



# HORIZON GOLD L I M I T E D

ASX RELEASE

21 December 2016

## HORIZON GOLD COMPLETES \$15M IPO WITH EXPLORATION TO COMMENCE IN JANUARY 2017

### Key Points

- Horizon Gold successfully lists on the ASX raising \$15 million at 40 cents per share
- Gum Creek Gold Project near Wiluna in WA which hosts JORC 2012 Resources of 17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ozs gold
- Gum Creek Gold Project and surrounding greenstone belt provides exciting exploration and development opportunities
- Over one million ozs of gold has been mined from the area historically
- Existing infrastructure includes a 110 person camp, airstrip, tailings storage facility, 600ktpa process plant and an extensive road network
- Extensional and infill drilling to grow the known resources and lift 2012 JORC Resources to higher confidence categories is a high priority
- Geophysical testing of previously identified exploration targets to commence in January 2017
- Priority exploration targets exist along strike from the high grade Wilsons deposit (JORC 2012 Resources of 2.27 million tonnes averaging 5.37g/t gold containing 0.39 million ozs gold)
- Development studies underway

### Details

Horizon Gold Limited (**ASX:HRN, Horizon Gold** or the **Company**) is pleased to announce that it has successfully completed its \$15M Initial Public Offering (IPO) and commenced trading on the ASX today. Horizon is a new independent gold company focussed on exploration and development activities at the 100% owned Gum Creek Project in Western Australia, which has historically produced over one million ounces of gold. The funds raised from the IPO will be used to advance exploration and development studies at Gum Creek.

### Gum Creek Project

Gum Creek provides an exciting gold exploration and potential development opportunity. The Project covers approximately 724 square kilometres and hosts JORC 2012 Mineral Resources of **17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ounces of gold** (refer Panoramic Resources Limited's ASX announcement of 14 October 2016). 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.

Existing infrastructure at the site includes a 110 person camp, operational airstrip, tailings storage facilities, and an extensive road network. A 600,000tpa processing plant is also on site, however due to its age and condition significant capital investment on refurbishment would be required to return the plant to operating condition. The Company believes there are multiple high priority drill targets and possible resource extension opportunities at the Project which will be subject to near-term exploration activities.

