

29 April 2020

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2020

Key Points

- **Gum Creek Gold Project** - Horizon owns 100% of the Gum Creek Project near Wiluna in Western Australia which hosts a JORC 2012 Resource of 15.9Mt @ 2.7g/t Au for 1.39 million ounces contained gold (refer Appendix 1).
- **COVID-19 Response** - In line with advice from health authorities, the Company has taken swift steps to protect our workforce and preserve our assets whilst helping slow the spread of COVID-19. A post COVID-19 work program is in place to ensure the Company can accelerate out of the crisis with options to raise new funding under consideration.
- **Scoping Study** - Results of the December 2019 quarter Scoping Study on the Swan North and Swift deposits support an infill drill program to increase the confidence in the Resources at these deposits, subject to new funding.
- **Corporate**
 - **Board Changes**
 - Appointment of new Executive Director Mr Jamie Sullivan and Non Executive Chairman Mr John (Dugald) Morrison and the resignation of Mr Victor Rajasooriar as Chairman and Non Executive Director on 9 April 2020.
 - New Company Secretary. Mr Trevor O'Connor appointed and Mr Darryl Edwards resigned as Company Secretary 9 April 2020.
 - **Management Agreement and Costs** – The Management Agreement between Panoramic Resources Limited and Horizon Gold will be terminated on or about 30 April 2020. General and administration expenses kept at a minimum.
 - **Change in Substantial Shareholder Interests**

During the reporting period, substantial shareholder Panoramic Resources Limited (ASX: PAN) sold the majority of its interest (51%) to Zeta Resources Ltd (ASX: ZER) which will result in Zeta increasing its direct holding in the Company to 69.3%. The sale of the second tranche of shares representing 22.45% of Horizon is subject to Panoramic shareholder approval.

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. 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).

COVID-19 Response and Potential Impacts

In line with advice from government and health authorities, the Company took swift steps to protect our workforce whilst helping slow the spread of COVID-19. Due to the travel restrictions and associated site logistical difficulties, in the interim, the Company ceased all activity at the Gum Creek Gold Project at the beginning of the quarter.

Horizon continues to closely monitor the unprecedented COVID-19 global pandemic and its impact on the global and domestic economy. Internationally and within Australia, various measures have been introduced to slow the spread of the COVID-19 outbreak. These measures have had an abrupt and significant impact on global economic activity, including in the mining sector. The functioning of global capital markets has also been impaired by increased volatility and negative investor sentiment evidenced in the decline in and volatility of commodity prices.

The duration and magnitude of this pandemic and its impacts on the economy and financial markets remain uncertain. The Company continues to closely monitor information provided by State and Federal Government Department sources to ensure that we are continually meeting and exceeding the minimum standards for protecting the health and safety of our workforce and community, whilst preserving our assets for our shareholders.

Swan and Swift Scoping Study

A Scoping Study based on the resumption of open pit mining at Swan North and Swift (see Figure 1), and toll treating the ore at a nearby processing plant, was completed during the December 2019 quarter (refer to Company's Open Pit Scoping Study Completed announcement on 20 November 2019).

The Horizon Board determined the results of the Scoping Study were sufficiently positive to justify undertaking an infill drill program at Swan North/Swift to increase the confidence in the Resources at both sites. The results of the drill program will support higher confidence studies being carried out on the Swan/Swift Project during 2020.

