

18 March 2024

## COMPELLING GUM CREEK SCOPING STUDY

### Key Points

- The Scoping Study (“**Study**”) indicates that near surface open pittable gold resources at the 100% owned Gum Creek Gold Project (“**Project**”) will deliver compelling financial outcomes.
- Projected average recovered gold production of approximately **84,000 ounces per year** processed through a new 2.4 million tonne per annum gravity / CIL plant over a 10-year Life of Mine (LOM).
- Initial open pit mine production target of **24.46Mt @ 1.13g/t Au for 888,000 ounces** (76% Indicated, 24% Inferred) from selected deposits. *“There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.”*
- Robust financial metrics returned using a conservative **A\$2,900/oz base case** pricing assumption and current industry costings:
  - **Pre-tax cashflow of A\$574M**, pre-tax Net Present Value at an 8% discount rate (**NPV<sub>8</sub>**) of approximately **A\$318M**, and **pre-tax IRR of 31.5%**.
  - **Payback period** from commencement of mining of **3.0 years**.
- Study base case gold price is approximately A\$400/oz below the current spot gold price, representing significant potential upside to predicted financial outcomes. The **A\$3,300/oz gold price scenario** returns:
  - **Pre-tax cashflow of A\$904M**, **pre-tax NPV<sub>8</sub>** of approximately **A\$548M**, and **pre-tax IRR of 45.8%**.
  - **Payback period** from commencement of mining of **2.1 years**.
- **Pre-production capital cost of A\$238.5M** includes a new 2.4Mt per annum gravity / CIL processing plant, a new 200-person camp, and a 20% capital cost contingency.
- **LOM C1 cash operating cost of A\$1,730/oz produced**, and **LOM all-in sustaining cost of A\$1,931/oz produced**.
- Additional resource drilling to focus on expanding the shallow oxide resources excluded from the Study and potentially further enhance the positive economic outlook of the highly prospective Gum Creek Project.
- Underground mining options at all deposits including Swan/Swift, Kingfisher, Omega, and Wilsons are yet to be evaluated.

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## Important Note - Cautionary Statement

The Scoping Study referred to in this announcement has been undertaken to determine the viability of open pit mining at Horizon Gold's Gum Creek Project in Western Australia, with processing of selected deposits to be undertaken at a new processing plant constructed at the previous Gidgee Gold Processing Plant location. The Study is a preliminary technical and economic assessment of the potential viability of the Project. It is based on low level technical and economic assessments that are not sufficient to support estimation of Ore Reserves. Further evaluation work and studies are required before the Company will be able to provide assurance of an economic development case.

Of the mineral resources scheduled for extraction in the Study mine production target, approximately 76% of the resource ounces are classified as Indicated, with the remaining 24% classified as Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The Company has concluded that it has a reasonable basis for providing these forward-looking statements and the forecast financial information included in this release based on the material assumptions outlined in this release. These include assumptions about the availability of funding. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved.

To achieve the range of outcomes indicated in the Study, pre-production funding in the order of A\$238.5 million will likely be required. Investors should note that there is no certainty that the Company will be able to raise that amount of funding when needed. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

It is also possible that the Company could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce the Company's proportionate ownership of the Project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Study.

Horizon Gold has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement and believes it has a 'reasonable basis' to expect it will be able to complete the development of the mineral resources outlined in the attached Scoping Study Report (Appendix 2). This announcement has been prepared in compliance with the JORC Code 2012 Edition (JORC 2012) and the ASX Listing Rules. All material assumptions on which the forecast financial information is based have been provided in this announcement and are also outlined in the attached JORC 2012 table disclosures. Given the uncertainties involved and listed above, investors should not make any investment decision based solely on the results of the Study.

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## Introduction

Horizon Gold Limited (ASX: **HRN**) (**Horizon** or the **Company**) is pleased to announce the results of a scoping study that assesses the economic potential to recommence production from near surface, free milling open pittable gold resources at the 100%-owned Gum Creek Gold Project (**Gum Creek** or the **Project**) located in the Murchison Region of Western Australia (Figure 1). Gum Creek has historically produced more than 1 million ounces of gold and currently hosts a gold resource of **2.14 million ounces**<sup>1</sup>. The Project covers 519 square kilometres of granted tenure over the highly prospective and underexplored Gum Creek greenstone belt, which contains 37 open pit and three underground gold mines.

The Company has considered various options to recommence gold mining at Gum Creek including mining and toll treating ore at the closest operating gold processing facilities, however it has determined that constructing and operating a new gravity / CIL processing plant is the optimum business strategy for the Project.

The Study envisages an initial mine production target of **24.46Mt @ 1.13g/t Au for 888,000 ounces** (76% Indicated, 24% Inferred<sup>2</sup>) from selected deposits, with an average recovered gold production of approximately **84,000 ounces per year over a 10-year mine life**, processed through a new 2.4 million tonne per annum gravity / CIL processing plant located at the previously permitted Gidgee mill site. Established infrastructure including air strip, haul roads, tailings dam, waste dumps, in-pit water resources, camp (for construction and overflow purposes) and existing ROM pads have been used in the Study and upgraded where required.

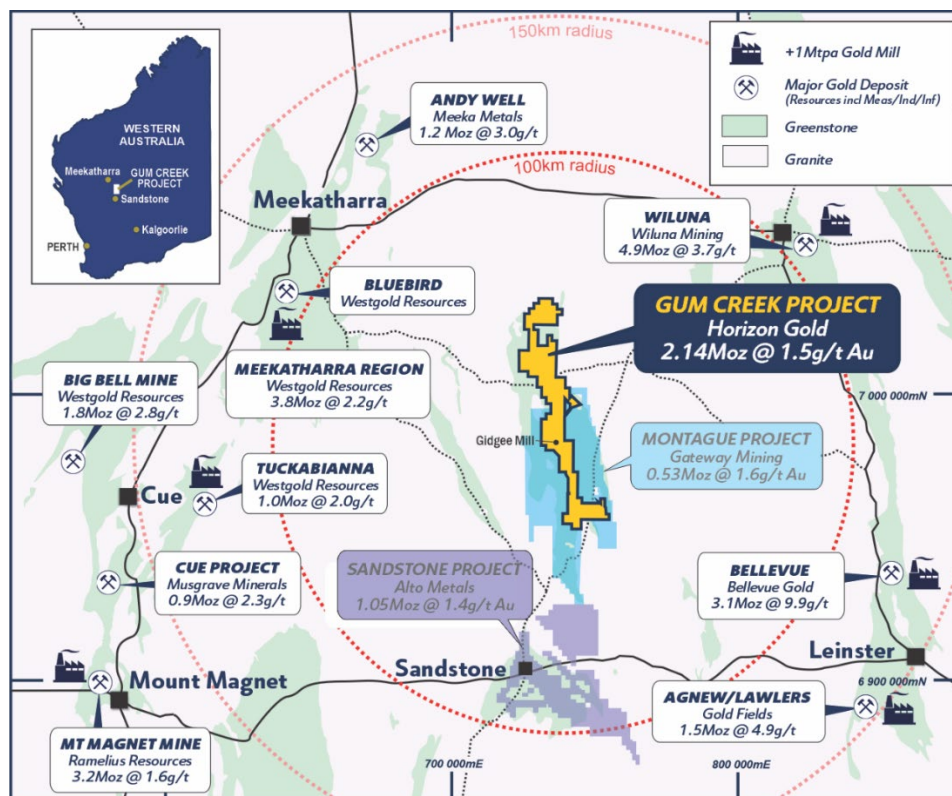


Figure 1: Gum Creek Gold Project and surrounding gold resources and gold processing operations.

<sup>1</sup> Refer to Horizon Gold Limited ASX announcement titled "19% Increase in Gold Resources at Gum Creek Project" dated 15 May 2023.

