

ASX RELEASE

26 October 2020

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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Key Points

Exploration

- Geological review of project database to identify and prioritise new exploration targets aimed at boosting the existing Mineral Resources Estimate at the Gum Creek Gold Project, which is currently reported at 15.9 MT @ 2.7g/t Au for 1.39 million ounces (JORC 2012).
- Reverse Circulation (RC) drilling program underway at the high-grade Swan and Swift gold deposits targeting infill and extensions to the mineralisation.

- **Board changes:**
  - Mr Leigh Ryan to be appointed Managing Director of the Company and to commence prior to 1 January 2021.
  - Mr Peter Sullivan joined the Board as Non-Executive Chairman in early July, taking over from Mr Dugald Morrison who will remain with the Company as a Non-Executive Director.
  - In early July Non-Executive Director Mr Paul Bennett resigned from the Board.

- **Rights Issue** that raised $3,162,474 will be used to:
  - upgrade and increase the existing Mineral Resources at Gum Creek;
  - evaluate the extensive data base and prioritise future exploration targets; and
  - provide general working capital.

Drilling Program and Geological Review

Horizon Gold Limited (ASX:**HRN**) (**Horizon** or the **Company**) is focussed on progressing its exploration and development activities at the 100% owned Gum Creek Gold Project (**Gum Creek** or the **Project**) in Western Australia (refer to Figure 3).

Gum Creek has historically produced more than 1 million ounces of gold and hosts a current Mineral Resource of 1.39 million ounces (Appendix 1). The Project covers 620km^2 of contiguous tenure over the Gum Creek greenstone belt that has supported more than 30 open pit mines and three underground mines in the modern era.

During the reporting period the Company commenced drilling (see Figure 1) at the Swift and Swan North deposits.

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The drilling program will comprise a total of 38 RC holes for 4,680 metres. The program will consist of infill and extensional drilling to improve definition of the modelled mineralisation and to target extensions to the Swan and Swift Mineral Resource (refer to Appendix 1 for further details).



Figure 1: RC Drilling Rig on site at Gum Creek Gold Project

The RC drilling program is expected to be completed by the end of October. Numerous sample batches have been despatched to the laboratory with results pending.

The Company has engaged three highly experienced Archean gold geologists to undertake a full review of the Gum Creek Gold Project exploration and mining data. The key objective of the review is the targeting and prioritising exploration targets with a focus on:

- Mineral Resource growth; and
- new discoveries from advanced and grass roots exploration targets.

The targets have been prioritised into the following categories:

- existing Mineral Resources;
- new Mineral Resources;
- advanced exploration targets; and
- greenfield exploration targets.

The review, which is 60% complete, has generated in total 38 targets to date, categorised as follows (refer to Figure 2):

- nine existing Mineral Resources for extending and increasing confidence;
- thirteen new Mineral Resource targets;
- fourteen advanced exploration targets that have significant drill hole intersections; and
- two greenfield targets.

The Company expects to complete the review by the end of the December Quarter.