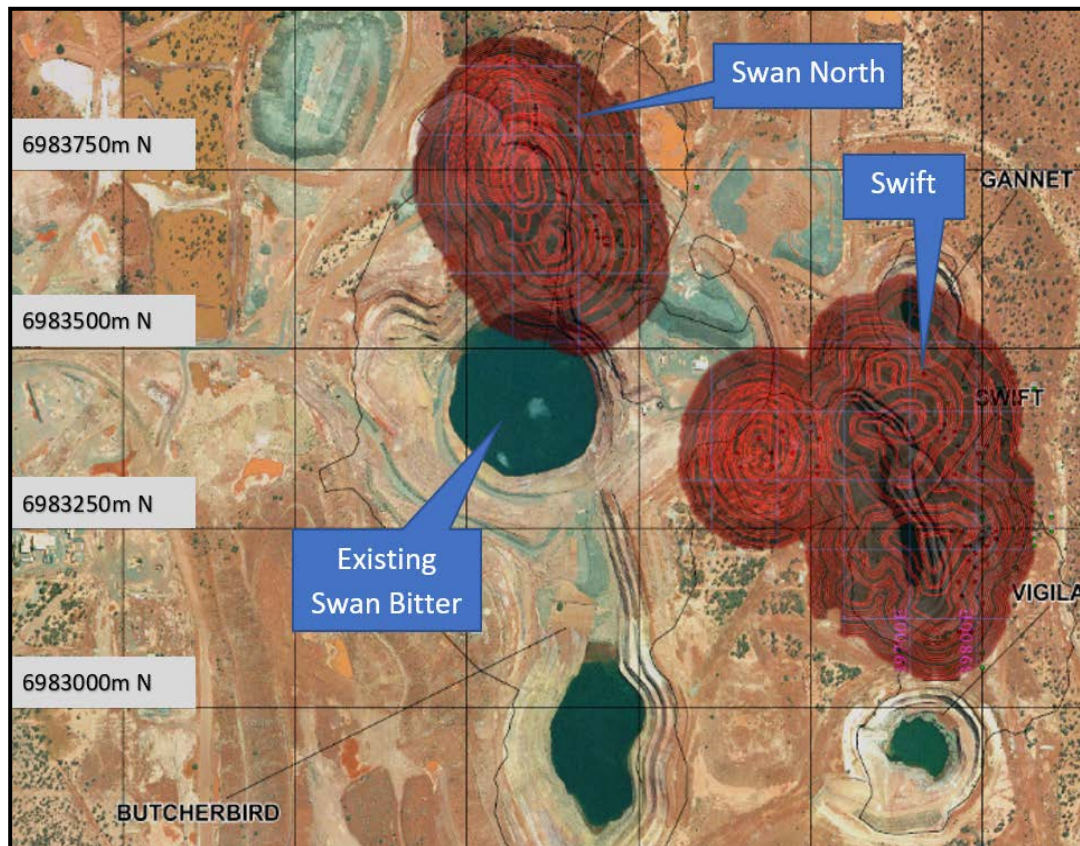
Infill Resource definition RC drill programs have been designed and budgeted to convert the Inferred Resources to an Indicated category. The combined Swan Swift infill drill programs consist of approximately 10,000 drill metres for a budgeted cost of approximately \$1 million.

DMIRS approval to undertake the program has been received, and subject to securing the required funding, it is anticipated the drill program will begin once the COVID-19 crisis and travel restrictions have been eased.

The Company remains suitably encouraged about the prospect of renewed open pit mining at Gum Creek and is considering various funding options to facilitate this infill drill program as soon as practical.

Additionally, there is already significant infrastructure on site, including; an accommodation village, 600,000 tonne per annum CIL processing facility (requires refurbishment), airstrip, haul roads and tailings storage facilities. The Swan North and Swift deposits are located adjacent to this infrastructure on granted Mining Lease M57/634.

Figure 1 – Plan View of Conceptual Swan and Swift Open Pits



Post COVID-19 Work Program

Subject to timing of new funding and relaxation of the COVID-19 restrictions, the Company's primary focus is to advance drilling programs at the Swan North and Swift Resources. The work program includes:

- Commencing the Swan North / Swift infill Resource definition drill programs that have been designed to convert most of the Inferred Resources in both deposits to an Indicated Category;
- Update Resource estimates derived from the drilling; and
- Update technical and commercial studies.

Corporate

Change in Substantial Shareholder Interests

On 18 February 2020, Panoramic Resources Limited (Panoramic) announced the partial sale of its holding in Horizon to existing shareholder, Zeta Resources Limited (Zeta).

The sale of 20,237,037 Horizon shares at a sale price of \$A0.27 per share represented a premium of 59% to Horizon's last traded share price and 54% to the Horizon 10-day VWAP.

Zeta's direct interest in Horizon increased from 20.1% to 46.6% with a 71.13% relevant interest and voting power.



On 30 March 2020, Panoramic announced it had received commitments to purchase its remaining 24.6% shareholding, representing 18,793,580 shares in Horizon from sophisticated and professional investors at a price of \$A0.20 per share. This included 17,183,580 shares from Zeta, 250,000 shares from Paul Bennett and 100,000 shares from Peter Venn, both Non-Executive Directors of Horizon.

The sale price represented a premium of 19.8% to the Horizon 10-day VWAP up to and including Friday, 27 March 2020 of \$0.167 per share.

The sale of Panoramic's remaining shareholding to investors other than Zeta was completed on 1 April 2020, and the completion of the sale to Zeta is subject to Panoramic shareholders' approval, which Panoramic intends to seek as soon as possible.