<sup>2</sup> There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

## Scoping Study Summary

- The Study evaluates free milling Whittle in-pit gold resources optimised using a base case gold price of A\$2900/oz (+/- A\$200/oz and +/-A\$400/oz).
- All gold resources in the Study are located on granted mining leases within the 100% owned Gum Creek Gold Project.
- Only deposits with greater than 15,000 gold ounces inside Whittle pit shells from previous pit optimisation work were included in the Study, which equates to only 14 of the current 26 Gum Creek Gold Project resource areas.
- Ore to be processed through a new 2.4Mt per annum gravity / CIL processing plant located at the previously permitted Gidgee gold processing site.
- Existing Native Vegetation Clearing Permit could be used for clearing the proposed processing infrastructure area (processing plant), and the Swan, Swift, Eagle and Shiraz deposit areas.
- Mining Proposal (ID 46008) is currently approved for the Swift deposit and the Gidgee processing infrastructure area.
- Initial open pit mine production target of **24.46Mt @ 1.13g/t Au for 888,000 ounces** comprised of 76% indicated and 24% inferred gold resource ounces (compliant with the JORC 2012 guidelines).
- Average recovered gold production of approximately **84,000oz per year over a 10-year LOM**.
- **LOM C1 cash operating costs of A\$1,730/oz produced** including:
  - LOM Mining: A\$34.30/t milled (A\$993.6/oz produced)
  - LOM Processing: A\$23.61/t milled (A\$684.1/oz produced)
  - LOM General and Administration (G&A): A\$1.82/t milled (A\$52.7/oz produced)
- **LOM All-in Sustaining Costs (AISC) of A\$1,931/oz produced** including:
  - LOM Sustaining Capital: A\$3.88/t milled (A\$112.4/oz produced)
  - LOM Royalties (Govt & 3<sup>rd</sup> party): A\$3.05/t milled (A\$88.4/oz produced)
- **Pre-production capital cost of A\$238.5M** including existing plant demolition and removal, a new 2.4Mt per annum gravity / CIL processing plant, a new 200-person camp, pit dewatering costs, and a 20% contingency.
- **LOM sustaining capital cost of A\$94.9M** including an additional Tailings Storage Facility (TSF), ongoing pit dewatering capital and Property Plant & Equipment (PP&E) costs.
- **Compelling financial outcomes at A\$2,900/oz gold price:**
  - **Pre-tax cashflow of A\$574M, pre-tax NPV<sub>8</sub> of approximately A\$318M, and pre-tax IRR of 31.5%.**
  - **Payback period from commencement of mining of 3.0 years.**
- Study base case gold price is approximately A\$400/oz below the current spot gold price, representing significant potential upside to predicted financial outcomes.
- **The A\$3,300/oz gold price scenario returns:**
  - **Pre-tax cashflow of A\$904M, pre-tax NPV<sub>8</sub> of approximately A\$548M, and pre-tax IRR of 45.8%.**
  - **Payback period from commencement of mining of 2.1 years.**

▪ **Upside to Study outcomes:**

- Excellent potential to extend the proposed mine life through underground mining and other processing methods.
- Underground mining options at all deposits including Swan/Swift, Kingfisher, Omega and Wilsons are yet to be evaluated.
- Additional shallow resource expansion drilling at the 12 resource areas not included in the study could potentially increase the resource size and gold grade of these deposits and elevate them to an economically viable status for inclusion into the mining schedule.

Managing Director Leigh Ryan said:

*“The Study highlights the Gum Creek Project’s potential robust financial metrics for a stand-alone gold processing facility in a world class Western Australian gold jurisdiction and shows a pathway for delivering value to shareholders.*

*The Study includes only the free milling open pit portions of 14 of our 26 mineral resource areas and the Company is confident that through further resource drilling additional shallow oxide gold resources will be defined at the remaining 12 resources and other areas, to potentially become part of the current mine plan, extending the LOM well beyond the 10-year mine life envisaged in this Study.*

*Almost 50% of the Study mine production target ounces are sourced from the Swan / Swift deposit which is scheduled to be mined in years 1 to 5, and over 80% of these in pit resource ounces qualify as indicated resources (compliant with JORC 2012 guidelines). This will allow for a simple, low risk mining operation to progress during the estimated 3 year capital expenditure payback period and allow ample time for mining preparations at satellite deposits to take place, and time for additional resource drilling to be completed.*

*Existing granted clearing and mining proposals should enable a quick transition to mining at Gum Creek and once established, the processing facility will become a strategic asset for the region with the potential to consolidate some of the surrounding stranded gold assets.*

*We’re very pleased with the results of the Study and are preparing to commence a feasibility study and other activities that further enhance the Project’s positive economics on our path to becoming the region’s next gold producer.”*

## Gum Creek Gold Resource Estimate

On 15 May 2023 the Company announced an updated Mineral Resource Estimate (MRE) for the Gum Creek Gold Project of **44.45Mt @ 1.50g/t Au for 2.14 million ounces contained gold** (Table 1) reported in accordance with the JORC Code (2012 Edition) and based on documentation prepared by Competent Persons as defined by the JORC Code guidelines. A summary of the current MRE is detailed in Table 1 below. The MRE contains 26 discrete deposit areas that are a mixture of open cut and underground resources.

No Ore Reserves have been declared for the Gum Creek Gold Project.

**Table 1: Gum Creek Gold Resources as at 15 May 2023**

Resource	Date	Cut-off grade (g/t Au)	Indicated			Inferred			Total		
			Tonnes	Au (g/t)	Gold (oz)	Tonnes	Au (g/t)	Gold (oz)	Tonnes	Au (g/t)	Gold (oz)
Swan/Swift OC	Jul-22	0.4	9,980,000	1.09	349,500	2,735,000	0.96	84,600	12,715,000	1.06	434,100
Swan UG	Jul-22	2.5 / 3.0*	301,000	6.91	66,900	226,000	7.10	51,600	527,000	6.99	118,500
Swift UG	Jul-22	3.0	-	-	-	138,000	5.72	25,400	138,000	5.72	25,400
Wilsons UG	Jul-13	1.0	2,131,000	5.33	365,000	136,000	5.95	26,000	2,267,000	5.36	391,000
Howards	May-23	0.4	8,064,000	0.82	213,100	2,136,000	0.78	53,800	10,200,000	0.81	266,900
Kingfisher OC	May-23	0.6	621,000	1.77	35,400	269,000	1.12	9,700	890,000	1.58	45,100
Kingfisher UG	May-23	1.5	359,000	3.48	40,200	917,000	3.24	95,500	1,276,000	3.31	135,700
Heron	May-23	0.6	330,000	2.11	22,400	1,822,000	1.51	88,200	2,152,000	1.60	110,600
Heron South	May-23	0.8	720,000	1.79	41,400	761,000	1.53	37,500	1,481,000	1.66	78,900
Shiraz	May-23	0.4	2,539,000	0.70	57,300	1,064,000	0.63	21,600	3,603,000	0.68	78,900
Eagle	May-23	0.8	395,000	1.94	24,700	764,000	1.80	44,100	1,159,000	1.85	68,800
Wyooda	Jul-22	0.8	430,000	1.56	21,600	862,000	1.56	43,200	1,292,000	1.56	64,800
Snook	Jul-22	0.8	75,000	2.57	6,200	846,000	1.76	47,800	921,000	1.82	54,000
Hawk	May-23	0.6	378,000	1.28	15,500	471,000	1.25	18,900	849,000	1.26	34,400
Toedter	Aug-16	0.5	-	-	-	689,000	1.54	34,000	689,000	1.54	34,000
Specimen Well	May-23	0.8	-	-	-	529,000	1.50	25,500	529,000	1.50	25,500
Wedge	May-23	0.6	-	-	-	487,000	1.52	23,800	487,000	1.52	23,800
Camel Bore	Jul-22	0.8	379,000	1.47	17,900	100,000	1.21	3,900	479,000	1.42	21,800
Kearrys	May-23	0.6	450,000	1.24	18,000	46,000	1.35	2,000	496,000	1.25	20,000
Psi	Jul-22	0.8	100,000	2.08	6,700	226,000	1.69	12,300	326,000	1.81	19,000
Hyperno-Reliance	May-23	0.6	119,000	1.73	6,600	326,000	1.16	12,200	445,000	1.31	18,800
Melbourne Bitter	May-23	0.6	214,000	1.56	10,700	148,000	1.28	6,100	362,000	1.44	16,800
Deep South Reliance	May-23	0.6	176,000	1.64	9,300	48,000	1.56	2,400	224,000	1.62	11,700
Eagles Peak	May-23	0.6	264,000	1.19	10,100	41,000	0.99	1,300	305,000	1.16	11,400
Orion	Jul-22	0.8	69,000	1.49	3,300	182,000	1.40	8,200	251,000	1.43	11,500
Wahoo	Jul-22	0.8	-	-	-	258,000	1.25	10,400	258,000	1.25	10,400
Fangio	May-23	0.6	99,000	1.32	4,200	30,000	1.35	1,300	129,000	1.33	5,500
<b>Total</b>			<b>28,193,000</b>	<b>1.48</b>	<b>1,346,000</b>	<b>16,257,000</b>	<b>1.51</b>	<b>791,300</b>	<b>44,450,000</b>	<b>1.50</b>	<b>2,137,300</b>

\* Cut-off grades are 2.5g/t Au for Swan Underground (UG) Indicated, and 3.0g/t Au for Swan UG Inferred.

