

25 October 2019

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

Key Points

- **Swan and Swift Scoping Study underway** – a Scoping Study based on open pit mining at Swan and Swift at Gum Creek and toll treating the ore at nearby operating facilities commenced during the quarter and is due for completion in November 2019.
- As part of the Scoping Study, and to support a possible future decision to commence mining, infill Resource definition drill programs to convert Inferred to Indicated Resources at both Swan and Swift were designed during the quarter.
- **Altair zinc-copper-silver prospect** – a follow-up reverse circulation / diamond (RCD) drill program has been designed to test the series of continuous moving loop electro-magnetic (MLEM) conductors that were defined and modelled between Altair and Mensa in the previous quarter. These conductors, which have similar responses to the conductor associated with the Altair mineralisation, 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**.
- As part of the evaluation of the Altair prospect, a program of metallurgical test work to determine the comminution and flotation performance of the Altair mineralisation was undertaken during the quarter. This test-work is ongoing.
- **Cash** – \$0.93 million as at 30 September 2019.

Details

Horizon Gold Limited (ASX Code: **HRN**) (**Horizon** or the **Company**) is 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 2012 Resources of 15.9 million tonnes averaging 2.7g/t gold for 1.39 million ounces of gold** (refer to *Appendix 1 and the Company's 2019 Mineral Resources Statement announced on 12 July 2019*). The proceeds from the IPO in December 2016 are being used to fund exploration programs and development studies at Gum Creek.

Work Completed - Exploration

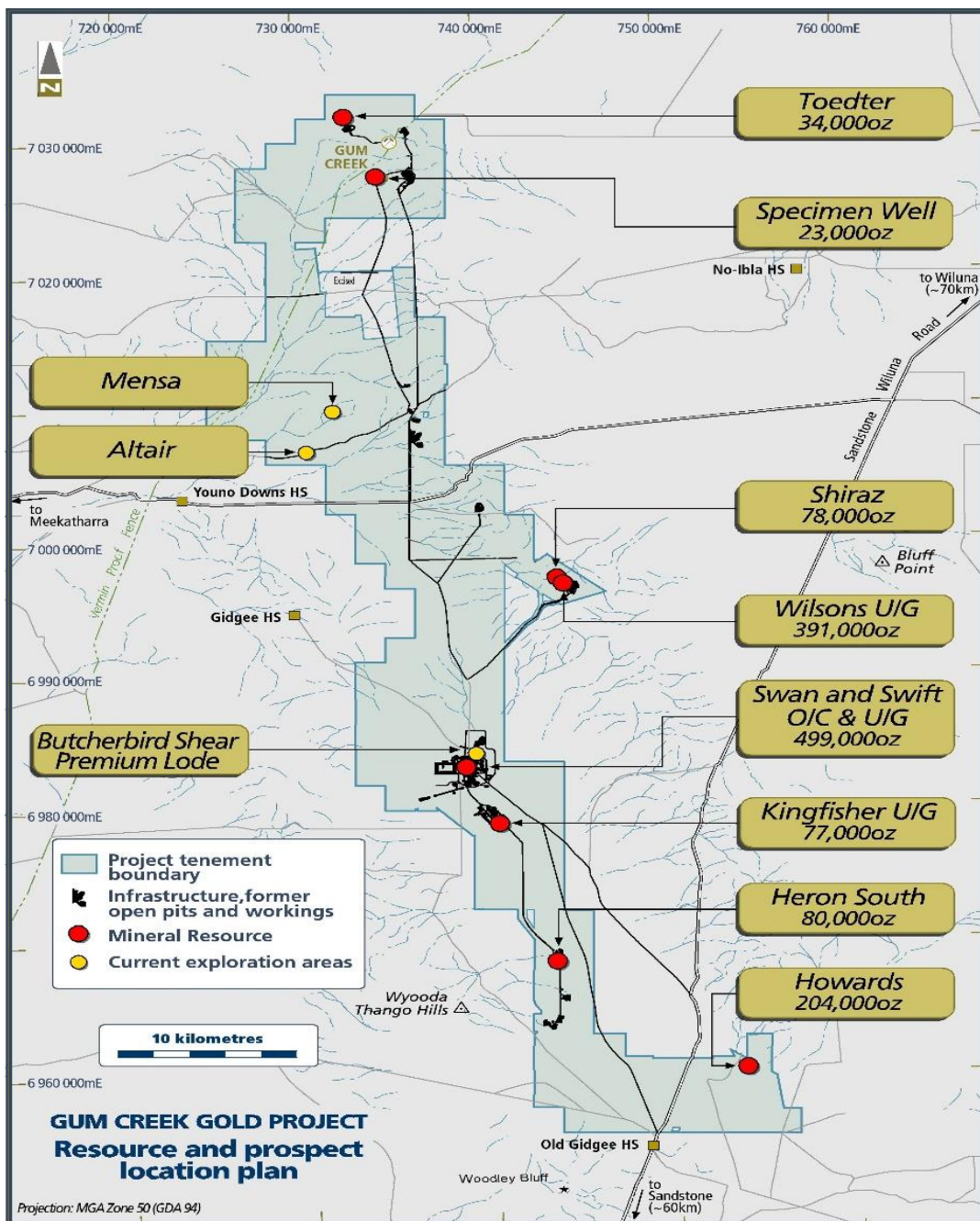
The following exploration activities were undertaken during the September 2019 quarter:

- Following the completion of the updated Swan and Swift Mineral Resource Estimates (MREs) in the previous quarter, the focus in the September 2019 quarter shifted to the completion of a range of conceptual Whittle open pit optimisations. The conceptual optimisations and preliminary evaluations identified that the mineralisation with the highest potential for open pit mining was north of the existing Swan Bitter open pit and around the existing Swift open pit.
- A Scoping Study based on the resumption of open pit mining at Swan and Swift and toll treating the ore at a nearby processing plant was started during the quarter and is due for completion in November 2019.

- To support the Scoping Study and a possible future decision to resume mining, infill resource definition drill programs to convert Inferred to Indicated Resources at both Swan and Swift were designed and budgeted during the quarter.
- A follow-up RC drill program was designed and budgeted during the quarter to test the series of MLEM conductors defined in the previous quarter from the Altair prospect in the south to Mensa in the north, a distance of approximately six kilometres.
- The preliminary metallurgical test-work program to determine comminution and flotation performance of the Altair zinc-copper-silver mineralisation was ongoing during the quarter.

The prospect locations referred to in this report are shown in Figure 1.

Figure 1: Gum Creek Resource and Prospect Location Plan



Swan and Swift Evaluation Studies

Following the completion of the updated Swan and Swift MREs in June 2019, Mining Plus Pty Ltd was retained by the Company to assist with the completion of a series of open pit evaluation studies. As part of these studies, a series of Whittle open pit shell optimisations were undertaken, which identified the Swan North and Swift areas (*Figure 2*) as having the highest potential for open pit mining.

Geotechnical information used in the optimisation was sourced from historical studies by independent consultants and from mining records obtained from previous owners. Metallurgical recoveries were based on historical mining records from previous mining of the Swan and Swift open pits. Estimates of infrastructure costs were based on previous studies and comparison with other mining projects.

As the initial evaluations of the conceptual pit optimisations described above were economic, the Company commenced a Scoping Study during the quarter (*refer to the Company's ASX announcement of 15 October 2019*). The Scoping Study will be based on open pit mining at Swan North and Swift with processing by toll treatment through a mill(s) in the area.

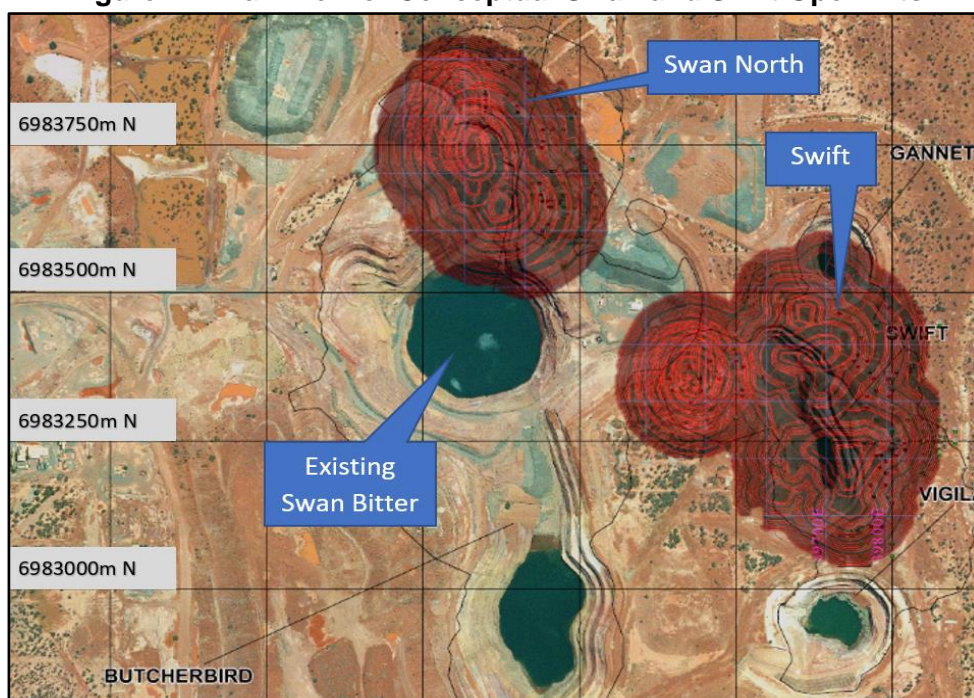
The completion date for the Swan / Swift Scoping Study is November 2019. As part of the Study, the following workstreams with anticipated completion dates are underway:

- indicative tolling terms from interested parties - end of September 2019 (*completed*); and
- indicative proposals for operating and capital costs – end of October 2019.

Approximately 85% of the mineralisation within the optimised pit shells at both Swan and Swift is classified as Inferred. To increase confidence in the MREs, the Company has designed and budgeted infill Resource definition RC drill programs to convert the Inferred Resources to an Indicated category. The combined Swan Swift infill drill programs consist of approximately 10,000 drill metres for a total, all-inclusive, budgeted cost of approximately \$1 million. Statutory approval to undertake the program has been received. It is anticipated the program will begin in early 2020.

The Company is encouraged about the prospect of open pit mining at Gum Creek and is pushing ahead with the completion of the Swan / Swift Scoping Study as quickly as possible. The Project is well placed to commence mining rapidly if the decision to proceed is made once all necessary financing and permitting is obtained. There is already significant infrastructure on site, including a village, airstrip, haul roads and waste dumps and both pits are located on a granted Mining Leases M57/634.

Figure 2 – Plan View of Conceptual Swan and Swift Open Pits



Altair Zinc-Copper-Silver Prospect

Background

On 23 October 2018, the Company reported on drill hole ALDD002 at Altair 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 zinc-copper intercept in ALDD002 with two subsequent drill programs. The first drill program, which consisted 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 3*). The aim of this drill program was to test the continuity of the Altair mineralisation down the interpreted plunge to the east-southeast. Full assay results for this drill program were reported in the Company's ASX announcements of 26 March 2019 and 2 April 2019.

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 in forming 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 4*).

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 slightly higher grade when in proximity with the underlying mafic volcanic sequence at the base of the trough feature.