Following completion of the sale, Panoramic will cease to be a shareholder of Horizon and Zeta's direct shareholding will increase from 35,643,387 shares to 52,826,967 shares, which represents approximately 69.03% of Horizon's share capital.

Changes to the Board of Directors

Subsequent to the quarter end, the Company appointed two new Directors to its Board. Mr Jamie Sullivan joined the Board on 9 April 2020 and has been appointed Executive Director and Mr John (Dugald) Morrison has been appointed as Non Executive Chairman. Mr Victor Rajasooriar resigned as Chairman and Non Executive Director on 9 April 2020.

Additionally, Mr Darryl Edwards resigned as Company Secretary and Mr Trevor O'Connor was appointed as Company Secretary on 9 April 2020.

Management Agreement

Following the changes to the Board and after the quarter's end, the Company has agreed to terminate the Management Agreement between Panoramic and Horizon on or about 30 April 2020.

Funding

Following the end of the quarter, Horizon has secured a short-term funding facility of up to \$300,000 from Zeta. In summary, the terms of the facility are that the funds are unsecured, can be drawn in tranches of not less than \$5,000 and interest is payable at 7.5% per annum. The funds are repayable by 30 June 2020.

The above short-term funding facility will allow the Board to assess the long-term funding requirements of the Company and implement a suitable capital raising strategy over the next two months.

Mining Tenements

The status of the Horizon mining tenements as at 31 March 2020 are detailed in Appendix 2.

This ASX announcement was authorised on behalf of the Horizon Board by:

Jamie Sullivan
Executive Director

Dugald Morrison
Non-Executive 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.

For further information contact

Jamie Sullivan

+61 9336 3388

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 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
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 (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 Resources Limited to the ASX on 14 October 2016. The announcement can be accessed via Panoramic Resources Limited (ASX: PAN) 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 31 March 2020
PAN GOLD = Panoramic Gold 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-25	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-40	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			

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

HORIZON GOLD LIMITED

ABN

27 614 175 923

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (Mar 2020) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) C&M staff costs (inc. oncosts)	(61)	(170)
(e) direct site costs (inc. working capital)	(90)	(250)
(f) administration and corporate costs	(54)	(408)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (FY 2019 WA State MRF payment)	-	(147)
1.9 Net cash from / (used in) operating activities	(204)	(966)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(5)
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(103)	(791)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Mar 2020) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(103)	(796)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	424	1,879
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(204)	(966)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(103)	(796)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (Mar 2020) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	117	117

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	87	424
5.2 Call deposits	30	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	117	424

6. Payments to related parties of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	56
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

1) Payment to directors of the entity; and

2) Payment (ex. GST) to the related party was for technical, commercial, managerial and administrative services provided to the Company pursuant to the "Management Agreement" (October 2016) between the Company and Panoramic Resources Limited. The services provided to the Company by Panoramic under the agreement were extended in December 2019 to 20 June 2020. The Management Agreement will be terminated on or about 30 April 2020.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Subsequent to the quarter end Horizon has secured a short term funding facility of up to \$300,000 from Zeta Resources Limited. In summary the terms of the facility are that the funds are unsecured, can be drawn in tranches of not less than \$5,000 and interest is payable at 7.5% per annum. The funds are repayable by 30 June 2020.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(204)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(103)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(307)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	117
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	117
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.4
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
No, because of Covid 19 associated issues including travel restrictions and associated site logistical difficulties exploration activities have been reduced to an absolute minimum and during this period administrative overheads have been significantly reduced.	

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Subsequent to the quarter end, Horizon has secured a short term funding facility of up to \$300,000 from Zeta Resources Limited. In summary the terms of the facility are that the funds are unsecured, can be drawn in tranches of not less than \$5,000 and interest is payable at 7.5% per annum. The funds are repayable by 30 June 2020.

The above short term funding facility will allow the Board to assess the long term funding requirements of the Company and implement a suitable capital raising strategy over the next two months. The Board is confident that additional funds can be raised when required.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, Horizon expects to be able to continue operations on a reduced basis as described above for a short period of time. When Covid 19 restrictions have been lifted and a capital raising completed it will begin to meet its business objectives which are to advance technical and commercial studies into the viability of the Gum Creek Gold Project. Upon securing funding, the first priority of the Company is to complete an infill drill program at Swan and Swift in order to improve the confidence in those resources.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2020

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.