\*\* Wyooda includes the Kingston Town, Think Big and Manikato resources which are within 600m and 200m of each other respectively.

Notes: Figures have been rounded. The information in this announcement that relates to the reporting of the Wilsons, and Toedter Mineral Resources has been extracted from the Horizon Gold Limited ASX announcement titled "Gum Creek Gold Project Resource Update" dated 12 February 2021 and is available to view at <https://horizongold.com.au/announcements/>. The information in this announcement that relates to the reporting of all other Mineral Resources has been extracted from Horizon Gold Limited ASX announcements titled "32% Increase in Resources at Gum Creek Gold Project" dated 25 July 2022 and "19% Increase in Gold Resources at Gum Creek Gold Project" dated 15 May 2023, both of which are available to view at <https://horizongold.com.au/announcements/>.

## Open Pit Mine Production Target

The Study in-pit mine production target totalling approximately **24.46Mt @ 1.13g/t Au for 888,000 ounces** is sourced from 14 deposits including Eagle, Hawk, Heron South, Howards, Hyperno-Reliance, Kingfisher, Manikato, Shiraz, Snook, Specimen Well, Swan/Swift, Think Big, Toedter, and Wedge (Table 2). Of the mineral resource ounces scheduled for extraction in the Study production target, approximately 76% are classified as Indicated and 24% as Inferred<sup>3</sup> during the 10-year proposed LOM.

The open pit mine production target is reported within optimised Whittle pit shells generated by Auralia Mining Consulting using a base case input gold price of A\$2900/oz. The pit shells are based on typical contractor mining parameters and up-to-date average operating costs for deposits of a similar scale and geological nature. The production target includes a mining recovery of 95% and a mining dilution of 10%.

Cut-off grades were calculated in Whittle and varied by deposit and weathering based on processing recoveries and haulage distance with values of between 0.3g/t Au and 0.6g/t Au calculated. The production schedule reported low grade material between the calculated lower economic cut-off grade and 0.6g/t Au, with high grade material being greater than 0.6g/t Au.

**Table 2: Scoping Study Open Pit Mine Production Target by Deposit**

Deposit	Production Target		
	Tonnes	Au (g/t)	Ounces
Swan/Swift OC*	10,396,000	1.29	431,000
Howards*	8,160,000	0.85	222,000
Eagle	1,145,000	1.08	40,000
Heron South	907,000	1.17	34,000
Toedter	566,000	1.48	27,000
Hawk	765,000	1.09	27,000
Kingfisher OC	256,000	2.11	17,000
Hyperno-Reliance	328,000	1.25	13,000
Manikato	335,000	1.20	13,000
Shiraz*	491,000	0.81	13,000
Snook	158,000	1.83	9,000
Specimen Well	252,000	1.52	12,000
Think Big	431,000	1.06	15,000
Wedge	274,000	1.65	15,000
<b>Total</b>	<b>24,463,000</b>	<b>1.13</b>	<b>888,000</b>

\* MIK models constructed as diluted mining models, hence no further dilution mining dilution or mining recovery factors have been applied.

Notes: Figures have been rounded.

The Whittle optimisation work in this Study used the mineral resource estimates referred to in previous Horizon Gold Limited ASX announcements titled "Gum Creek Gold Project Resource Update" dated 12 February 2021, "32% Increase in Resources at Gum Creek Gold Project" dated 25 July 2022 and "19% Increase in Gold Resources at Gum Creek Gold Project" dated 15 May 2023, all of which are available to view at <https://horizongold.com.au/announcements/>.

<sup>3</sup> There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

## Open Pit Mining and Mining Schedule

Auralia Mining Consulting were engaged to complete pit optimisation work using Whittle software to create a series of pit shells providing an optimal discounted cash flow (DCF). To simplify the study, only deposits containing more than 15,000 gold ounces inside Whittle pit shells from previous pit optimisation work were included in the Study.

Pit shells were produced using typical contractor mining parameters and up-to-date average operating costs for similar sized deposits of a similar geological nature. Mining costs used in the pit optimisation process included dewatering, grade control, drill and blast, load and haul (using rigid class haulage fleets and medium (100t-150t class) excavators, and ore haulage including haul road upgrades and maintenance. Ancillary and overhead costs used in pit optimisation work included dozing, ground control, engineer/geologist/surveyor salaries, contractors and all site General & Administration (G & A) costs.

Conventional drill and blast practices have been assumed using suitable drilling rigs and sampling procedures on 5m benches, incorporating Ammonium Nitrate-Fuel Oil (ANFO) in dry and Emulsion bulk product in wet conditions.

Density inputs are determined by previously reported specific gravity work and vary according to oxidation surfaces as used in previously announced mineral resource estimates. Metallurgical recoveries, pit wall angles, State and third-party royalties, and refining costs were all factored into the optimisation process.

In-pit mineral resources for this Study are reported within optimised Whittle pit shells generated using a base case A\$2900/oz gold price. Sensitivity analysis pit optimisation runs used A\$2500/oz, A\$2700/oz, A\$3100/oz and A\$3300/oz. The in-pit production targets include a mining recovery of 95% and a mining dilution of 10%.

Scheduling for the open pit mining was completed using Excel spreadsheets incorporating optimised in-pit volume and resource data reported against optimised pit shells. No pit designs have been completed for this study. The open pits are planned to be excavated with conventional surface mining methods. Benches are to be 5m high and will be mined in 2.5m fitches. Pit wall angles were designed based on geotechnical recommendations specific to each pit, varying from a minimum of 30 degrees in fill material to 56 degrees in competent fresh rock. The resulting average waste to ore strip ratio for the optimised pits in the Study is 5.2:1.

Top-down mining assumptions were used with a mining rate of up to 16,000 Bulk Cubic Metres (BCM) per day per excavator. The schedule assumes initial utilisation of two 100t to 150t excavators and two 777 haul truck fleets for the Swan/Swift area and to complete mining of the smaller satellite pits before reducing to one fleet when mining the smaller satellite pits and the Howards pit. Road trains will be used for longer distance hauling from the northern and southern deposits beginning in year 6.

The Company's strategy is to mine larger, lower risk open pit deposits adjacent to the proposed processing area (Swan/Swift) that return substantial profit margins in the first 5 years of mining incorporating the other "Central" satellite pits during the 3<sup>rd</sup> year of mining (Eagle, Wedge, Hawk and Kingfisher). Due to higher strip ratios, from year 6 the "Northern" satellite pits (Shiraz, Snook, Specimen Well and Toedter) and "Southern" satellite pits (Hyperno Reliance, Heron South, Manikato and Think Big) will be mined while the 2 haul truck fleets are on site. Howards will be mined from year 7 to 10 using a single fleet (Figure 2). The average LOM recovered gold production using a calculated average gold processing recovery of 95.1% is estimated to be approximately 84,000 ounces per year. Scheduled ore mined (tonnes per annum) and the ore grade (g/t) is presented in Figure 3.



