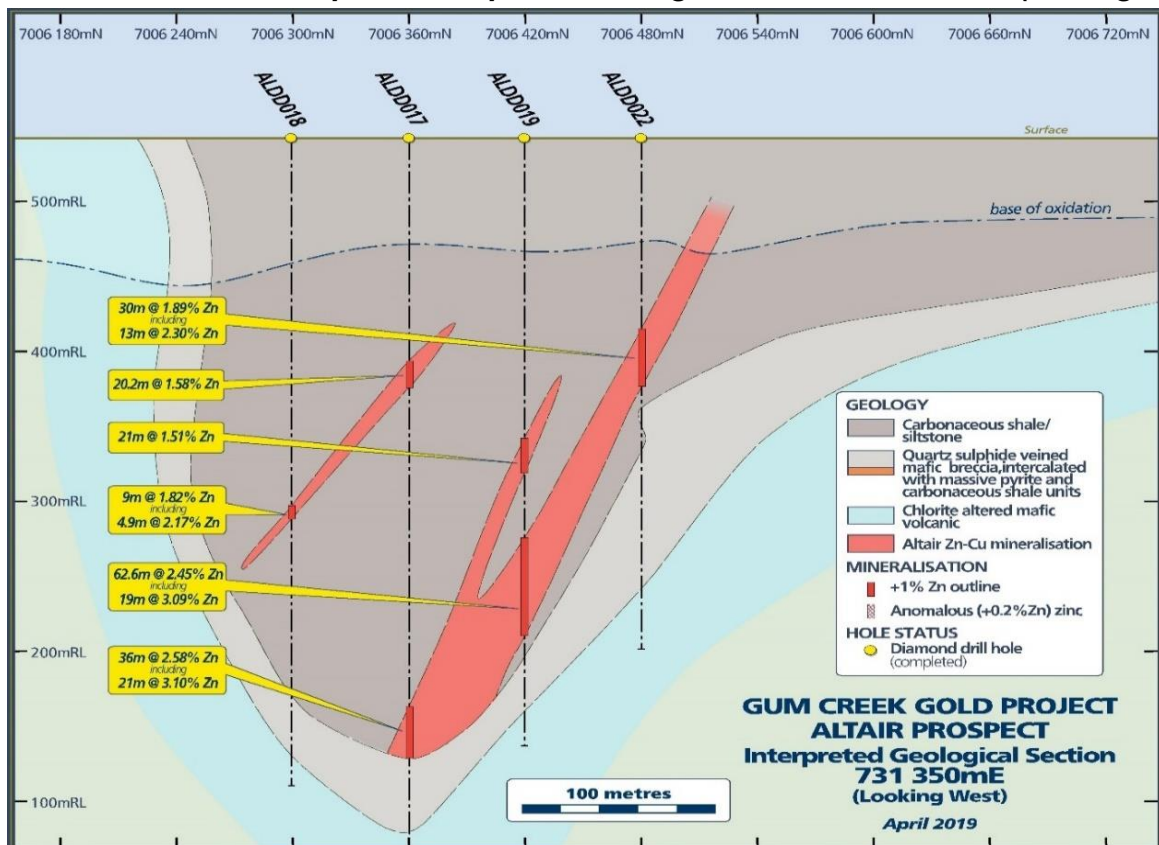


Figure 7: Altair Zn-Cu Prospect – Interpreted Geological Section 731 350mE (looking west)



The Altair drill results exhibit many of the geological and geochemical hallmarks of a major polymetallic, hydrothermal VHMS/SEDEX mineralising system. Drilling to date has defined a broad continuous lens of zinc-copper mineralisation over a strike length of more than 450 metres with a maximum down dip extent of 350m and average thickness of 25m. **The defined volume of the mineralised lens is approximately 3.5 million cubic metres. Importantly the mineralisation remains open to the north and east.**

At a cut-off grade of one percent Zn, the Horizon drill holes that define the mineralised lens at Altair have a length weighted average grade of 2.43% Zn, 0.43% Cu and 7g/t Ag. The length weighted average SG of all assay intercepts informing the lens is 3.1 tonnes per cubic metre.

The host rock to the Altair mineralisation is a fine grained carbonaceous siliciclastic unit. At Altair the siliciclastic unit occupies a steep-sided, trough-like depression in the underlying mafic volcanic sequence. The trough feature is interpreted to have formed by a combination of structure and possibly folding. In plan view, the trough has a gentle arcuate shape, which is open down plunge towards the east (*Figure 5*).

