

GUM CREEK EXPLORATION UPDATE

KEY POINTS

- Results received from the first round of the 2017 drill program undertaken during April 2017
- At Heron South, drilling intersected the mineralised structure close to the expected target depths, with best results being:
 - 3m @ 6.00g/t Au in HRC539 from 88.0 metres;
 - 4m @ 5.00g/t Au in HRC540 from 99.0 metres; and
 - 4m @ 4.27g/t Au in HRC541 from 127.0 metres.
- Several of the Heron South drill holes reported mineralised intercepts in nearby subsidiary structures
- Drilling of IP targets along the Wilsons Shear Zone intersected sulphide mineralisation where predicted by the IP surveys
- Four additional high priority Wilsons Shear Zone IP targets will be drill tested in the next round of drilling, scheduled to commence in August 2017

Summary

Horizon Gold Limited (**ASX:HRN**, Horizon, the Company) is pleased to release the following drill results for the drill program completed at Gum Creek during April 2017. The drill program, involving 13 reverse circulation (RC) holes for 2,495 metres was designed to:

1. infill previous drilling at Heron South (*refer to the Company's ASX announcement of 10 March 2017*); and
2. test several Wilsons Shear Zone Induced Polarisation (IP) geophysical targets (*refer to the Company's ASX announcement of 10 March 2017*).

In conjunction with this initial drill program, exploration activities to follow up on priority regional exploration targets outlined in the Horizon Gold Prospectus (October 2016) are ongoing.

This includes new IP targets that have been prioritised for drill testing in August 2017.