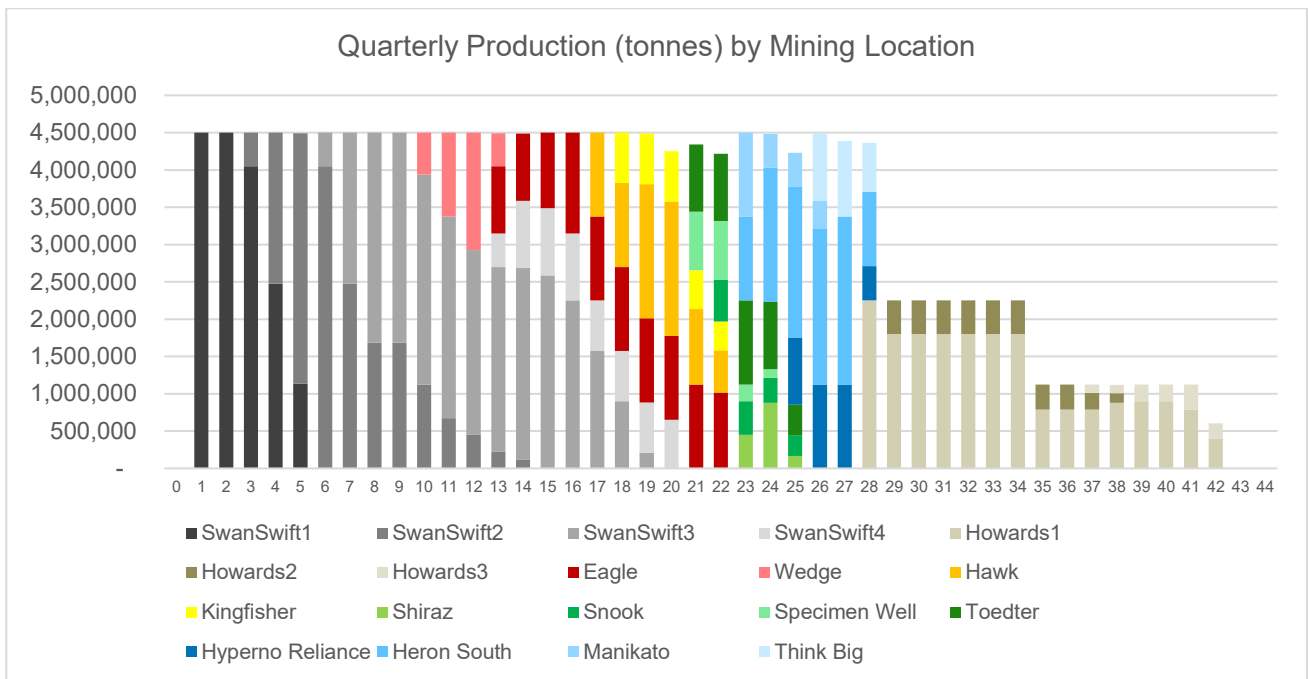


Figure 2: Quarterly Production Schedule by Deposit

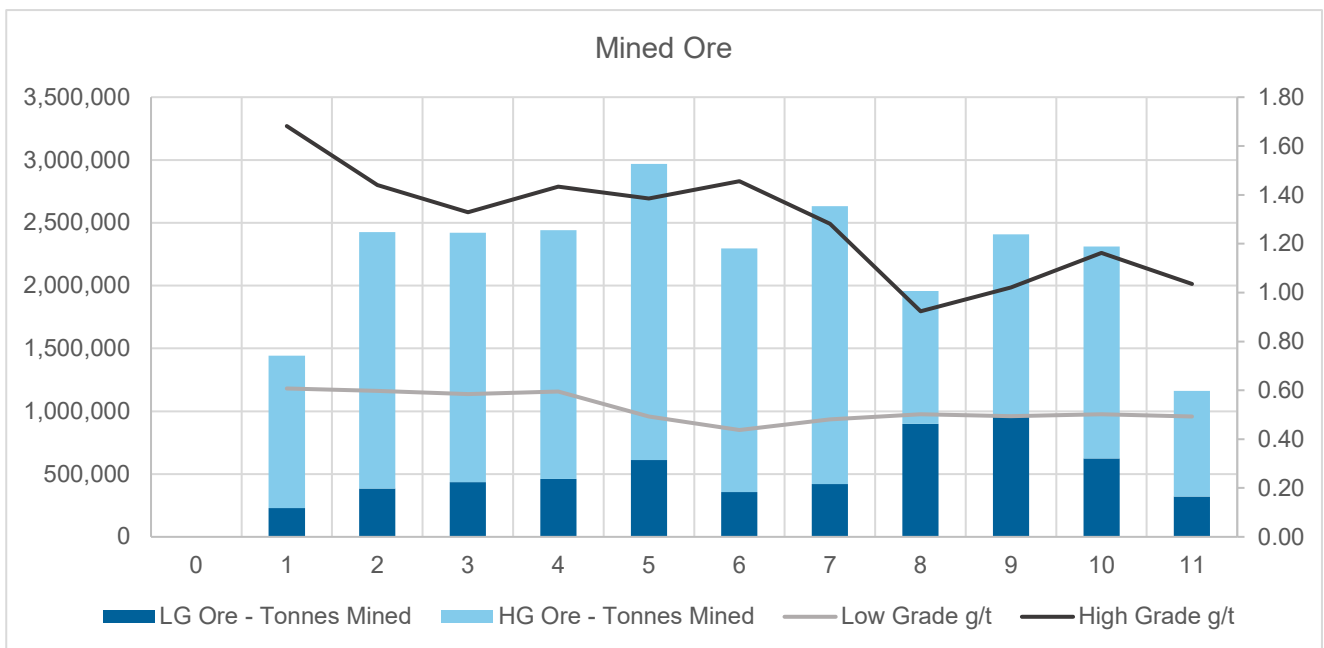


Figure 3: Annual Ore Mined (tpa) and Ore Grade (g/t)

## Metallurgy, Processing and Power Supply

The Study assumes the existing Gidgee processing facility will be removed and replaced with a new fit for purpose gravity / carbon-in-leach (CIL) processing facility with a nameplate capacity of 2.4 million tonne per annum. The new facility will include a three-stage crushing circuit and will be constructed in the existing mill location so that it aligns with previous processing approvals. The cost of demolishing and removal of the existing plant was estimated by Demex, and the design, cost and timeline to construct the processing plant were estimated by Sedgman Pty Ltd (Sedgman).

Processing throughput varies between 2.2Mtpa and 2.4Mtpa depending on the ore feed material hardness. Comminution, reagent consumption and metallurgical recoveries for ore sourced from the Project are derived from metallurgical testwork conducted by ALS Metallurgy, a 2012 CPC Engineering desktop study and site operating records. Sedgman's process design work used an abrasion index of 0.25g, a bond rod work index of 21kWh/t and a bond ball work index of 19kWh/t.

Metallurgical sighter test-work has been completed on all 14 deposits included in the Study at a grind size of 80% passing 75µm. An average gravity gold recovery of ~35% was returned from the 14 ore sources. A review of relevant metallurgical reports and test results by Sedgman noted that the free milling ore showed rapid leach kinetics with most of the leaching being completed within 8 hours and totally complete in under 24 hours. Sedgman stated an expected weighted average total circuit recovery of 94.5%. Average Life of Mine (LOM) gold recoveries estimated from monthly Gidgee Gold Mine production reports from 1987 to 2005 were 93.0% which supports the Sedgman metallurgical test work review average recovery estimate. Sedgman's process design used a leach residence time of 6 hours, an adsorption residence time of 18 hours, an average sodium cyanide consumption of 0.39kg/t and a lime consumption of 0.54kg/t for process design work. Further metallurgy and comminution test work will feature in the Company's ongoing economic studies.

ECG Engineering recommended that power should be derived from a mixed solar and LNG generating facility supplied on a Build-Own-Operate (BOO) basis by an independent power producer under a price per kWhr contract.

## Tailings Storage

The Company plans to use the existing Tailings Storage Facility (TSF) and continue with upstream raising of the perimeter embankment, but simultaneously develop a new TSF immediately north of the existing TSF to achieve the required LOM tailings storage capacity. The footprint area of the existing TSF will not increase, and the new northern TSF's footprint will cover an area of approximately 70 ha. The two TSF's will be operated separately with tailings deposition alternating between the two facilities.

## Water Supply, Dewatering and Water Management

Groundwater in the main mining area (Swan/Swift/Kingfisher) consistently reports good water quality (low Total Dissolved Solids) and is suitable for mineral processing and stock drinking water, meeting the Australian and New Zealand Environment Conservation Council (ANZECC) stock drinking water guidelines.

Dewatering and water management will be required throughout the LOM and is necessary for 10 of the 14 deposits included in the Study. Dewatering will be required to commence 3 months prior to the commencement of mining. Initial dewatering will consist of pumping the Swan / Swift pit water to the Kingfisher and Hawk pits approximately 3km to the south of the old Gidgee processing facility. A lateral pipeline will be provided to supply raw water to the processing plant.

Water stored during pre-production in the Kingfisher and Hawk pits will be used to supply raw water to the process plant when production commences. The Heron to Manikato pits will be dewatered by pumping water to the Kingfisher pit, and the Toedter pit will be dewatered by pumping to the Kearys pits 3 kilometres to the east.

Dewatering records for pits near the Gidgee processing plant during the previous production periods provide a high level of confidence around expected groundwater inflow rates. These flow rates have been used to determine pumping requirements for pit dewatering in the area and have been costed

into pre-production costs, sustaining capital costs, and ongoing operating costs. Water flow information is limited for the areas to the north and south of the main Gidgee mining area. In these areas estimated water flow rates used are of low confidence and further hydrogeology and water flow work is planned.

## Infrastructure

The centre of the Project is located 80km north of Sandstone. Access from Sandstone to the old Gidgee processing plant is via a 20m wide gravel road that is very well maintained by the Sandstone Shire. Historic haul roads between 15m and 20m wide extend for ~20 kilometres to the south of the Gidgee plant to the Manikato deposit, and for ~50 kilometres to the north of the plant to the Toedter deposit. The sandstone shire is occasionally contracted to grade the Project haul roads.