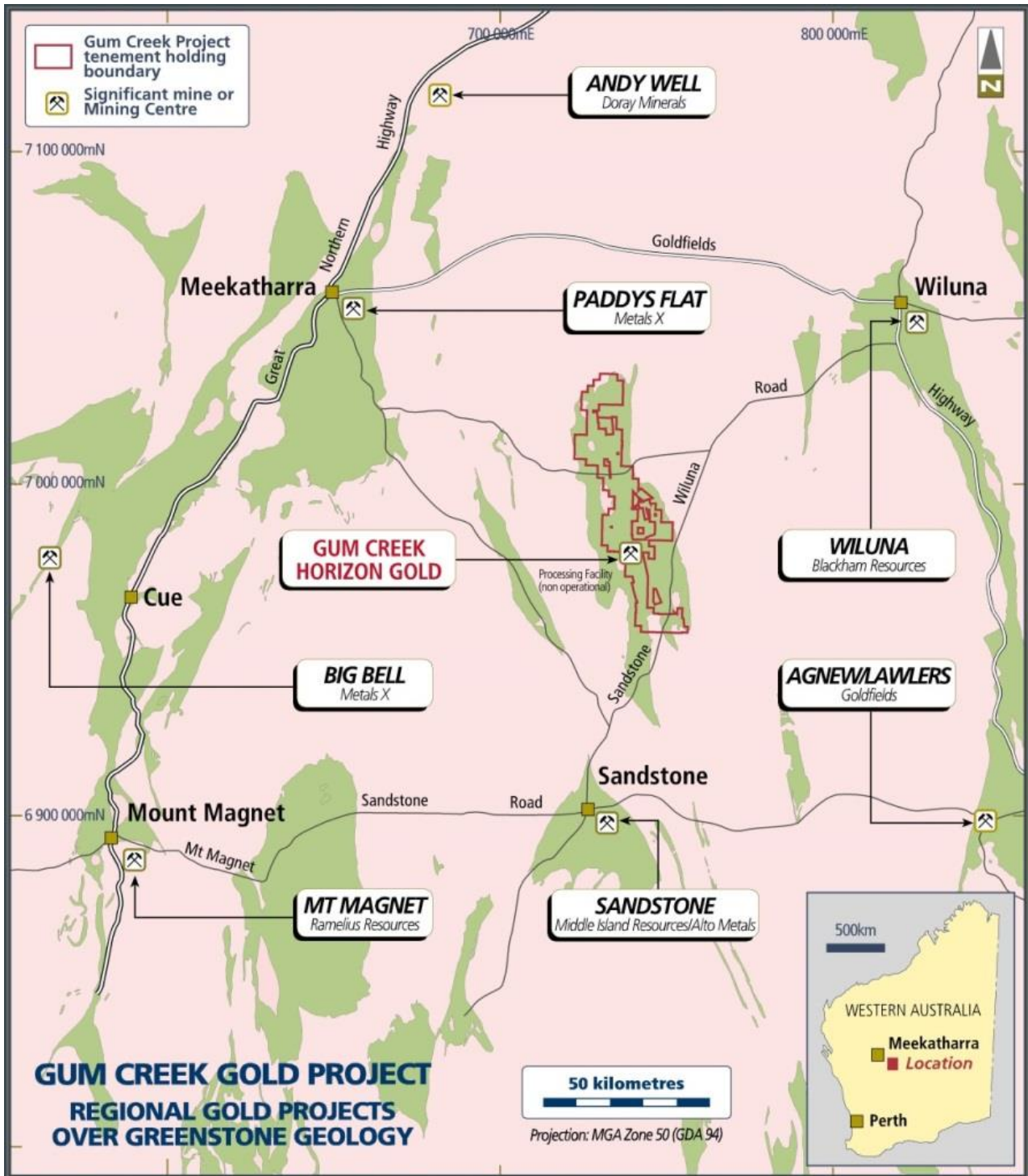


Figure 1: Horizon Gold Limited Project Location

## Strategy

The Company's strategy for the Gum Creek Gold Project comprises three key objectives:

1. undertake extensional and infill drilling to grow the known resources and lift defined resources into higher-confidence JORC categories;
2. undertake regional exploration targeting new gold discoveries outside of the known resources; and
3. carry out development studies (including but not limited to metallurgical and processing investigations) on the free milling and refractory mineralisation.



## Recent Exploration Activities

The previous owner, Panoramic Gold Pty Ltd (a wholly owned subsidiary of Panoramic Resources Limited (ASX: PAN)), assembled fully integrated, high quality, belt scale geological, geophysical and geochemical datasets. These were used to generate high priority gold targets, which the Company believes justify a significant exploration program.

Integration of geophysical data collected from ground gravity and airborne electromagnetic surveys with existing magnetic surveys, geological mapping and the drill-hole database led to **14 high priority regional targets identified for follow-up exploration**, labelled T1 to T14 in Figure 2 (refer to the Company's IPO Prospectus).