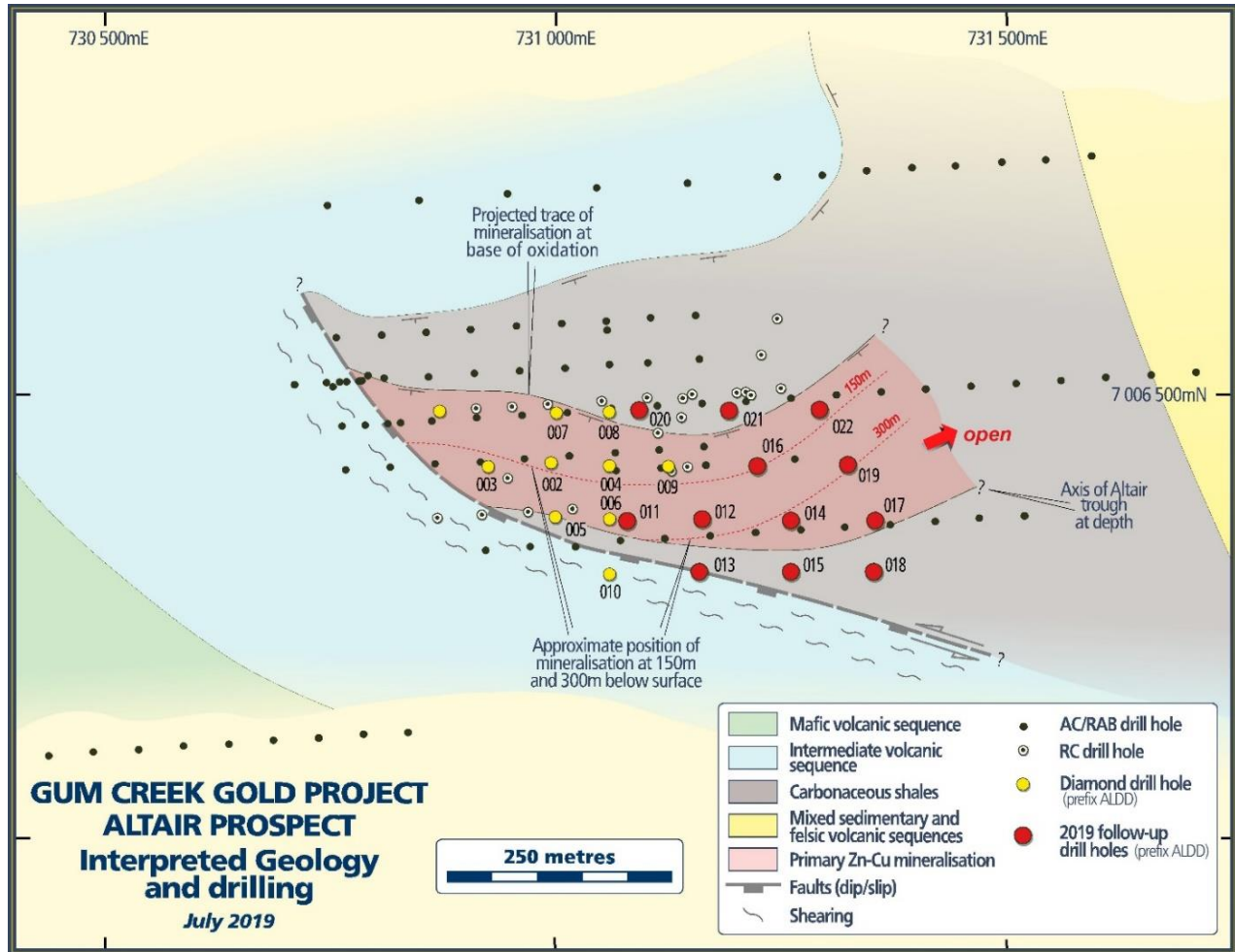
From the base of the trough, the mineralisation rises steeply towards the north, into the saprolitic clay zone developed above the fresh rock interface.

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 appears to be turning and adopting a north-easterly to northerly trend.

During June 2019, the Company completed a MLEM survey covering an area from Altair in the south to Mensa in the north, a distance of approximately six kilometres. One of the main aims of the MLEM survey was to refine and expand the known EM response associated with the Altair mineralisation, thereby allowing the Company to quickly gauge the potential extent and magnitude of the broader Altair system prior to undertaking further drilling.

The results of the MLEM survey, in which there is a high level of confidence, are highly encouraging and indicate that the Altair mineralisation, as defined by the Company to date, may extend northwards over a potential strike length of up to eight kilometres. Full details and results of the June 2019 MLEM survey were reported during the September 2019 quarter ¹.

Figure 3: Altair Zn-Cu Prospect - drill hole location plan showing position of latest and historic drill holes