The old Gidgee processing facility, TSF, and local Waste Rock Dumps (WRD) are located within M57/634 which is a large mining lease (4,810Ha) with ample room for additional mining and/or processing related infrastructure. All other mining leases containing resources within the mine production target have ample room for WRD's.

The old Gidgee mine camp is still functioning with ~50 rooms currently available and suitable for accommodation. The existing kitchen, dry mess, and games room and tennis court are all in good working order. There are two 84KVa generators, five 20,000 litre water tanks and two 15,000 litre diesel storage tanks on site and all fully functional. The camp has the potential to expand available rooms to over 100 with some minor refurbishing, however considering the potential long mine life, a new 200-man camp has been costed into this study.

The existing airstrip features a hardened unsealed surface suitable for daylight use by Code 1B aircraft above nine seats but no more than thirty seats and for day and night use by emergency aircraft such as Royal Flying Doctor Service operations.

## Environmental, Native Title and Permitting

All the deposits contemplated in this Study are located within granted mining leases, and most have already been mined and are significantly disturbed. None of the numerous environmental and heritage surveys completed on the Project to date have identified any special flora, fauna, or heritage significance. Most environmental and heritage surveys, however, were conducted prior to 2016 and will require re-surveying as they now fall outside the seven-year age limit imposed by the Environmental Protection Authority (EPA). It is assumed that re-surveying will produce similar conclusions.

Only the Toedter and Shiraz deposits are covered by Native Title claims (Yugunga-Nya and Tjiwarl Native Title claims respectively), however both deposits are located on mining leases granted prior to 1 January 1994.

Licenses and permits currently in place within the Study area include:

- Native Vegetation Clearing Permit for the old Gidgee processing site and Swift area, Shiraz deposit, and the haul road from the processing site to Shiraz.
- Ground Water Extraction License (GWL 56290).
- Mining Proposal (ID 46008) approved for the Swift deposit and the Gidgee processing infrastructure area.
- Mine Closure Plan.

Licenses and permits required prior to the recommencement of operations include:

- Works Approval
- Expanded Mining Proposal
- Updated Mine Closure Plan
- An amendment to the existing groundwater licence to authorise mine dewatering and abstraction from the pits for processing purposes.
- Permitting and compliance for construction work, health related issues and dangerous goods.

## Capital Cost Estimate

Capital costs were derived from various external consultants and suppliers including Auralia, Tetra Tech, Sedgman, Demex and Grounded who utilised their expertise to identify and quantify volumes and cost estimates based on recent pricing from similar WA mines (Table 3). The cost estimates include all construction and pre-production site, mining, processing, TSF, dewatering and sustaining capital costs. Pre-production mining costs (open pit pre-strip) of A\$36.4M are included in the mine operating costs over the first 5 months of operations.

Sustaining capital includes all capital expenditure post-production commencement. Sustaining capital for the processing plant includes allocation of capital replacements and throughput optimisation as well as the construction of the second tailings storage facility.

**Table 3: Summary of Capital Expenditure**

Pre-Production Capital	(A\$M)
Demolition of existing Processing Plant	1.0
Processing Facilities (incl. offices)*	193.1
Camp and Site Facilities	25.4
Property Plant & Equipment (incl. vehicles and administration offices)	3.0
Tailings Storage Facility (TSF)*	3.5
Open Pit Dewatering (pumps, pipes, and operating costs incl. diesel)	10.5
Pre-production Mining Contractor Costs**	2.0
<b>Total Pre-production Capital</b>	<b>238.5</b>
Sustaining Capital (LOM)	(A\$M)
Tailings Storage Facility (TSF)	30.1
Dewatering & Water Management (pumps, pipes, vehicles & equipment)	62.8
Property Plant & Equipment (vehicle & building maintenance)	2.0
<b>Total Sustaining Capital</b>	<b>94.9</b>
<b>Total Capital Costs</b>	<b>333.4</b>

\* Costs are expected to be accurate within the study allowance of  $\pm 35\%$ , the estimates include a contingency allowance of 20%.

\*\* Pre-production mining costs of \$36.4M in addition to mining contractor costs are included in mine operating costs over the first 5 months.

## Operating Cost Estimate

Operating cost pricing and quotations have been derived from various external consultants including Auralia, Tetra Tech, Sedgman, and Northern Rise.

Mining operating cost estimates are based on an Auralia cost model and are reflective of current contractual rates for similar style and size haulage operations. Mining cost estimates include grade

control (A\$0.55/t ore), pit dewatering (A\$0.14/bcm), drill and blast (A\$1.5/bcm, A\$2.5/bcm and A\$3.5/bcm for oxide, transitional and fresh respectively), load and haul (A\$4.4/bcm at surface, increasing by A\$0.25/bcm per five metre bench for an average A\$6.52/bcm), and ore haulage including haul road upgrades and maintenance (A\$0.20/t/km). Mining ancillary and overhead costs (A\$1.4/bcm) include dozing, ground control, mine management and technical staff salaries, contractors, and all other fixed mining operational costs. The mining operating cost is estimated to be 34.30/t milled which equates to a LOM operating cost of A\$838.9M and A\$993.6/oz Au produced.

An operating cost estimate for the proposed processing facility was undertaken at  $\pm 40\%$  using recent reagent pricing from the Sedgman database, published market labour rates and a BOO 'over the fence' contract power supply from a mixed solar and gas generation facility. Estimates are based on published tables from similar WA mining operations, with processing operating prices built up from processing plant suppliers scaled by accepted methods. A processing operating cost of A\$23.61/t milled was calculated on a design feed grade of approximately 1.1 g/t Au which equates to a LOM operating cost of A\$577.6M and A\$684.1/oz Au produced. Process operating costs include all labour, maintenance, consumables such as reagents and grinding media, power, and mobile equipment. Consumable consumptions are based on historical consumption rates and the results of metallurgical testwork.

The State Government Royalty of 2.5% has been applied to all recovered ounces, along with various production royalties on specific deposits (Table 4). It is estimated that approximately A\$13.4M in royalties will be paid to third party companies, and approximately A\$61.2M in royalties will be paid to the State Government over the LOM.

A summary of the operating cost estimates is presented in Table 4. No contingency was added to these costs.

**Table 4: Estimated Operating Costs**

Operating Cost Description	LOM Operating Cost (A\$M)	A\$/t milled	\$/oz Au Produced
Mining (incl. grade control, haulage, dewatering)	838.9	34.30	\$993.6
Processing	577.6	23.61	684.1
Site G&A	44.5	1.82	52.7
<b>C1 Cash Operating Cost*</b>	<b>1,461.0</b>	<b>59.72</b>	<b>1,730.40</b>
Royalties	74.6	3.05	88.4
Sustaining Capital	94.9	3.88	112.4
<b>All-in Sustaining Cost (AISC)**</b>	<b>1,630.5</b>	<b>66.66</b>	<b>1,931.20</b>

\* C1 cash cost includes mining, processing, and administration costs.

\*\* AISC per ounce payable includes C1 cash cost, royalties and sustaining capital. It does not include corporate, exploration or non-sustaining costs.

## Economic Analysis

An economic valuation using the physical and financial parameters outlined in the Study has been completed. A project financial model was established using a conservative A\$2,900/oz base case pricing assumption, current industry costings and an annual discount cash flow methodology to generate a Net Present Value ('NPV') at 8% and Internal Rate of Return ("IRR") for the Project on a pre-tax basis.

A range of scenarios considering different production profiles and cut-off grades have been evaluated in this scoping study. The 2.4 Mtpa throughput sustains full production for ten years, is the preferred production rate for the Study, and provides the opportunity to add additional satellite deposits beyond the current mining schedule.

The Study demonstrates that recommencement of open pit mining at a A\$2,900/oz gold price provides a positive economic return, with the base case yielding a pre-tax cashflow of A\$574M, pre-tax NPV<sub>8</sub> of approximately A\$318M, and a pre-tax IRR of 31.5%. The payback period from commencement of mining in this scenario would be 3.0 years. The annual undiscounted cashflow and cumulative undiscounted cashflow (from funding drawdown) outcomes are presented in Figure 4 below.