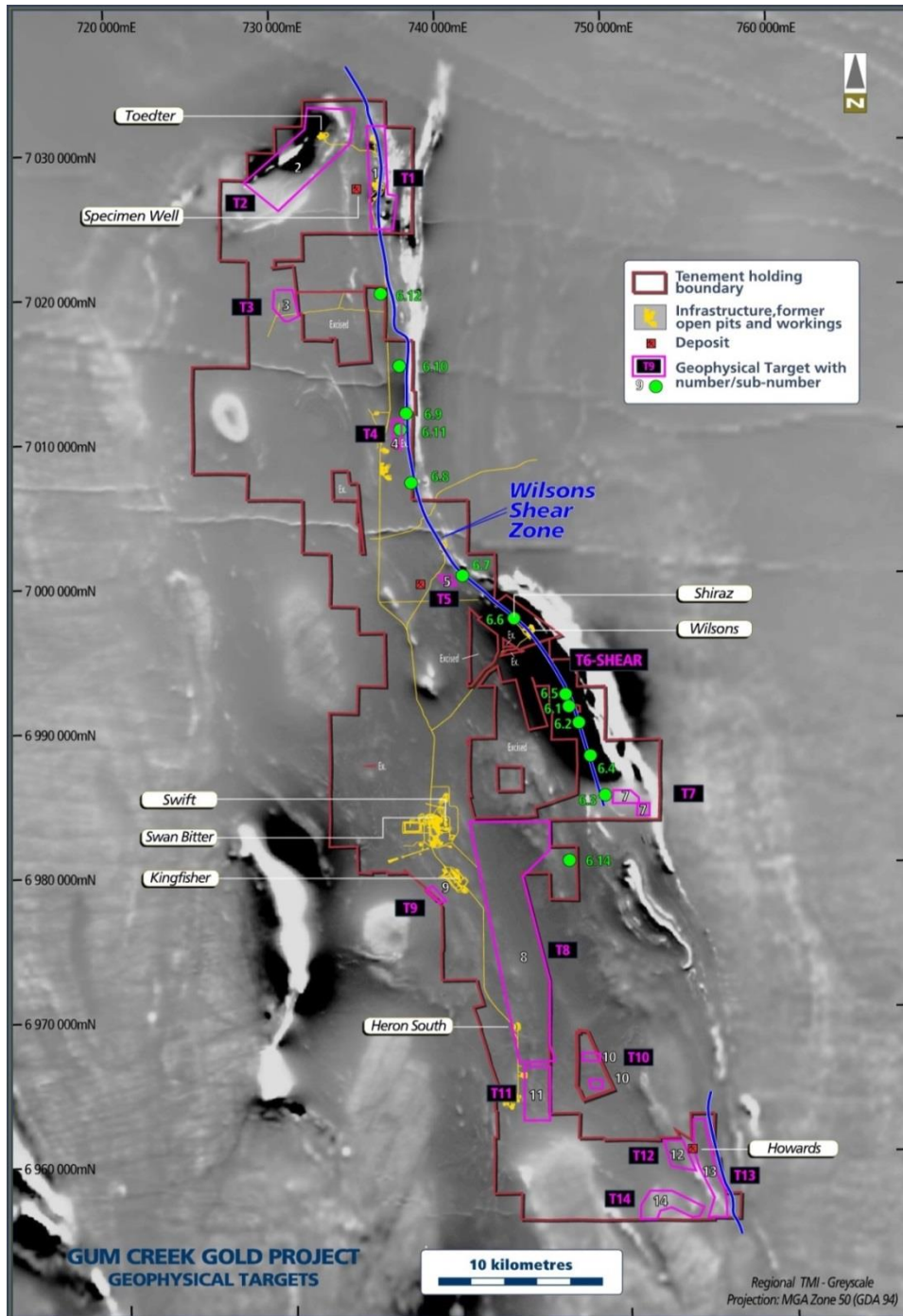


Figure 2: Grey-scale magnetic (total magnetic intensity) image of the Gum Creek Greenstone Belt, showing priority geophysical exploration targets.

The Wilsons Shear was one of the 14 target zones identified (T6), with a further 14 discrete geophysical targets identified along the shear (T6.1 to T6.14, Figure 2). In 2016, Panoramic Gold conducted an IP test survey over the Wilsons deposit which identified a clear chargeable source coincident with the known Wilsons mineralisation. Following on from the Wilsons IP test survey, Panoramic Gold continued IP surveying across the Wilsons Shear for a distance of 6km to the south of the Wilsons deposit and identified two further IP chargeable anomalies similar to that outlined at Wilsons (Figure 3). Neither of these anomalies has been previously tested by drilling and currently only ten percent of the Wilsons Shear has been tested by IP. Future work planned by Horizon Gold includes extending the IP coverage along the Wilsons Shear and drill testing highlighted chargeable anomalies.