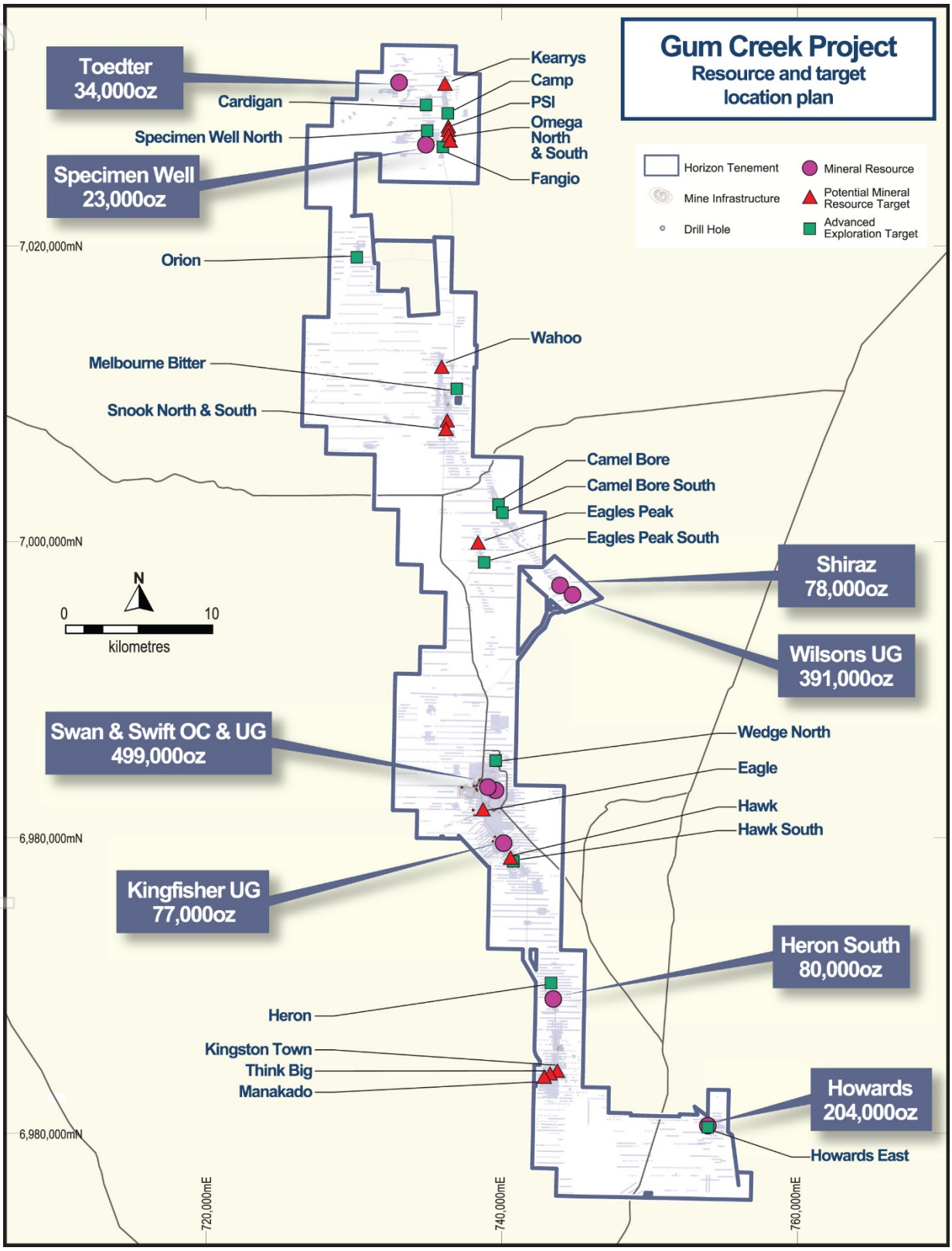


Figure 2. Gum Creek Gold Project tenement plan showing existing Mineral Resources and new targets and new exploration targets