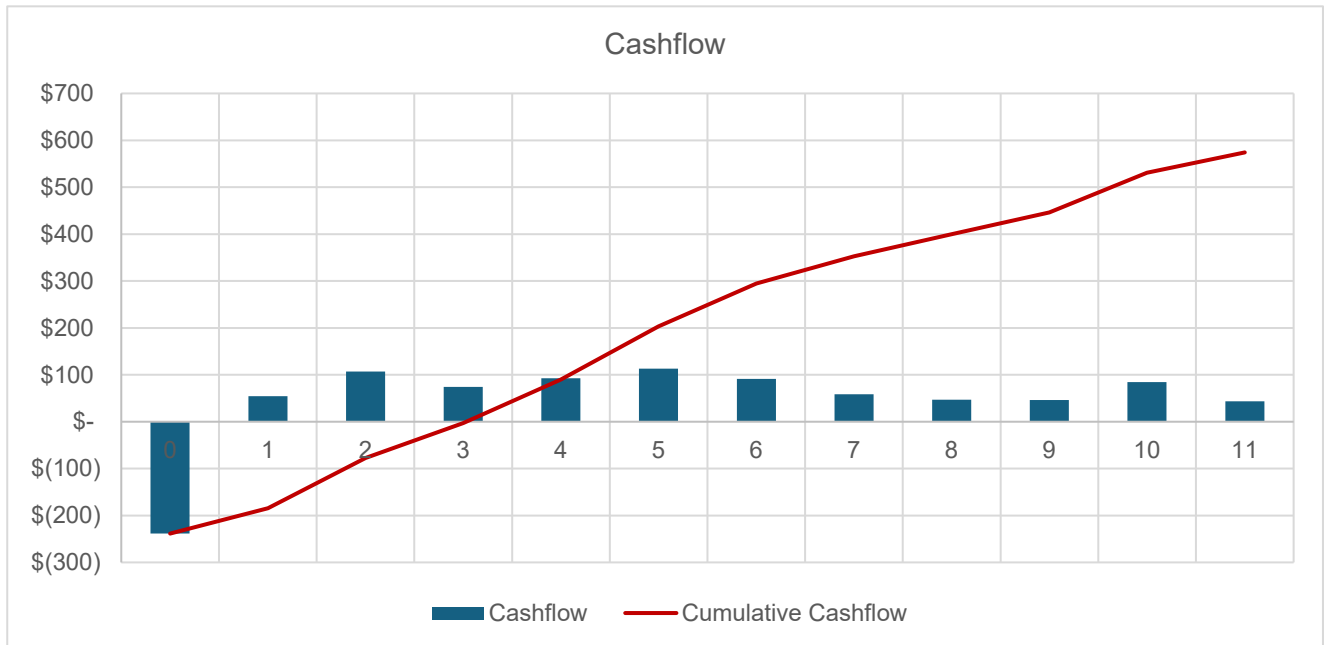


Figure 4: Cashflow and Cumulative Cashflow (A\$M) by Year

The Study base case gold price is approximately A\$400/oz below the current spot gold price, representing significant potential upside to predicted financial outcomes. The A\$3,300/oz gold price scenario returns a pre-tax cashflow of A\$904M, pre-tax NPV<sub>8</sub> of approximately A\$548M, and a pre-tax IRR of 45.8%. The payback period from commencement of mining in this scenario would be 2.1 years. (Table 5).

**Table 5: Scoping Study – Gold Price Scenarios**

Description	Gold Price (A\$/oz)				
	\$2,500	\$2,700	\$2,900*	\$3,100	\$3,300
Pre-tax Cashflow (A\$M)	\$244.96	\$409.59	<b>\$574.23</b>	\$738.87	\$903.50
NPV <sub>8</sub> (A\$M)	\$88.09	\$202.94	<b>\$317.79</b>	\$432.65	\$547.50
IRR (%)	15.3%	23.8%	<b>31.5%</b>	38.8%	45.8%
Payback Period (years)	4.6	3.7	<b>3.0</b>	2.5	2.1

\* Base case gold price

## Sensitivity Analysis

A sensitivity analysis of the Study's key economic parameters demonstrates that Project economics are most sensitive to a change in gold price, followed by a change in operating costs, discount rate and capital expenditure. The results of the sensitivity analysis are presented in Figure 5 in terms of NPV sensitivity.

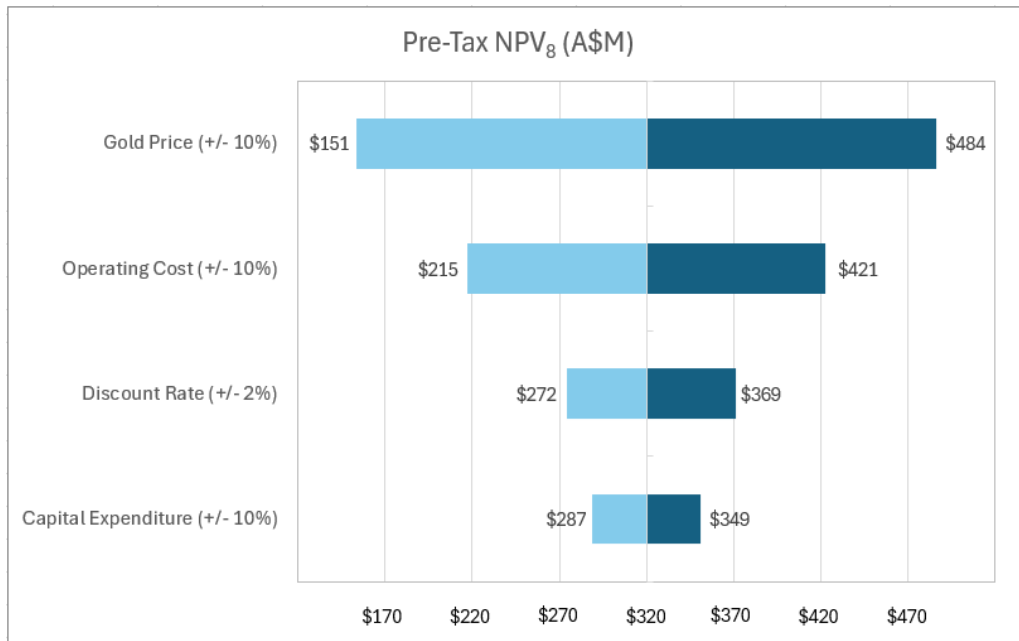


Figure 5: Study NPV Sensitivity Analysis

## Funding

To achieve the financial outcomes indicated in the Study, funding for pre-production capital of A\$238.5M will be required, with further funding required for sustaining capital purposes.

The Company believes that there is a reasonable basis to believe that the funding required for the development of the Project will be available when required. The grounds on which this reasonable basis is established include:

- The Study has illustrated the strong economic fundamentals of the Project including an attractive return on capital investment and robust cashflows even at a base case gold price approximately A\$400/oz below current spot gold prices. This provides a strong platform to source debt and equity funding.
- The Board of Horizon Gold has a strong track record of raising equity funds when required and the Company's major shareholders are strongly supportive of the recommencement of production within the Project.
- The Project has a 10-year mine life generating significant free cash flow relative to the development capital requirement, and release of this study provides a basis for commencing discussions with potential financiers.
- The Study demonstrates the Project can deliver significant value to shareholders.
- The Company has a tight capital structure and owns 100% of the Project, making potential financing arrangements simpler.
- The Board has extensive experience in mine development and production in the resources industry which is attractive to potential financiers seeking certainty of project delivery.

- Global debt and equity finance availability for gold projects remains robust and a number of recent examples of funding being made available for gold development projects located in Australia in the last two years support this view.

There is, however, no certainty that the Company will be able to source funding as and when required. Typical project development financing would involve a combination of debt and equity. It is possible that such funding may only be available on terms that may be dilutive to or otherwise affect the value of the Company's existing shares.

## Next Steps

The Scoping Study provides justification that the development of the Gum Creek Gold Project is a commercially viable stand-alone mining operation and accordingly the Board of Horizon Gold Limited are considering the commencement of a Feasibility Study. Work will also commence on other identified areas that can enhance the project economics.

Further economic assessment work will be undertaken with a focus on reducing pre-production capital expenditure including processing facility costs and reducing sustaining capital expenditure including water management costs. Further evaluation of grade cutoff options and processing throughput rates will also be completed.

Additional shallow resource expansion drilling at the 12 resource areas not included in the study could potentially increase the size and resource grade of these deposits and elevate them to an economically viable status for inclusion into the production schedule.

Excellent potential to extend the proposed Study mine life through underground mining and other processing methods exists, with underground mining options at all deposits including Swan/Swift, Kingfisher, Omega and Wilsons yet to be evaluated.