Within the trough filled host rock sequence, the Altair primary zinc-copper mineralisation forms a thick, steeply south dipping, contiguous lens of mineralisation that mirrors the trend of the trough described above. The mineralisation appears to be thicker and slighter higher grade when in proximity with the underlying mafic volcanic sequence at the base of the trough feature.

From the base of the trough, the mineralisation rises steeply towards the north, into the saprolitic clay zone developed above the fresh rock interface.

The Altair zinc-copper-silver mineralisation and trough feature described above remains open to the east and based on the results of the last drill program appear to be turning and adopting a north-easterly to northerly trend.

Next Steps

The Horizon exploration team is preparing a plan and budget for the next phase of exploration at Altair which will incorporate the following:

- Further drilling to determine the extent of mineralisation along the 8 km corridor of conductors identified by the MLEM;
- Possible deeper drill testing of the gravity high; and
- Ongoing metallurgical test-work.

The timetable for the next phase of exploration drilling is yet to be finalised.

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 Code (2012) Mineral Resources of **1.39 million ounces of gold** (refer *Appendix 1*). 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 drill targets and is undertaking 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 the Company, and/or other entities. 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 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.

Under a Management Agreement between Panoramic Resources Limited and Horizon Gold Limited, dated 21 October 2016 and extended, 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.

APPENDIX 1:

Table 1: Gum Creek Project Mineral Resources Statement as at 30 June 2019

(refer to the Company's ASX announcement of 12 July 2019)

Resource	Resource Date	Cut-off grade (g/t Au)	Mineralisation Type	Indicated		Inferred		Total		Contained Gold (oz)
				Tonnes	Au (g/t)	Tonnes	Au (g/t)	Tonnes	Au (g/t)	
Open Pit Resources										
Swan OC	May-19	0.5	Free Milling	80,000	8.8	880,000	6.8	960,000	7.0	216,000
Swift OC	May 19	0.5	Free Milling	100,000	5.0	740,000	7.5	840,000	7.2	195,000
Heron South	Aug-16	0.5	Refractory	1,140,000	2.2	2,000	1.3	1,140,000	2.2	80,000
Howards	Jul-13	0.4	Free Milling	5,250,000	1.1	720,000	1.0	5,970,000	1.1	204,000
Specimen Well	Aug-16	0.5	Free Milling			360,000	2.0	360,000	2.0	23,000
Toedter	Aug-16	0.5	Free Milling			690,000	1.5	690,000	1.5	34,000
Shiraz	Jul-13	0.4	Refractory	2,480,000	0.8	440,000	0.8	2,920,000	0.8	78,000
Underground Resources										
Swan UG	May-19	2.5	Free Milling	10,000	12.9	280,000	8.4	280,000	8.6	78,000
Swift UG	May-19	2.5	Free Milling			70,000	4.9	70,000	4.9	10,000
Kingfisher UG	Aug-16	3.5	Free Milling			390,000	6.1	390,000	6.1	77,000
Wilsons UG	Jul-13	1.0	Refractory	2,130,000	5.3	140,000	6.0	2,270,000	5.4	391,000
Total				11,190,000	2.0	4,700,000	4.3	15,890,000	2.7	1,388,000

Total Mineral Resources as at 30 June 2019 are 15.9Mt @ 2.7g/t Au for 1.39 million ounces contained gold (Table 1), which is an increase of 138,000 ounces contained gold from 30 June 2018 and from the Resources reported in Horizon's IPO Prospectus dated 21 October 2016 and previously by Panoramic Resources Limited ("Panoramic") (refer Panoramic Resources Limited (ASX: PAN) ASX announcement of 14 October 2016 titled, "Gum Creek Gold Project Mineral Resources at 30 September 2016").

The change in the Total Mineral Resource inventory from Horizon's IPO Prospectus dated 21 October 2016 and at 30 June 2018 relates to updated Mineral Resource Estimates (MRE) completed for the Swan and Swift deposits by Mining Plus Pty Ltd ("Mining Plus") in 2018/19. Full details of the updated Swan and Swift Resources, including Material Information Summaries for each deposit and JORC Code (2012) Table 1, Sections 1 and 3 are included in the Company's ASX announcement of 12 July 2019.