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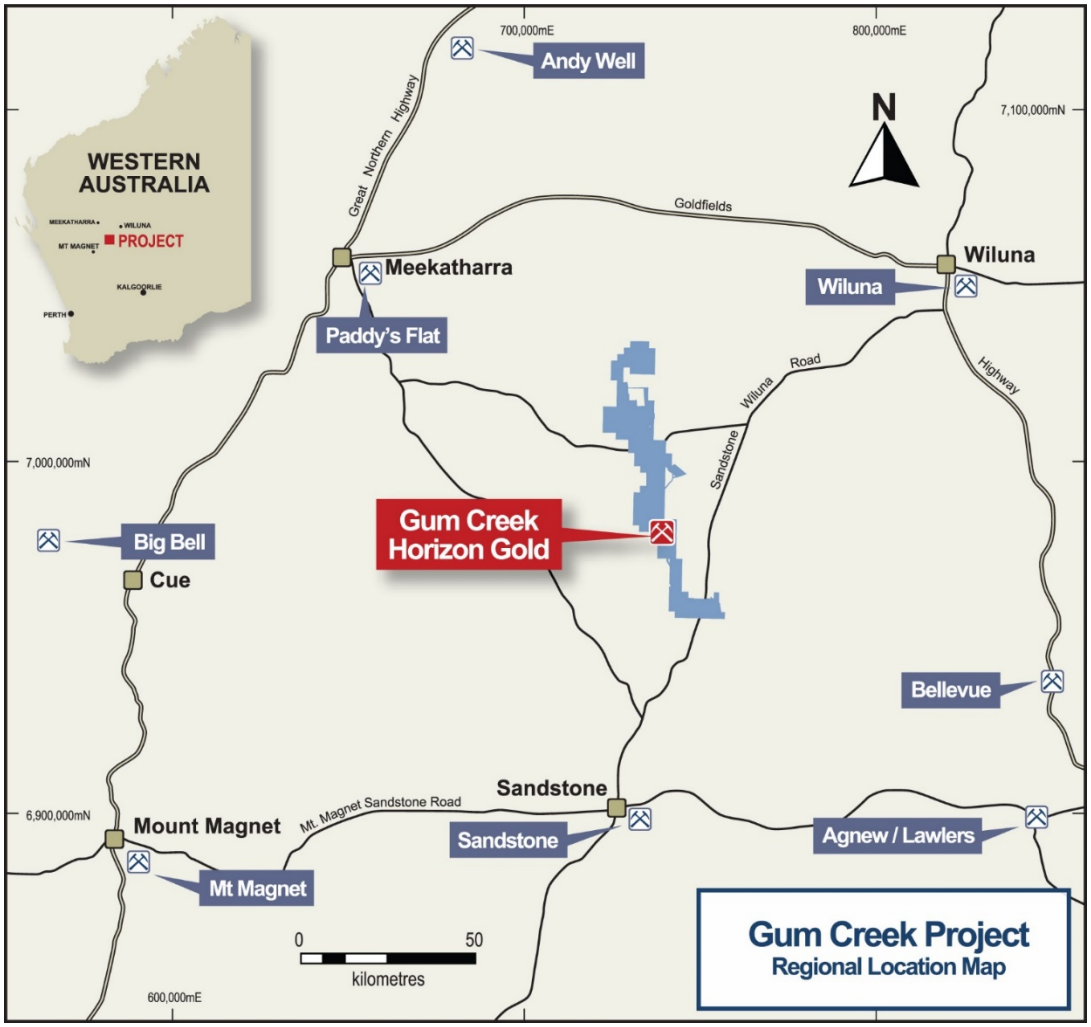


Figure 3 – Gum Creek Gold Project location plan

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Corporate

Appointment of Managing Director

On the 6 October 2020 the Company announced that Mr Leigh Ryan had been appointed as the Company's new Managing Director. Mr Ryan will commence in the role no later than 1 January 2021 and in the interim Mr Jamie Sullivan will continue in his role as an Executive Director, before reverting to a Non-Executive Director role.

Mr Ryan is a qualified geologist with 30 years of experience in the exploration and resource industry, which has included various project evaluation, exploration management and executive management roles throughout Australia and Africa. He has worked extensively in WA, Queensland, NSW and various African countries and has been involved in the discovery and resource definition of numerous gold and base metal deposits.

Mr Ryan was most recently Managing Director of Alchemy Resources Limited and before this Managing Director of Chrysalis Resources Limited and earlier the Managing Director of Boss Resources Limited. Prior to this he was Resolute Mining Limited's Group Exploration Manager for Africa and Australia. Mr Ryan is a member of the Australian Institute of Geoscientists and has completed a graduate certificate in Mineral Economics at the Curtin School of Business, Western Australia.

Appointment of new Chairman and resignation of a director

On 7 July 2020 the Company announced the appointment of Mr Peter Sullivan as a Non-Executive Director and Chairman. Previous Chairman Mr Dugald Morrison will remain on the Board as a Non-Executive Director.

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for over 25 years. Mr Sullivan is also a Director of Zeta Resources Limited (appointed 2013), Resolute Mining Limited (appointed 2001), GME Resources Limited (appointed 1996) and Panoramic Resources Limited (appointed 2015).