**This ASX announcement was authorised for release by the Horizon Board.**

**For further information contact:**

**Leigh Ryan**  
**Managing Director**  
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**Competent Persons Statement:**

*The information in this Scoping Study and the information that relates to Exploration Results in this announcement is based on information compiled by Mr Leigh Ryan, who is a Member of the Australasian Institute of Geoscientists. Mr Ryan is the Managing Director of Horizon Gold Limited and holds shares and options in the Company, Mr Ryan has sufficient experience in the study, development and operation of gold projects, and the style of mineralisation and type of deposit under consideration 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 Ryan consents to the inclusion in the report of the matters based on information provided in the form and context in which it appears.*

*With reference to previously reported Exploration Mineral Resources which have all been cross referenced to previous market announcements throughout this report, 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. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

**Forward Looking Statements:**

*This ASX announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to metals price volatility, currency fluctuations, as well as political and operational risks and governmental regulation and judicial outcomes.*

**Reasonable Basis for Forward-Looking Statements**

*No Ore Reserve has been declared. This ASX release has been prepared in compliance with the JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and projected financial information are based have been included in this release and disclosed in the table below.*

*Consideration of Modifying Factors in the format specified by JORC Code (2012) Section 4 is contained in Appendix 1.*

## Appendix 1 – Reasonable Basis for Forward Looking Statements

No Ore Reserve has been declared. This ASX release has been prepared in compliance with the current JORC Code (2012) and the ASX Listing Rules. All material assumptions on which the Scoping Study production target and projected financial information are based have been included in this release and disclosed in the table below.

### Consideration of Modifying Factors (Section 4 of the JORC Code (2012) Table 1)

Criteria	JORC Code explanation	Commentary
<b>Mineral Resource estimate for conversion to Ore Reserves</b>	<ul style="list-style-type: none"> <li>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</li> <li>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</li> </ul>	<p>The Mineral Resource Estimate (MRE) on which the scoping study is based was announced to the ASX on 15 May 2023.</p> <p>No Ore Reserve has been declared in this scoping study.</p>
<b>Parties participating in the Scoping Study and Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> </ul>	<p>A list of personnel involved in this study is tabulated within the Study Team section of the Scoping Study Report (Appendix 2). Horizon Gold personnel, including the Competent Person, frequently visit the deposits mentioned in this Study. Of the Study consultants, only Sedgman personnel visited the Gidgee Mine site during the Study.</p>
<b>Study status</b>	<ul style="list-style-type: none"> <li>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</li> <li>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</li> </ul>	<p>The Study is a scoping level study.</p> <p>No Ore Reserve has been declared.</p>
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the cut-off grade(s) or quality parameters applied.</li> </ul>	<p>Cut-off grades were calculated in Whittle and varied by deposit and weathering based on processing recoveries and haulage distance with values of between 0.3g/t Au and 0.6g/t Au calculated.</p> <p>The production schedule reported low grade material between the calculated economic cut-off grade and 0.6g/t Au with high grade material being greater than 0.6g/t Au.</p>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</li> <li>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</li> <li>The assumptions made regarding geotechnical parameters (eg pit</li> </ul>	<p>No Ore Reserve has been declared as part of this scoping study.</p> <p>The mining production target included in this Study has been reported within optimised Whittle pit shells generated by Auralia Mining Consulting using a base case input gold price of A\$2900/oz. Sensitivity analysis optimisations used A\$2500/oz, A\$2700/oz, A\$3100/oz and A\$3300/oz. The pit shells are based on typical contractor mining parameters and up-to-date average operating costs for deposits of a similar scale and geological nature.</p> <p>Appropriate consideration has been given to the selected open pit mining method as detailed for each Study deposit below:</p> <p><u>Swan/Swift</u></p> <p>The estimates include variance adjustment factors reflecting open pit mining with mining selectivity of 5m by 5m by 2.5m (across strike, strike, vertical) with high quality grade control sampling on a 5m by 8m pattern.</p>

Criteria	JORC Code explanation	Commentary
	<p>slopes, stope sizes, etc), grade control and preproduction drilling.</p> <ul style="list-style-type: none"> <li>• The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</li> <li>• The mining dilution factors used.</li> <li>• The mining recovery factors used.</li> <li>• Any minimum mining widths used.</li> <li>• The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</li> <li>• The infrastructure requirements of the selected mining methods.</li> </ul>	<p><u>Howards</u> The variance adjustment factors applied to the MIK estimates reflect open pit mining selectivity of 5m by 5m by 2.5m (across strike, strike, vertical), with ore selection based on 4m by 8m grade control sampling.</p> <p><u>Shiraz</u> The variance adjustment factors applied to the MIK estimates reflect open pit mining selectivity of 4m by 6m by 2.5m (across strike, strike, vertical), with ore selection based on 5m by 8m grade control sampling.</p> <p><u>Eagle, Kingfisher, Hyperno-Reliance Hawk, Heron South, Snook, Specimen Well and Wedge and Wyooda</u> Conventional open cut and underground mining methods are assumed.</p> <p>Conservative pit wall angles were used for pit optimisation purposes. Recommended wall angles were provided by Peter O'Bryan &amp; Associates and based on a review of current geological interpretations, data obtained from existing open pit exposures and drill core, and experience in geotechnical assessments and reviews of similar geological and geotechnical settings.</p> <p>Mining recovery of 95% and mining dilution of 10% were used in the pit optimisation process and are considered appropriate for the Study area.</p> <p>Minimum mining widths were utilised for optimisations with practical constraints such as equipment size considered.</p> <p>Block models report Indicated and Inferred Mineral Resources and the mine schedule has been designed to ensure higher confidence material (Indicated) is mined upfront to reduce risk. A total of 24% Inferred Mineral Resource is within the Production Target, however further resource definition drilling is planned to upgrade these resources to an Indicated Mineral Resource category or better. The financial viability of the Project is not dependent on the inclusion of Inferred Mineral Resources in the Production Target.</p> <p>Infrastructure will be supplied and utilized by the mining contractor which are expected to be temporary and removed at the end of mining activities. For more detail, refer to the Mining Section within the Study report, along with the mining subsection within operating costs for further details.</p> <p>There are no spatial constraints on Open Cut footprints (i.e. existing infrastructure, tenement boundaries and/or heritage values).</p>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</li> <li>• Whether the metallurgical process is well tested technology or novel in nature.</li> <li>• The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domain applied and the corresponding metallurgical recovery factors applied.</li> <li>• Any assumptions or allowances made for deleterious elements.</li> <li>• The existence of any bulk sample or pilot scale test work and the</li> </ul>	<p>Processing methodologies are conventional gravity / CIL methods with high recoveries typically achieved for free milling ore such as that included in this Study.</p> <p>Metallurgical test-work has been completed on all deposits included in the Study. Sighter testwork was completed by Horizon Gold in 2021 and 2022 on numerous deposits including Eagle, Hawk, Hyperno-Reliance, Manikato, Shiraz, Specimen Well, Think Big, Snook and Wedge. Metallurgical testwork was also completed by various other companies on Howards and Heron South (2014), Swan (2012), Toedter and Specimen Well (2004), and Kingfisher (1992). Results from all testwork completed to date are tabulated in the body of this report.</p> <p>To add confidence to the metallurgical testwork results from deposits included in this Study, historical gold processing recoveries through the Gidgee CIL processing plant (as detailed in monthly production reports) from all deposits mined between 1995 and 2005 averaged 95.4%. Estimated average gold recoveries prior to 1995 (based on total Life of Mine production figures) were 89.7%, with average LOM gold recoveries from 1987 to 2005 estimated to be 93.0%.</p>