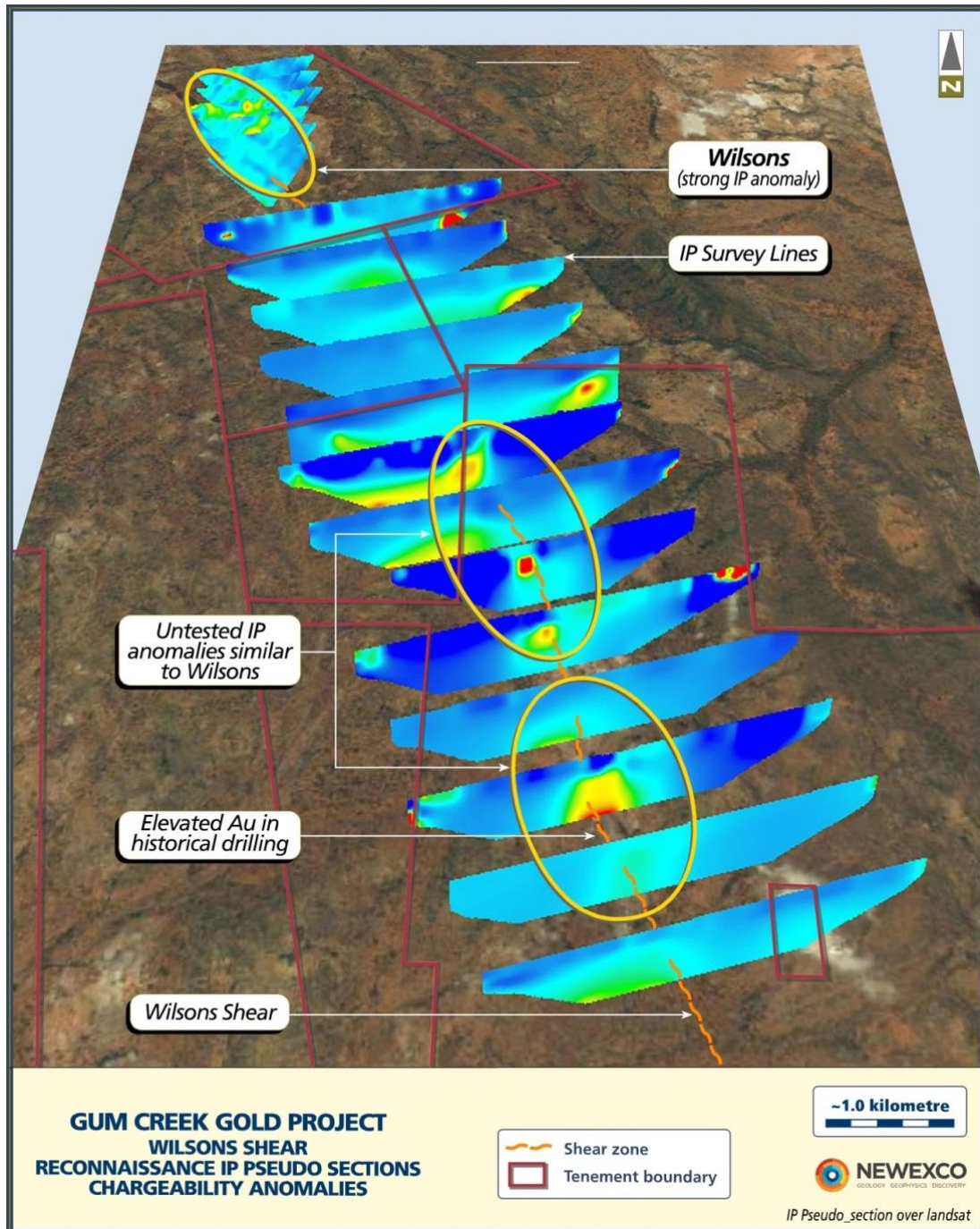


Figure 3: Wilsons IP pseudo-sections highlighting chargeable zones



## Planned Exploration Activities

Proposed regional exploration includes staged programs of ground EM surveys, IP surveys and air-core drilling, to better define geophysical, geochemical and structural targets, to be followed by RC and core drilling of prospects that warrant further investigation. Approximately 200 line kilometres of EM, 400 line kilometres of IP, and 13,000m of air-core drilling is planned in the initial exploration phase, with approximately 13,000m of RC and core drilling planned in the follow-up advanced exploration phase. The amount of geophysical surveys and drilling is indicative only and may vary depending on results.

Initial targets for infill and extension drilling in years one and two include:

- infill and confirmatory RC and core drilling at Swan North and Swift to enhance understanding of the controls on mineralisation and to improve Resource confidence; and
- drill testing for Resource extensions at depth and along strike at Heron South and Kingfisher.

A total of 7,000m of RC and core drilling is proposed over the four targets. The first priority target is at Heron South, where previous drilling below the depth of weathering intersected significant thicknesses and grades of gold mineralisation. Heron South is open at depth and along strike.

## Commencement of Exploration

Horizon has engaged a geophysics team to commence on-site exploration surveys in January 2017. It is the intention of the Company to utilise geophysical techniques to further develop and refine its existing exploration targets for follow up drill testing. These exploration targets include a combination of Resource extension and brownfield targets.

## Development Studies

Scoping-level studies for both free-milling and refractory mineralisation were completed by Panoramic Gold Pty Ltd over the period between 2012 and 2016. As a result of these studies, a significant body of data and knowledge has been accumulated on the technical and permitting aspects of the Project. The Company believes that the work carried out to date provides a basis upon which to carry out the following key activities to further advance its understanding of the Project.

### Year 1

- Optimisation studies on free milling material to identify areas for possible reductions in mining and processing operating and capital costs; and