Results

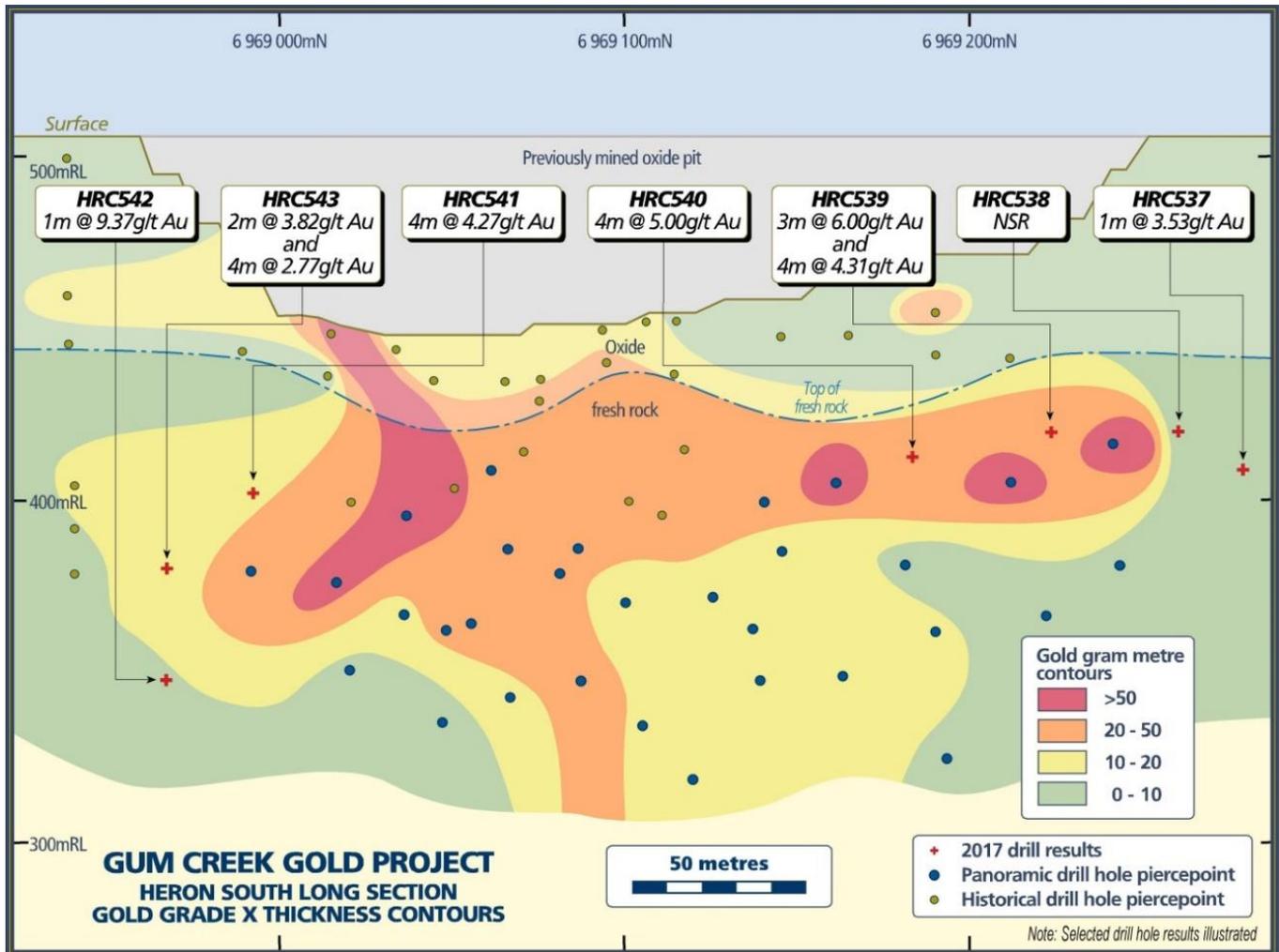
Heron South

At Heron South seven infill resource holes (HRC537 - HRC543) were completed for a total of 1,223 drill metres (*Figure 1*). All holes, except for HRC538, intersected the mineralised Heron South structure close to the nominated target depth. Best results returned were:

- 3m @ 6.00g/t Au in HRC539 from 88.0 metres;
- 4m @ 5.00g/t Au in HRC540 from 99.0 metres; and
- 4m @ 4.27g/t Au in HRC541 from 127.0 metres.

In addition to the intercepts returned for the main mineralised structure at Heron South, several holes reported mineralised intercepts in nearby subsidiary structures.