Criteria	JORC Code explanation	Commentary
	<p>degree to which such samples are considered representative of the orebody as a whole.</p> <ul style="list-style-type: none"> <li>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</li> </ul>	<p>All pit optimisations include processing recovery assumptions as detailed in the body of this report.</p> <p>No deleterious elements are present in the free milling ore included in this Study.</p> <p>No recent bulk sampling or pilot testwork has been completed, however the considerable historic production from deposits across the entire Gum Creek Project are considered representative.</p> <p>For more details, refer to the Metallurgy and Processing sections of this report and JORC Table 1 Section 3 Estimation and Reporting of Mineral Resources in previous Horizon Gold ASX resource announcements.</p>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</li> </ul>	<p>All gold resources are located within granted mining leases and all deposits (apart from Howards, Hyperno-Reliance and Specimen Well) have been disturbed by previous open pit mining undertaken between 1986 and 2005.</p> <p>MBS reviewed the coverage of previous waste rock characterisation works relative to the Study's proposed pits, tonnages of waste and current requirements for preparation of mining proposals. The majority of waste rock characterisation work to date has been performed from sampling of the existing waste landforms. No deleterious characters have been identified in the free milling material subject to this study. Additional waste rock characterisation work has been recommended and a work program proposed.</p> <p>None of the numerous environmental and heritage surveys completed on the Project to date have identified any special flora, fauna, or heritage significance. Most environmental and heritage surveys, however, were conducted prior to 2016 and will require re-surveying as they now fall outside the seven-year age limit imposed by the Environmental Protection Authority (EPA). It is assumed that re-surveying will produce similar conclusions.</p> <p>The existing TSF is located on a granted mining lease (M57/634) and will be used in years 1 and 2 of the LOM. A second TSF will be constructed immediately to the north of the existing facility.</p> <p>A new processing plant will replace the existing processing plant. The plant area is also located on granted mining lease M57/634.</p> <p>A Works Approval will be required to allow construction and commissioning of the processing plant, TSF, power generation facilities, landfill and wastewater disposal facilities.</p> <p>A Mining Proposal and a Mine Closure Plan prepared in accordance with the Statutory Guidelines for Mining Proposals in Western Australia will also be required.</p> <p>There is an existing Native Vegetation Clearing Permit, an active Groundwater Licence, and a Mining Proposal (ID 46008) currently approved for the Wilsons (adjacent to Shiraz), Swift and central infrastructure areas on tenements M53/153, L53/96, L57/47, M57/634 and L57/44. There may be potential to commence mining activities as approved under this mining proposal prior to obtaining additional approvals. Refer to the body of this report for further details.</p> <p>There are no known environmental issues that could prohibit mining or processing within the Gum Creek Gold Project.</p>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour,</li> </ul>	<p>The centre of the Project is located 80km north of Sandstone. Access from Sandstone to the old Gidgee processing plant is via a 20m wide gravel road that is very well maintained by the Sandstone Shire. Historic haul roads between 15m and 20m wide extend for ~20 kilometres to the south of the Gidgee plant to the Manikato deposit, and for ~50 kilometres to the north of the</p>

Criteria	JORC Code explanation	Commentary
	<p>accommodation; or the ease with which the infrastructure can be provided, or accessed.</p>	<p>plant to the Toedter deposit. The sandstone shire is occasionally contracted to grade the haul roads.</p> <p>The old Gidgee processing facility, TSF, and local WRD's are located within M57/634 which is a large mining lease (4,810Ha) with ample room for additional mining and/or processing related infrastructure. All other mining leases containing resources within the mine production target have ample room for WRD's.</p> <p>The old Gidgee mine camp is still functioning with ~50 rooms currently available and suitable for accommodation. The existing kitchen, dry mess, and games room and tennis court are all in good working order. There are 2 x 84KVa generators, 5 x 20,000 litre water tanks and 2 x 15,000 litre diesel storage tanks on site and all fully functional. The camp has the potential to expand available rooms to over 100 with some minor refurbishing, however considering the potential long mine life a new 200-man camp has been costed into this study.</p> <p>A fully functional, well maintained 1.7-kilometre-long air strip is located just 300m to the south of the camp. It is assumed that labour for the Project will fly directly to and from site out of Perth on a standard FIFO roster.</p> <p>Most pits near the camp and the Gidgee plant retain good quality water suitable for mineral processing and suitable for stock drinking water, meeting the Australian and New Zealand Environment Conservation Council (ANZECC) stock drinking water guidelines.</p>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• The derivation of, or assumptions made, regarding projected capital costs in the study.</li> <li>• The methodology used to estimate operating costs.</li> <li>• Allowances made for the content of deleterious elements.</li> <li>• The source of exchange rates used in the study.</li> <li>• Derivation of transportation charges.</li> <li>• The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</li> <li>• The allowances made for royalties payable, both Government and private.</li> </ul>	<p>Capital costs were derived from various external consultants and suppliers including Auralia, Tetra Tech, Sedgman, Demex and Grounded who utilised their expertise to identify and quantify volumes and cost estimates based on recent pricing from similar WA gold mines. They include all pre-production site, processing, TSF, and dewatering and sustaining capital costs.</p> <p>Operating cost pricing and quotations have been derived from various external consultants including Auralia, Tetra Tech, Sedgman, and Northern Rise. Estimates are based on published tables from similar WA mining operations. Mining operating cost estimates are based on an Auralia cost model and are reflective of current contractual rates for similar style and size haulage operations.</p> <p>Processing operating costs are built up from processing plant suppliers scaled by accepted methods and are undertaken at <math>\pm 40\%</math> using recent reagent pricing from the Sedgman database, published market labour rates and an 'over the fence' contract power supply from a mixed solar and gas generation facility. Costs per ounce were calculated on the production of approximately 80K oz per annum from the design feed grade of 1.1 g/t Au.</p> <p>No deleterious elements exist.</p> <p>All cost estimates and financial results are provided in Australian dollars (A\$) unless stated otherwise.</p> <p>Transport and trucking costs for mined ore are derived from an Auralia cost model and are reflective of current contractual rates for similar style and size haulage operations.</p> <p>It is assumed that gold doré will be transported from site via charter plane for refining in Perth with no other transport-related costs applicable.</p> <p>Horizon Gold has allowed for a 2.5% State Government Royalty for all Project mine production, with further Royalties incorporated into pit optimisations where applicable (Toedter and Shiraz – see body of report for further details).</p>
<b>Revenue factors</b>	<ul style="list-style-type: none"> <li>• The derivation of, or assumptions made regarding revenue factors including head grade, metal or</li> </ul>	<p>The derivation of head grade comes from the Mineral Resource estimates with the application of mining recovery and mining dilution as modifying factors as outlined above.</p>

Criteria	JORC Code explanation	Commentary
	<p>commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</p> <ul style="list-style-type: none"> <li>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and coproducts.</li> </ul>	<p>Gold doré bars will be produced on site, further refined offsite and for purposes of this Study sold at a base case A\$2,900 per ounce. The base case gold price is currently ~A\$400/oz below spot price and is deemed suitable for this scoping study.</p> <p>No revenue has been allocated to other co-product metals.</p>
<b>Market assessment</b>	<ul style="list-style-type: none"> <li>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</li> <li>A customer and competitor analysis along with the identification of likely market windows for the product.</li> <li>Price and volume forecasts and the basis for these forecasts.</li> <li>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</li> </ul>	<p>It is assumed gold produced from the Project will be sold on the open market, to purchasers including the Perth Mint and/or ABC Refinery.</p>
<b>Economic</b>	<ul style="list-style-type: none"> <li>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</li> <li>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</li> </ul>	<p>The economic analysis in this Study assumes a discount rate of 8%, and no inflation. These assumptions are deemed suitable for this level of economic assessment.</p> <p>Economic analysis includes a conservative base case gold price of A\$2900/oz including other gold price scenarios of A\$2500/oz, A\$2700/oz, A\$3100/oz and A\$3300/oz and a sensitivity analysis on various scenarios around gold price, operating and mining costs, discount rates and capital expenditure.</p> <p>Refer to Economic Analysis, Sensitivity Analysis and Funding sections in this report for further details.</p>
<b>Social</b>	<ul style="list-style-type: none"> <li>The status of agreements with key stakeholders and matters leading to social licence to operate.</li> </ul>	<p>All activities are on wholly owned Horizon Gold mining leases with significant historical mining disturbance at all deposits except for Howards, Hyperno-Reliance and Specimen Well.</p> <p>Only the Toedter and Shiraz deposits are covered by the Yugunga-Nya and Tjiwarl Native Title claims respectively. Both deposits are located on mining leases granted prior to 1 January 1994 which means compensation is not payable by the tenement holder for grant or renewals.</p> <p>Numerous Aboriginal archaeological heritage and ethnographic surveys have been undertaken throughout the Gum Creek Project. A search of the Aboriginal Cultural Heritage Inquiry System in January 2024 indicated the presence of 7 registered sites near but not over the deposits included in the Study. None appear likely to be directly impacted by the development of the proposed deposits within this Study.</p> <p>Stakeholder engagement has commenced at various Government levels and within local community and traditional owner groups.</p> <p>Refer to the Environmental, Native Title and Permitting section for more details.</p>
<b>Other (incl Legal and Governmental)</b>	<ul style="list-style-type: none"> <li>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</li> <li>Any identified material naturally occurring risks.</li> <li>The status of material legal agreements and marketing arrangements.</li> </ul>	<p>No Ore Reserve has been declared.</p>

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	<ul style="list-style-type: none"> <li>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</li> </ul>	
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Ore Reserves into varying confidence categories.</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> <li>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</li> </ul>	No Ore Reserve has been declared.
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	No Ore Reserve has been declared.
<b>Discussion of relative accuracy /confidence</b>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas</li> </ul>	<p>No Ore Reserve has been declared.</p> <p>Confidence in the relative accuracy of the individual resource estimates is reflected by their classification as Indicated and Inferred within the JORC 2012 guidelines.</p>

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	<p>of uncertainty at the current study stage.</p> <ul style="list-style-type: none"> <li>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available</li> </ul>	