September 2019 Quarter Activities

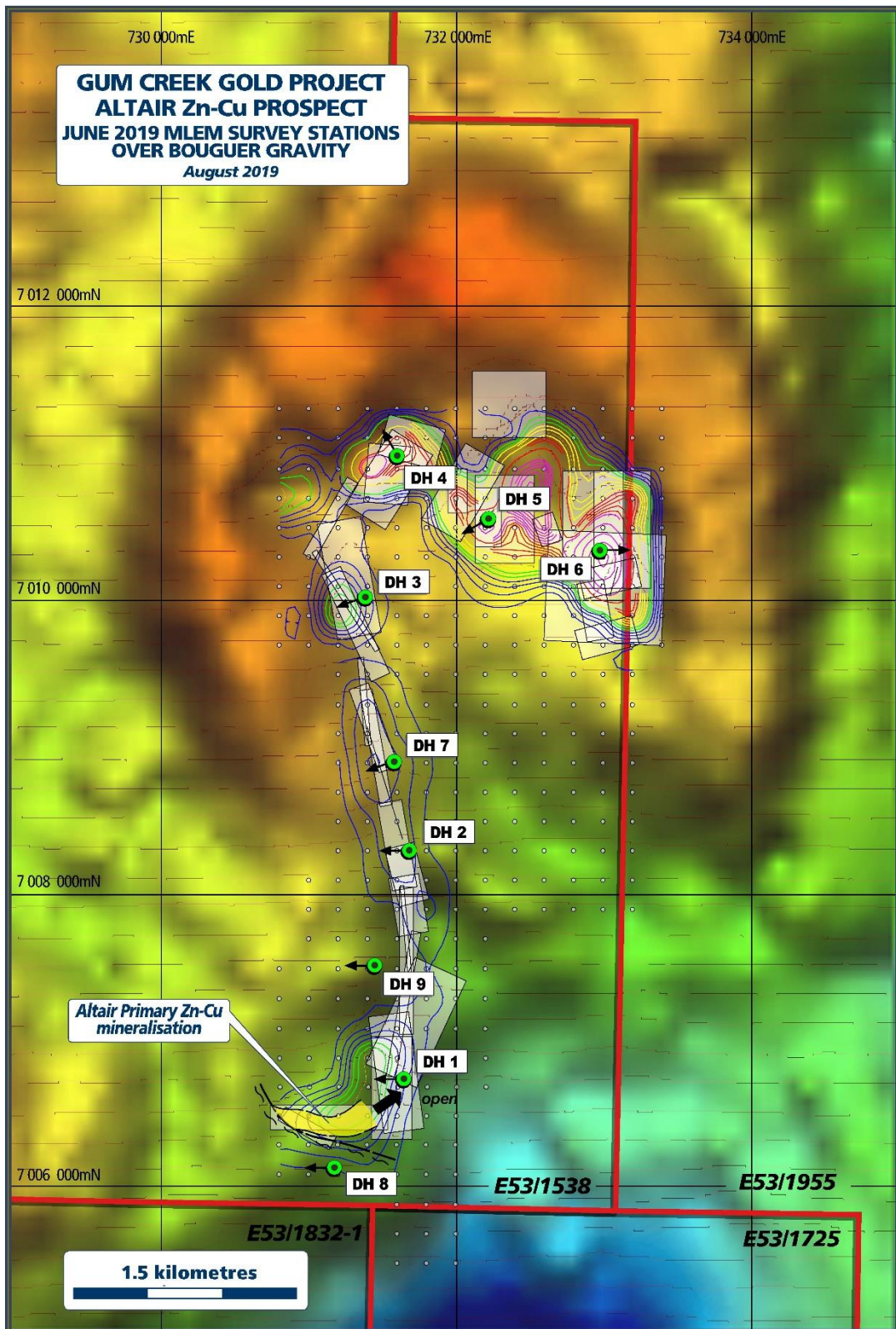
Since reporting on the results of the MLEM survey, the Company worked with Newexco during the quarter to design and cost a follow-up drill program to test the broader regional extent of the Altair mineralisation. A nine-hole, 3,000 metre RC drill program has been designed and is planned to commence in the March 2020 quarter.

In December 2018, the Company completed a detailed ground gravity survey across Altair. The survey showed that the Altair Zn-Cu-Ag mineralisation is part of a broader gravity anomaly. Drill holes 8 and 9 (Figure 4) are designed to test this broader gravity feature.

The Altair Zn-Cu-Ag discovery and the geological picture that is now emerging is a very exciting development and will form the focus of ongoing base metal exploration in the area.

¹ Refer to the Company's ASX announcements of 16 July 2019 and 24 July 2019.

Figure 4: Altair Bouguer Gravity showing MLEM survey results at 6 milli-seconds (pT/A) and modelled plates and proposed follow-up drill hole locations



Altair Metallurgical Test-work Program

A program of metallurgical test-work to determine the comminution and flotation performance of the Altair zinc-copper deposit commenced during the June 2019 quarter.

Material for the program consisted of diamond drill core from six holes, involving a total 317.2m of core for 480.5kg of sample. The material was collected in early May 2019 and delivered to ALS Metallurgy in Perth on 13 May 2019.