Figure 1: Extensional Drilling results at Heron South



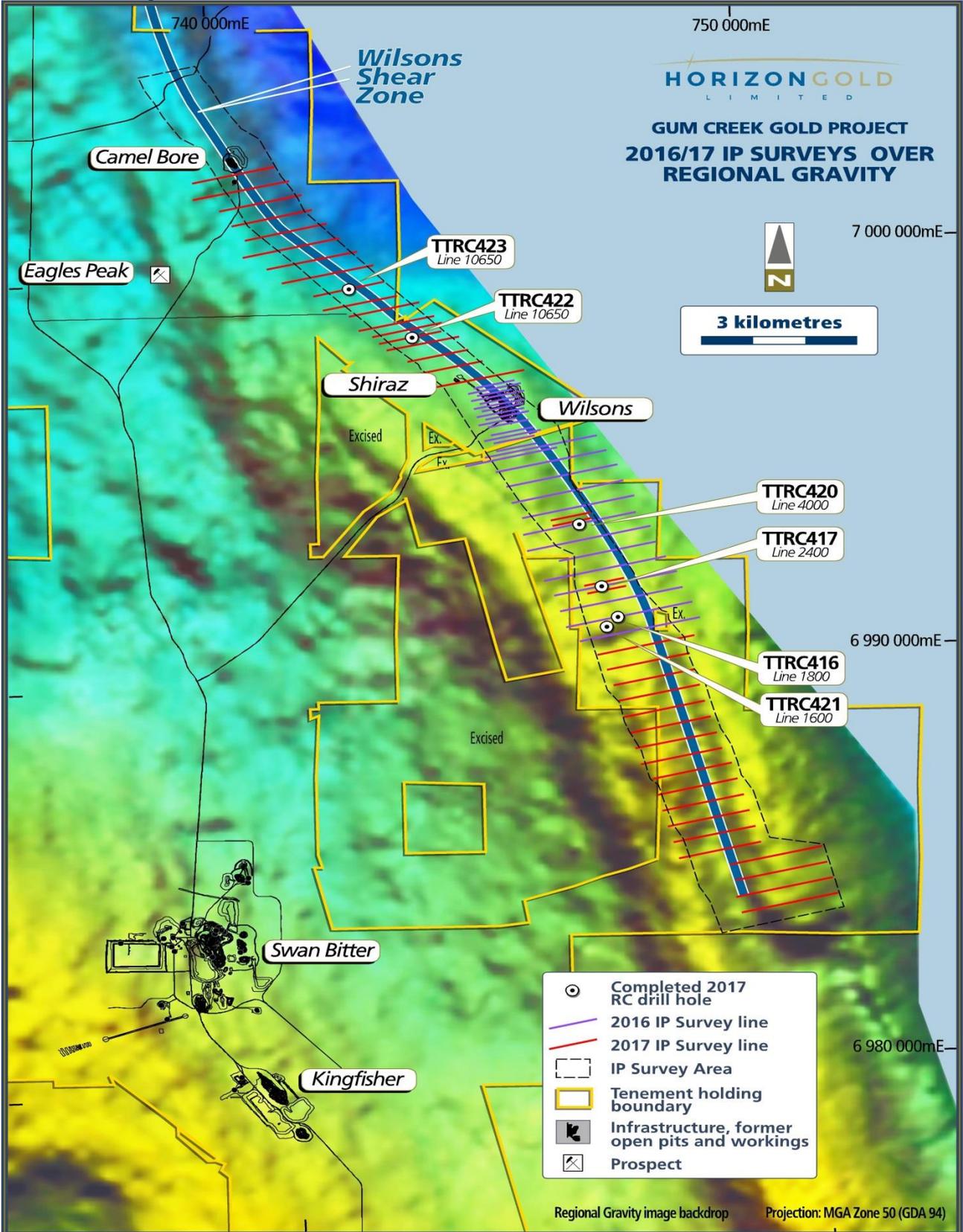
A high-grade intercept in HRC542 (1m @ 9.37g/t Au) at the southern end of Heron South indicates that there is further potential to extend the depth and strike length of gold mineralisation. Additionally, mineralisation previously intersected in the central part of the prospect remains open below ~350mRL. Based on these early results, further drilling is proposed to test the southern and depth extensions to Heron South.

Wilsons Shear Zone

Along the Wilsons Shear Zone, six RC holes were completed on five IP targets (TTRC416 - TTRC417 and TTRC420 - TTRC423) for a total of 1,272 drill metres (Figure 2). All six holes intersected sulphide mineralisation where predicted by the IP targeting. However, the sulphide zones were typically located within the Wilsons Dolerite and were dominated by pyrite whereas the high-grade gold mineralisation at Wilsons is dominantly arsenopyrite-pyrrhotite rich and located immediately below the eastern footwall contact of the Wilsons Dolerite in the underlying strongly sheared mafic sediments. No significant gold assays were returned from the sulphide zones intersected.

Drilling of the initial five Wilsons Shear Zone IP targets has successfully demonstrated the technical effectiveness of the IP method in locating sulphide mineralisation in this geological environment. An additional four highly ranked Wilsons Shear Zone IP targets lying to the south of Wilsons are to be tested in the next round of drilling, which is scheduled to commence in August 2017.

Figure 2: Gum Creek Project Gravity image showing Wilsons Shear and recent IP target drilling



Refer to Table 1 for a full list of drill hole results. The results are based on 30gm Fire Assayed 1m RC drill sample, reported at a 1g/t Au cut-off grade. Appendix 1 contains the appropriate JORC 2012 Compliance tables to accompany this announcement.