Full details of all the other Resources in Table 1, including Material Information Summaries for each deposit and JORC Table 1, Sections 1 and 3 are included in the announcement by Panoramic to the ASX on 14 October 2016. The announcement can be accessed on Panoramic's ASX platform.

The Company confirms that it is not aware of any additional 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.

APPENDIX 2:

Altair Prospect - Table 1, Section 1 – Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Comments
Sampling techniques	<u>Not applicable to this release</u>
Drilling techniques	<u>Not applicable to this release</u>
Drill sample recovery	<u>Not applicable to this release</u>
Logging	<u>Not applicable to this release</u>
Sub-sampling techniques and sample preparation	<u>Not applicable to this release</u>
Quality of assay data and laboratory tests	<u>Not applicable to this release</u>
Verification of sampling and assaying	<u>Not applicable to this release</u>
Location of data points	<ul style="list-style-type: none"> • The grid system used at Gum Creek is MGA_GDA94 Zone 50. • Hand held GPS tools were used to position and control of the MLEM described in this release
Data spacing and distribution	<ul style="list-style-type: none"> • The MLEM survey described in this release was undertaken on a 200m by 200m survey pattern using the in-loop configuration. A 200m square transmitter loop operating a 1hz base frequency with 60 amperes current and a 3 component (Bxyz) Fluxgate magnetic receiver were used.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • The MLEM survey lines were orientated east west, approximately perpendicular to the regional geological strike.
Sample security	<u>Not applicable to this release</u>
Audits or reviews	<ul style="list-style-type: none"> • The MLEM survey described in this announcement was conducted according to accepted industry standards. No audits or reviews were undertaken.

Altair Prospect - Table 1, Section 2 - Reporting of Exploration Results

Criteria	Comments
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • The Gum Creek Gold Project (GCGP) is a former gold mining centre that has been on care and maintenance since 2005. • The GCGP is currently secured by 38 tenements/applications. A current tenement listing is available in the Company's quarterly report for the period ending 31 March 2019, lodged with the ASX on 26 April 2019. • All tenements and land tenure are current and held in good standing by Horizon Gold Limited's wholly owned entity, Panoramic Gold Pty Ltd (Pan Gold). Pan Gold 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 tenements. • Various royalties may be payable to third parties in the future in relation to these tenements. Refer to the Solicitor's Report contained in the Company's IPO Prospectus submitted to ASIC on 21 October 2016 for details of the royalty agreements.
Exploration done by other parties	<p>Horizon Gold Limited acquired the GCGP in December 2016. Previous owners of the Project include:</p> <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 Limited 2011 – December 2016 <p>Exploration at Altair and Mensa prospects has been undertaken by the following entities:</p> <ul style="list-style-type: none"> • Pancontinental Mining Ltd 1993-1994 • Goldfields Exploration Pty Ltd, 1995 • WA Exploration Services Pty Ltd, 1998
Geology	<p>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. Altair was a historical, near surface, supergene? Cu prospect identified by Pancontinental Mining Ltd in 1993. In October 2018 Horizon Gold Limited discovered a broad lens of primary Zn-Cu-Ag mineralisation at Altair.</p>
Drill hole Information	<ul style="list-style-type: none"> • Exploration at Gum Creek is conducted on the series of historical exploration grids. • For consistency, all reported drill hole collars are reported in (MGA) GDA94 Zone 50 coordinates. Collar RLs are AHD.
Data aggregation methods	<ul style="list-style-type: none"> • Altair diamond drill intercepts discussed or mentioned in this release are based on length-weighted composites, calculated using a 1.0% Zn lower cut-off grade. • Intercept composites may contain up to a maximum downhole length of 3m of internal waste. • No top cuts to high-grade assays have been applied.
Relationship between mineralisation widths and intercept lengths	<p>There is insufficient data at this point to determine the precise relationship between all the intercept lengths reported in this release and the True Width of the mineralisation.</p>
Diagrams	<p>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.</p>
Balanced reporting	<p>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.</p>
Other substantive exploration data	<p>Refer to the Company's ASX announcements of 4 October, 23 October 2018 and 21 December 2018. Also see Company ASX announcements of 13 February, 26 March and 2 April 2019.</p>
Further work	<p>The exploration results and information reported in this announcement relate to the completion of a moving loop EM survey at Altair within the Gum Creek Project. Work is ongoing and further results will be reported if and when they become available.</p>