The composites collected from the six holes for the metallurgical program had the following intercept grades:

- ALDD002: 182.0–239.0m (57.0m) grading 3.23% Zn, 0.50% Cu, 14.7% Fe and 16.3% S
- ALDD012: 275.0–318.6m (43.6m) grading 2.92% Zn, 0.49% Cu, 13.3% Fe and 13.2% S
- ALDD014: 290.0–67.0m (77.0m) grading 1.91% Zn, 0.32% Cu, 12.6% Fe and 10.5% S
- ALDD017: 342.0–380.0m (38.0m) grading 2.48% Zn, 0.39% Cu, 13.5% Fe and 14.3% S
- ALDD019: 261.0–324.6m (63.6m) grading 2.43% Zn, 0.41% Cu, 13.1% Fe and 13.7% S
- ALDD022: 127.0–165.0m (38.0m) grading 1.67% Zn, 0.30% Cu, 14.7% Fe and 15.6% S

Test work completed in the June 2019 quarter included head assays on all six composites, grind establishment and SMC and Bond Ball Mill Work Index tests on composite samples from ALDD014 and ALDD019. The SMC and Bond Ball Mill Index tests record the Altair mineralisation to be “Hard” to “Very Hard”.

Flotation test-work began in the September 2019 quarter. Early test results showed the ultra-fine-grained carbon within the Altair ores was a hindrance to flotation performance and therefore initial investigations focussed on ways to remove as much of this carbon as possible. A carbon pre-flotation stage was determined to be the best approach for removing this carbon, albeit with some base metal loss to the pre-float carbon concentrate.

These investigations are at an early stage and work is ongoing.

Proposed Work – December 2019 Quarter

Priority work for the December 2019 quarter include:

- Completing and reporting on the results of the Swan / Swift Scoping Study.
- Completing of the preliminary Altair metallurgical test-work to determine the indicative comminution and flotation characteristics of the Altair mineralisation.

Gum Creek Project Mineral Resources Statement as at 30 June 2019

On 12 July 2019, the Company reported the Gum Creek Project’s Mineral Resources Statement as at 30 June 2019. Total Mineral Resources are 15.9Mt @ 2.7 g/t Au for 1.39 million ounces contained gold (refer Appendix 1). As a result of the updated MREs for the Swan and Swift open-pit deposits, the Total Mineral Resource inventory at Gum Creek increased by 138,000ozs over the financial year.

Included in the inventory is a maiden Swift Open Pit Resource of 840,000t @ 7.2 g/t Au for 195,000oz contained gold. A detailed synopsis of the MREs completed by Mining Plus for the Swan and Swift deposits is included in the Company’s ASX announcement of 12 July 2019. All other Gum Creek Resources shown in Appendix 1 remain unchanged from 30 June 2018.

Corporate

As at 30 September 2019, the Company's cash position was \$0.93 million.

The Company made payments during the quarter totalling \$0.95 million, as detailed in the accompanying Appendix 5B.

The status of the Horizon Group mining tenements as at 30 September 2019 are detailed in Appendix 2.

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 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 is undertaking exploration and development studies with the aim of becoming a stand-alone gold producer and is progressing with exploration and metallurgical test-work on the Altair zinc-copper-silver prospect which is located on the Gum Creek tenements.

For further information contact:
Peter Harold, Chairman
+61 8 6266 8600

Previously reported information

This announcement contains references to exploration results and Mineral Resource estimates, which, with the exception of the Swan and Swift deposits, 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 as 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 "Australasian 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.

Competent Person's Statement

The information in this release that relates to Estimation and Reporting of Mineral Resources has been compiled by Mr Richard Buerger BSC. Mr Buerger is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Swan and Swift Mineral Resource Estimates.

Mr Buerger is a member of the Australian Institute of Geologists and 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Buerger 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
Wilson's 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 (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 2019 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 Table 1, Sections 1 and 3 are included in the announcement by Horizon to the ASX on 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 via Panoramic's ASX announcements 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:

(a) Horizon Group Mining Tenements held as at 30 September 2019

PAN GOLD = Panoramic Gold Pty Ltd – GUS = Gus Resources Pty Ltd

Lease	Location	Area of Interest	Status	Expiry Date	Holder	Horizon's Interest	Mineral Rights	Application Date
E51/1538	Gidgee	Gum Creek	Granted	03-Feb-24	PAN GOLD	100%	All	
E51/1844	Gidgee	Gum Creek	Granted	22-Jan-23	PAN GOLD	100%	All	
E53/1725	Gidgee	Gum Creek	Granted	03-Jul-23	PAN GOLD	100%	All	
E53/1955	Gidgee	Gum Creek	Granted	18-Jan-23	PAN GOLD	100%	All	
E57/1093	Gidgee	Gum Creek	Granted	14-Jan-2024	PAN GOLD	100%	All	
E57/1100	Gidgee	Gum Creek	Granted	21-Jan-2024	PAN GOLD	100%	All	
E57/1104	Gidgee	Gum Creek	Granted	9-Jun-2024	PAN GOLD	100%	All	
E57/1105	Gidgee	Gum Creek	Granted	1-May-2024	PAN GOLD	100%	All	
L51/93	Gidgee	Gum Creek	Granted	24-Nov-34	PAN GOLD	100%	Infrastructure	
L53/46	Gidgee	Gum Creek	Granted	28-Feb-20	PAN GOLD	100%	Infrastructure	
L53/47	Gidgee	Gum Creek	Granted	26-Sep-20	PAN GOLD	100%	Infrastructure	
L53/95	Gidgee	Gum Creek	Granted	13-Dec-23	PAN GOLD	100%	Infrastructure	
L53/96	Gidgee	Gum Creek	Granted	13-Dec-23	PAN GOLD	100%	Infrastructure	
L53/116	Gidgee	Gum Creek	Granted	30-Jul-23	PAN GOLD	100%	Infrastructure	
L53/199	Gidgee	Gum Creek	Granted	29-Jul-36	PAN GOLD	100%	Infrastructure	
L57/20	Gidgee	Gum Creek	Granted	20-Jun-23	PAN GOLD	100%	Infrastructure	
L57/44	Gidgee	Gum Creek	Granted	12-Jun-33	PAN GOLD	100%	Infrastructure	
L57/47	Gidgee	Gum Creek	Granted	13-Aug-34	PAN GOLD	100%	Infrastructure	
M51/104	Gidgee	Gum Creek	Granted	11-May-29	PAN GOLD	100%	All	
M51/105	Gidgee	Gum Creek	Granted	09-May-31	PAN GOLD	100%	All	
M51/157	Gidgee	Gum Creek	Granted	09-Mar-30	PAN GOLD	100%	All	
M51/185	Gidgee	Gum Creek	Granted	18-Feb-30	PAN GOLD	100%	All	
M51/186	Gidgee	Gum Creek	Granted	18-Feb-30	PAN GOLD	100%	All	
M51/290	Gidgee	Gum Creek	Granted	09-May-31	PAN GOLD	100%	All	
M51/410	Gidgee	Gum Creek	Granted	10-Mar-34	PAN GOLD	100%	All	
M51/458	Gidgee	Gum Creek	Granted	09-Feb-35	PAN GOLD	100%	All	
M53/10	Gidgee	Gum Creek	Granted	24-Nov-25	PAN GOLD	100%	All	
M53/11	Gidgee	Gum Creek	Granted	24-Nov-25	PAN GOLD	100%	All	
M53/105	Gidgee	Gum Creek	Granted	29-Aug-30	PAN GOLD	100%	All	
M53/153	Gidgee	Gum Creek	Granted	28-Jun-32	PAN GOLD	100%	All	
M53/251	Gidgee	Gum Creek	Granted	02-Sep-34	PAN GOLD	100%	All	
M53/500	Gidgee	Gum Creek	Granted	21-May-21	PAN GOLD	100%	All	
M53/716	Gidgee	Gum Creek	Granted	07-Sep-19	PAN GOLD	100%	All	
M53/904	Gidgee	Gum Creek	Granted	28-Sep-21	PAN GOLD	100%	All	
M53/988	Gidgee	Gum Creek	Granted	12-Mar-24	PAN GOLD	100%	All	
M57/634	Gidgee	Gum Creek	Granted	14-Jul-35	PAN GOLD	100%	All	
M57/635	Gidgee	Gum Creek	Granted	01-Sep-35	PAN GOLD	100%	All	
P53/1577	Gidgee	Gum Creek	Granted	22-Aug-20	PAN GOLD	100%	All	
P53/1582	Gidgee	Gum Creek	Granted	04-Oct-20	PAN GOLD	100%	All	
P57/1304	Gidgee	Gum Creek	Granted	23-Aug-20	PAN GOLD	100%	All	

E= Exploration Licence(WA)

M = Mining Lease (WA)

P = Prospecting Licence (WA)

L = Miscellaneous Licence (WA)

(b) Changes of Interest in mining tenements

Tenement Reference and Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of Quarter
Nil			
Nil			

(c) Beneficial percentage interest held in farm-in or farm-out during the September 2019 Quarter

Tenement Reference and Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of Quarter
Nil			
Nil			