Table 1: Summary of RC Drill Results – April 2017

Hole	East (m)	North (m)	RL (m)	Dip (°)	Azi (°)	EOH (m)	From (m)	To (m)	Intercept
HRC537	743570	6969285	500	-60	270	161	119	120	1m @ 3.35 g/t
HRC538	743574	6969260	500	-60	270	173			NSR
HRC539	743573	6969220	500	-60	270	155	88 97 108	91 101 113	3m @ 6.00 g/t 4m @ 4.31 g/t 5m @ 1.86 g/t
HRC540	743567	6969180	500	-60	270	173	96 99 110 115 122 126	97 103 112 116 124 128	1m @ 1.49 g/t 4m @ 5.00 g/t 2m @ 2.19 g/t 1m @ 2.02 g/t 2m @ 1.85 g/t 2m @ 1.81 g/t
HRC541	743572	6968985	500	-60	270	155	118 121 127	119 123 131	1m @ 1.41 g/t 2m @ 2.82 g/t 4m @ 4.27 g/t
HRC542	743613	6968965	500	-60	270	197	169 174	170 175	1m @ 3.11 g/t 1m @ 9.37 g/t
HRC543	743590	6968965	500	-60	270	209	48 142 188	49 144 192	1m @ 1.10 g/t 2m @ 3.82 g/t 4m @ 2.77 g/t
TTRC416	746924	6991192	500	-60	76	233			NSR
TTRC417	746636	6991946	500	-60	76	263			NSR
TTRC420	746221	6993504	500	-58	76	281			NSR
TTRC421	746700	6990938	500	-60	76	185			NSR
TTRC422	743156	6998106	500	-60	76	155			NSR
TTRC423	741983	6999310	500	-60	76	155			NSR

NSR – no significant result

Future Work Program

Horizon's regional exploration programs are continuing, with the next phase of drilling scheduled to commence in August 2017. Prospective areas targeted for the next phase of work include:

- *Wilson's Shear Zone* – four high priority IP targets lying to the south of Wilsons. Four RC holes for 600 drill metres are proposed to test these anomalies;
- *Psi Prospect* – Structurally controlled BIF-hosted mineralisation with shallow high-grade intercepts reported by previous explorers including 11m @ 4.7g/t Au from 96 metres in GWRC504 (Refer to Panoramic Resources Limited ASX announcement dated 30 July 2012). Mineralisation is open at depth. 13 RC holes for 1,300m are planned to test depth extensions and infill between previous high-grade intercepts; and
- *Structural targets* – interpretation of magnetic survey data has identified a number of structural settings potentially favourable for gold mineralisation. First-pass air-core drilling totalling 12,000m is planned to identify gold or pathfinder geochemical anomalies associated with these structural targets.



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 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 \$12.54 million in cash as at 31 March 2017.

