

2019 ANNUAL GENERAL MEETING

Chairman's Address

Dear Shareholder,

Welcome to the third Annual General Meeting of the Company.

The Company's principal asset is the 100% owned Gum Creek Gold Project, located 640km north east of Perth. Gum Creek has produced over 1Moz 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 the Company's 2019 Mineral Resource and Reserve statement dated 12 July 2019).

Having been a producing mine in the past, Gum Creek benefits from substantial infrastructure on site including a 110 person camp, operating air strip, tailings storage facility, an extensive road network and other important infrastructure.

The Company's stated strategy is focused on:

- Resource extension and infill drilling to grow the known resources;
- Regional exploration targeting new discoveries; and
- Development Studies on existing free-milling Resources to become a profitable gold producer.

In line with our strategy, the 2019 financial year has been very productive for the Company with the main focus on drilling gold targets at the Butcherbird Shear/Premium Lode, extensive exploration on the emerging Altair zinc-copper-silver discovery and undertaking a Scoping Study on the potential to open pit mine the Swan North and Swift deposits and toll treat at one or more of the local gold processing facilities.

Swan/Swift Scoping Study

At the Butcherbird Shear/Premium Lode, which is directly along strike from the existing Swan Bitter open pit, further exploration drilling returned many excellent results including 8.0m @ 19.7g/t Au, 6.6m @ 10.9g/t Au and 5.0m @ 10.6g/t Au. These results supported the geological reinterpretation undertaken in financial year 2018. Following a second drilling campaign, the Company updated the Swan and Swift Mineral Resource Estimates which resulted in an overall increase of 138,000oz of gold at Gum Creek, including a maiden Swift **Open Pit Resource of 840,000t @ 7.2g/t gold for 195,000oz**. The total Mineral Resource at Gum Creek now stands at 15.9Mt @ 2.7g/t Au for 1.39 million ounces contained gold.

The increase in the gold price during the year to over US\$1,500/ oz (A\$2,200/oz), combined with the Mineral Resource Estimate upgrades at Swan and Swift resulted in the Company commencing a Scoping Study on the potential to open pit mine these free milling Resources. As part of the Scoping Study, the Company investigated the potential for toll treating ore at various processing plants within trucking distance of Gum Creek.



Figure 1 – Location of Gold Processing Plants in the vicinity of Gum Creek

The potential to expedite the production from Swan and Swift is underpinned by the fact that the Resources are located on granted mining leases, with an existing mining approval covering the Swift deposit.

Due to a positive outcome of the Scoping Study (*refer to the Company's ASX announcement of 20 November 2019*), the next phase of work will be:

- undertake infill/confirmatory resource drilling;
- firm up capital and operating cost assumptions;
- seek firm proposals for toll milling;
- seek firm proposals for project financing including potential support from toll milling partner(s); and
- complete a Feasibility Study.

The existing infrastructure at Gum Creek will assist in expediting mine development should the decision be made to commence mining the Swan and Swift deposits.

Altair Zinc-Copper-Silver Discovery

Following on from the Altair discovery in August 2018 in drill hole ALDD002 which returned 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 completed two follow-up drill programs during financial year 2019. These drill programs identified broad continuous lens of zinc-copper-silver mineralisation over a strike length of more than 500m. Importantly, the mineralised lens remains open to the north and east.

The base metal mineralisation at Altair has many of the hallmarks of a large polymetallic, hydrothermal VHMS / SEDEX mineralising system, being also anomalous in gold, lead, cobalt, tin and other minor metals. In June 2019 the Company completed a broad (200m by 200m) moving loop electro-magnetic (MLEM) survey over the area with the aim of mapping the possible extent of the Altair mineralisation before undertaking further drilling. Intuitive interpretation and numerical modelling of the MLEM data indicates the Altair mineralisation may extend to the north over a combined strike of eight kilometres. These results suggest that the mineralised lens defined to-date at Altair may be far larger than that currently delineated by drilling. The Company has plans to further drill test the potential extensions to Altair during calendar year 2020.

The evaluation studies at Swan and Swift together with further exploration on the Butcherbird Shear/Premium Lode and testing extensions to the Altair mineralisation will be the primary focus for business during financial year 2020.

On behalf of the Directors, I would like to thank the team at Panoramic Resources for providing management services to Horizon. John Hicks and Matt Demmer for the work they have done on the Butcherbird Shear/Premium Lode and Altair Projects. Tim Mason for his work on the Swan/Swift Scoping Study and managing the Gum Creek site and Trevor Eton for the company secretarial and accounting support.

The Company is now well placed to benefit from the excellent exploration work conducted over the past few years with a real opportunity to move to early gold production at Swan and Swift as well as to delineate a very large zinc-copper-silver resource at Altair. Next year promises to be an exciting one for the Company and I thank shareholders for their ongoing support.

And finally, as this will be my last official engagement as Chairman of Horizon Gold, I thank Peter Venn and Paul Bennett for their input and guidance over the past three years and wish Victor Rajasooriar well in his new role as Non-Executive Chairman of the Company.

Yours sincerely,

Peter Harold
Chairman

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.

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