- Further metallurgical test work to confirm the suitability of Wilsons refractory mineralisation to treatment by a moderate temperature and pressure oxidation process. The aim is to develop and optimise a flowsheet, ensure repeatability and scalability and determine sufficient information for detailed design and costing.

### Year 2

The work proposed to be undertaken in Year 2 will depend on results from Year 1, prevailing market conditions and the gold price. Assuming these are all favourable, then it is anticipated that a development study may be undertaken in Year 2, the scope of which may or may not include refractory material, depending on metallurgical and other studies completed in Year 1.

## Commencement of Metallurgical Test Work

Further metallurgical test work on processing refractory material has already commenced. The results of this work will be used to consider potential processing options for the refractory material.



## Corporate

The Gum Creek IPO received strong support from PAN shareholders and new institutional and retail investors.

Somers and Partners acted as lead manager and underwriter to the IPO.

PAN retains a 51% ownership interest in Horizon Gold (subject to escrow for two-years) and will provide ongoing technical and administrative services to the Company.

Horizon Gold Chairman, Mr Peter Harold said:

*“We are delighted to have successfully raised \$15 million and listed Horizon Gold on the ASX. We thank existing Panoramic shareholders for their support and Somers and Partners for introducing new investors to Horizon Gold and fully underwriting the IPO.*

*It is very exciting to have a renewed focus on Gum Creek which is positioned on a large greenstone belt with historic production of over one million ounces of gold. The Company has a strong balance sheet to accelerate and advance exploration and development activity at Gum Creek including new exciting IP targets identified by the Panoramic exploration team.*

*We look forward to updating shareholders as the project develops over coming months.”*

## No New Information or Data

This announcement contains references to exploration results and Mineral Resource estimates, all of which were disclosed in previous market announcements made by Panoramic Resources Limited (ASX: PAN) and/or disclosed in the Company’s IPO Prospectus lodged with ASIC on 21 October 2016. 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.

## 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 containing 1.25 million ounces of gold. It is located within a well-endowed gold region that host 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.

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