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

Appendix 1 – 2012 JORC Disclosures

Gum Creek Gold Project - Table 1, Section 1 – Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The sampling technique pertaining to the assay results reported in this release was "industry standard" 1m reverse circulation (RC) samples. The samples were obtained through an onboard splitter to produce a 3kg assay sample. Four (4m) metre composite spear samples were also collected. These sample were analysed first in order to identify anomalous (>0.5g/t Au) zones of gold mineralization. Where such zones were identified the individual 1m assay samples covering these zones with a four metre buffer either side were submitted for analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> The drilling method used in relation to this release was entirely RC. The RC drilling was completed utilizing a 5 ¼ inch face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> RC sample recoveries were monitored by recording visual estimates of the sample bags prior to sampling. Typical recoveries for RC were >90% No apparent relationships were noted in relation to sample recovery and grade.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All RC drill holes were geologically logged. Logging was to an industry standard and in sufficient detail to support geological statement made in the accompanying release. Geologically logging typically detailed lithology, alteration, mineralisation, weathering, oxidation, veining and structural features if available.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> All drill holes pertaining to this release relate to RC holes. Four-metre speared composite samples were collected from all RC holes pertaining to this release. These samples were submitted and analysed prior to analysing the 1m assay samples mentioned above. The 1m assay samples were only submitted for analysis if elevated gold levels (>0.5g/t Au) were returned by the 4m speared composite samples.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> All RC drill sample returns were laid down in rows on the ground. The 4m spear-composited samples were collected from these samples. Sample preparation process for all samples submitted followed industry standards, including oven drying sample for a minimum of 8 hours, crushing and pulverizing the sample to 85% passing 75 microns. Quality control procedures included the insertion of standards, blanks to monitor sampling and analytical processes. The sample sizes collected are those typically used throughout the industry and are considered appropriate to this style of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> All samples pertaining to this release were submitted to ALS Laboratories in Perth for Analysis. Each submitted sample was subjected to a 30gm Fire Assay (code Au-AA25) and a 31 multi-element determination (code ME-ICP61a). All analytical data reported was generated by direct laboratory assays. No field estimation devices were employed. ALS conducted extensive QAQC procedures throughout their laboratory processes. In addition, Horizon conducted their own internal QAQC process which typically involved the insertion of 1 Certified Reference Material (CRM) or blank for every 20 RC samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No independent check assaying was performed. No twin holes were completed. Logging was completed in excel templates and loaded into Horizon's SQL database for validation. Sections were then generated and visual validation was completed to ensure integrity of the data. No adjustments were made to assay data except for replacing negatives with half detection limit numerical values.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All Heron South drill holes mentioned in this release were set-out by surveyors using DGPS equipment. The stated accuracy of the DGPS equipment is with a horizontal accuracy of ± 10 mm and a vertical accuracy of ± 15 mm. The Wilsons IP targeting holes mentioned in this release were set-out using a hand-held GPS. Down hole surveys were routinely performed every 30m using a range of electronic multi-shot (EMS) tool. No check gyroscopic surveys were completed. The grid system at Gum Creek is MGA_GDA94 Zone 50. A Gum Creek surface topography DTM was acquired with the purchase of the Project. The origin of the DTM is unclear, but accurately surveyed drill hole collar RLs agree closely with the DTM.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological 	<ul style="list-style-type: none"> A drilling density is not applicable to this release. Holes were drilled to either infill existing gaps in information or were targeted at discrete IP targets.

Criteria	JORC Code explanation	Commentary
	<p>and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <ul style="list-style-type: none"> Whether sample compositing has been applied. 	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> All drilling was completed roughly perpendicular to the known strike of the structure/mineralization being tested. No sampling bias is apparent from the direction of drilling.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All recent samples were kept secure on site until dispatched direct to the ALS laboratory in Perth.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> All recent sampling techniques are accepted as industry standards. No audits or reviews have been undertaken.

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 seven Exploration Licences (ELs), 21 Mining Leases (MLs), six Prospecting Licences (PLs) and 10 Miscellaneous Licences (refer to the "Schedule of Tenements" in the 2016 Panoramic Resources Limited 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"> HRN's acquisition of the GCGP was finalised on 21 December 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 Limited 2011 - December 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 	<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. Easting / Northing / Elevation / Dip / Azimuth / Down hole length and interception length for each hole are reported in Table.1.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	
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"> ● Exploration intercepts are reported using the following 'industry standard' parameters: <ul style="list-style-type: none"> ○ 1g/t cut off ○ 1m maximum internal waste ○ No maximum cut off was used ○ Aggregate intercepts are unweighted ○ No metal equivalence reported
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 orientation of the Heron South mineralisation is well known from historic RC drilling and open pit mining. ● The main mineralised structure at Heron South is near vertical and runs N/S. ● All drilling results pertaining to this report have been drilled perpendicular to the known mineralisation.
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 drill result only. Mention of other exploration data is not deemed to be relevant
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 exploration drilling. Work is ongoing and further results will be reported if and when they become available.