The Company also announced on the 6 July 2020 that Non-Executive Director Mr Paul Bennett had resigned from the Board effective immediately to focus on executive commitments.

Renounceable Entitlement Issue and repayment of Short-Term Funding Facility

On 29 July 2020, the Company announced a one for seven Renounceable Entitlement Issue ("the Issue") at $0.30 per share, to raise up to approximately $3.3 million.

The Issue was very successful and the Company received acceptances in respect to 10,541,580 shares, representing a 96.7% take up of the entitlement offer. The total funds from these acceptances was approximately $3,162,474. Given the small size of the shortfall and the attractive nature of the entitlement offer, the Directors resolved not to issue any shortfall shares.

The new shares in relation to the Issue were allotted on 2 September 2020.

As part of the Issue process on 25 August 2020, the Company repaid the short-term funding facility from Zeta Resources Limited in full totalling $509,247 through the offset of part of Zeta's contribution for its Rights Entitlement Issue described above.

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The Company's Annual General Meeting

The Notice of Meeting for the Company's Annual General Meeting ("AGM") was despatched on 9 October 2020 and the AGM will be held at the Company's office at 10.00am on Thursday 12 November 2020.

ASX Listing Rule 5.3.5 Disclosures

As per ASX Listing Rule 5.3.5 and as disclosed in 6.1 of the accompanying "Appendix 5B: Mining exploration entity or oil and gas exploration entity quarterly cash flow report", the Company discloses that the aggregate paid to related parties and their associates included in item 1 during the quarter totalled approximately $39,000 and was made up of Directors fees and related superannuation payments.

Mining Tenements

The status of the Horizon Group mining tenements as at 30 September 2020 are detailed in Appendix 2.

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

For further information contact
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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 recommencing operations at the Gum Creek Gold Project.

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APPENDIX 1:

Table 1: Gum Creek Project Mineral Resources Statement

(refer to the Company's ASX announcement of 12 July 2019 titled "Mineral Resources as at 30 June 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

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.

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APPENDIX 2:

(a) Horizon Group Mining Tenements held as at 30 September 2020

Holder: GUM CREEK = Gum Creek Gold Mines Pty Ltd (100% Subsidiary of Horizon Gold Limited)

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	GUM CREEK	100%	All	
E51/1844	Gidgee	Gum Creek	Granted	22-Jan-23	GUM CREEK	100%	All	
E53/1725	Gidgee	Gum Creek	Granted	03-Jul-23	GUM CREEK	100%	All	
E53/1955	Gidgee	Gum Creek	Granted	18-Jan-23	GUM CREEK	100%	All	
E57/1093	Gidgee	Gum Creek	Granted	14-Jan-2024	GUM CREEK	100%	All	
E57/1100	Gidgee	Gum Creek	Granted	21-Jan-2024	GUM CREEK	100%	All	
E57/1104	Gidgee	Gum Creek	Granted	9-Jun-2024	GUM CREEK	100%	All	
E57/1105	Gidgee	Gum Creek	Granted	1-May-2024	GUM CREEK	100%	All	
L51/93	Gidgee	Gum Creek	Granted	24-Nov-34	GUM CREEK	100%	Infrastructure	
L53/46	Gidgee	Gum Creek	Granted	28-Feb-25	GUM CREEK	100%	Infrastructure	
L53/47	Gidgee	Gum Creek	Granted	26-Sep-20	GUM CREEK	100%	Infrastructure	Ext. Applied
L53/95	Gidgee	Gum Creek	Granted	13-Dec-23	GUM CREEK	100%	Infrastructure	
L53/96	Gidgee	Gum Creek	Granted	13-Dec-23	GUM CREEK	100%	Infrastructure	
L53/116	Gidgee	Gum Creek	Granted	30-Jul-23	GUM CREEK	100%	Infrastructure	
L53/199	Gidgee	Gum Creek	Granted	29-Jul-36	GUM CREEK	100%	Infrastructure	
L57/20	Gidgee	Gum Creek	Granted	20-Jun-23	GUM CREEK	100%	Infrastructure	
L57/44	Gidgee	Gum Creek	Granted	12-Jun-33	GUM CREEK	100%	Infrastructure	
L57/47	Gidgee	Gum Creek	Granted	13-Aug-34	GUM CREEK	100%	Infrastructure	
M51/104	Gidgee	Gum Creek	Granted	11-May-29	GUM CREEK	100%	All	
M51/105	Gidgee	Gum Creek	Granted	09-May-31	GUM CREEK	100%	All	
M51/157	Gidgee	Gum Creek	Granted	09-Mar-30	GUM CREEK	100%	All	
M51/185	Gidgee	Gum Creek	Granted	18-Feb-30	GUM CREEK	100%	All	
M51/186	Gidgee	Gum Creek	Granted	18-Feb-30	GUM CREEK	100%	All	
M51/290	Gidgee	Gum Creek	Granted	09-May-31	GUM CREEK	100%	All	
M51/410	Gidgee	Gum Creek	Granted	10-Mar-34	GUM CREEK	100%	All	
M51/458	Gidgee	Gum Creek	Granted	09-Feb-35	GUM CREEK	100%	All	
M53/10	Gidgee	Gum Creek	Granted	24-Nov-25	GUM CREEK	100%	All	
M53/11	Gidgee	Gum Creek	Granted	24-Nov-25	GUM CREEK	100%	All	
M53/105	Gidgee	Gum Creek	Granted	29-Aug-30	GUM CREEK	100%	All	
M53/153	Gidgee	Gum Creek	Granted	28-Jun-32	GUM CREEK	100%	All	
M53/251	Gidgee	Gum Creek	Granted	02-Sep-34	GUM CREEK	100%	All	
M53/500	Gidgee	Gum Creek	Granted	21-May-21	GUM CREEK	100%	All	
M53/716	Gidgee	Gum Creek	Granted	07-Sep-40	GUM CREEK	100%	All	
M53/904	Gidgee	Gum Creek	Granted	28-Sep-21	GUM CREEK	100%	All	
M53/988	Gidgee	Gum Creek	Granted	12-Mar-24	GUM CREEK	100%	All	
M57/634	Gidgee	Gum Creek	Granted	14-Jul-35	GUM CREEK	100%	All	
M57/635	Gidgee	Gum Creek	Granted	01-Sep-35	GUM CREEK	100%	All	
P53/1582	Gidgee	Gum Creek	Granted	04-Oct-20	GUM CREEK	100%	All	

E= Exploration Licence(WA) M = Mining Lease (WA) P = Prospecting Licence (WA) L = Miscellaneous Licence (WA)

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(b) Changes of Interest in mining tenements during the quarter

Tenement Reference and Location	Nature of Interest	Interest at beginning of Quarter	Interest at end of Quarter
P53/1577 Gidgee	Expired	100%	0%
P57/1304 Gidgee	Expired	100%	0%

(c) Farm-in or farm-out changes during the 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

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Name of entity

HORIZON GOLD LIMITED

ABN	Quarter ended ("current quarter")
27 614 175 923	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (Sep 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)	(47)	(47)
	(e) direct site costs (inc. working capital)	(52)	(52)
	(f) administration and corporate costs	(174)	(174)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
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 2020 WA State MRF payment)	(146)	(146)
1.9	**Net cash from / (used in) operating activities**	**(418)**	**(418)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(346)	(346)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (Sep 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**	**(346)**	**(346)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,653	2,653
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	(30)	(30)
3.5	Proceeds from borrowings	190	190
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**	**2,813**	**2,813**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	177	177
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(418)	(418)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(346)	(346)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,813	2,813

Consolidated statement of cash flows		Current quarter $A'000	Year to date (Sep 2020) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,226**	**2,226**

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	621	147
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Terms Deposits < 3 months	1,605	30
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,226**	**177**

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	39
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

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(418)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(346)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(764)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,226
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,226
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.9

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: N/a

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: N/a

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: N/a

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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: 26 October 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.

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