



Gum Creek Gold Project - Initial Public Offering - Horizon Gold

Panoramic Resources Limited (**Panoramic** or **Company**) (**ASX: PAN**) is pleased to advise that the Company has today entered into various agreements necessary to progress the proposed partial divestment of its Gum Creek Gold Project (**Project**) by way of an initial public offering (**IPO**) and listing on the Australian Securities Exchange (**ASX**).

Relevant Agreements

Acquisition Agreement - Panoramic has entered into an Acquisition Agreement with Horizon Gold Limited (**Horizon Gold**) and Panoramic Gold Pty Ltd Pty (**Pan Gold**), both currently wholly owned subsidiaries of Panoramic, under which Panoramic has effectively agreed to dispose of Pan Gold and the Project to Horizon Gold.

The Acquisition Agreement is conditional on Horizon Gold raising \$15 million before costs by issuing 37,500,000 shares at \$0.40 per share (**Capital Raising**) and receiving conditional admission approval to the Official List of ASX.

Panoramic will hold 39,030,617 shares in Horizon Gold (51%) after listing. The Company's 51% shareholding will be escrowed for two years after listing.

Management Agreement – Panoramic has entered into a Management Agreement with Horizon Gold under which it has agreed to provide technical, commercial, managerial and administrative services to Horizon Gold from the time that it is admitted to the Official List of ASX.

Underwriting Agreement – Panoramic and Horizon Gold have entered an Underwriting Agreement with Somers and Partners Pty Ltd (**Somers**) under which Somers has agreed to arrange, manage and underwrite the Capital Raising.

Panoramic is delighted that Somers is willing to support the proposed listing of Horizon Gold on ASX. As previously stated in the Company's ASX announcement of 11 July 2016, the Panoramic Board believes an IPO of the Project is the most appropriate way to unlock the intrinsic value of this asset.

Horizon Gold Prospectus

Horizon Gold has today lodged a Prospectus for the Capital Raising with the Australian and Securities and Investments Commission (**ASIC**). A copy of the Prospectus is attached to this announcement.

The Prospectus can be downloaded from the website of Horizon Gold at www.horizongold.com.au. If you are accessing the electronic version of the Prospectus for the purpose of making an investment in Horizon Gold, you must be an Australian resident and must only access the Prospectus from within Australia.

The Prospectus contains, amongst other things, full details of the offers being made by Horizon Gold, details of the Directors of Horizon Gold, details of the Project, summaries of the Agreements referred to above and key investment risks.

Eligible Panoramic shareholders will be given priority to subscribe for shares in Horizon Gold under the Priority Offer – full details of which are contained in the Prospectus.

Panoramic shareholders will be sent a copy of the Prospectus and a personalised Application Form in due course.

About the Company

Panoramic Resources Limited (**ASX code: PAN**) is a Western Australian mining company formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley. Panoramic successfully commissioned the \$65 million Savannah Project in late 2004 and then in 2005 purchased and restarted the Lanfranchi Nickel Project, near Kambalda. In FY2014, the Company produced a record 22,256t contained nickel and produced 19,301t contained nickel in FY2015. The Lanfranchi Project and Savannah Project were placed on care and maintenance in November 2015 and May 2016 respectively.

Following the successful development of the nickel projects, the Company diversified its resource base to include gold and platinum group metals (PGM). The Gold Division consists of the Gum Creek Gold Project located near Wiluna. The PGM Division consists of the Panton Project, located 60km south of the Savannah Project and the Thunder Bay North Project in Northern Ontario, Canada, in which Rio Tinto is earning 70% by spending up to C\$20 million over five years.

Panoramic has been a consistent dividend payer and has paid out a total of \$114.3 million in fully franked dividends since 2008. At 30 June 2016, Panoramic had \$30 million in liquid assets and no bank debt.

The Company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining company in the S&P/ASX 100 Index. The growth path will include developing existing resources, discovering new ore bodies, acquiring additional projects and is being led by an experienced exploration-to-production team with a proven track record.

**For further information contact:
Peter Harold, Managing Director
+61 8 6266 8600**

HORIZON GOLD LIMITED

ACN 614 175 923

PROSPECTUS

For offers of 37,500,000 Shares at an issue price of \$0.40 per Share to raise \$15,000,000 (before costs) (**Offers**).

The Offers consist of:

- a Priority Offer to Eligible Panoramic Shareholders registered on the Priority Offer Record Date of 28 October 2016; and
- a Public Offer to the Public.

It is proposed that the Priority Offer will close at 5.00 pm (WST) on 18 November 2016 and the Public Offer will close at 5.00 pm (WST) on 25 November 2016.

The Directors reserve the right to close the Offers earlier or to extend those dates without notice.

Eligible Panoramic Shareholders have a priority right to Shares. As such the only Shares that will be available under the Public Offer will be Shares not taken up by Eligible Panoramic Shareholders under the Priority Offer.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

UNDERWRITER AND LEAD MANAGER

Somers and Partners Pty Ltd (ACN 149 263 543)
AFSL 403684

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CORPORATE DIRECTORY

Directors

Peter Harold
Non-Executive Chairman

Paul Bennett
Non-Executive Director

Peter Venn
Non-Executive Director

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Company Secretaries

Trevor Eton

Tim Shervington (Alternate)

Proposed ASX Code

HRN

Share Registry

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Limited
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PERTH WA 6000

Underwriter and Lead Manager

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AFSL: 403684

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Independent Technical Report

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*The Independent Technical Report contains contributions from Messrs Payne and Campbell-Hicks. Both individuals have consented to being named as contributing authors to the Independent Technical Report. Please refer to Section 12.5 for further details.

IMPORTANT NOTICE

This Prospectus is dated 21 October 2016 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Bermuda

The Company is not making any invitation to persons resident in Bermuda for exchange control purposes to subscribe for Shares.

Germany

The information in this document has been prepared on the basis that all offers of Shares will be made pursuant to an exemption under the Directive 2003/71/EC (**Prospectus**

Directive), as amended and implemented in Germany, from the requirement to produce a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in Germany except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Germany:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, **MiFID**);
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of the Company or any underwriter for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document is personal to the recipient only and not for general circulation in Switzerland.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.horizongold.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6266 8600 during office hours or by emailing the Company at info@horizongold.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and its Directors.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 14.

CHAIRMAN'S LETTER

Dear Investor

It is with great pleasure that I invite you to become a shareholder of Horizon Gold Limited.

Horizon has entered into an agreement to acquire all of the issued share capital of Panoramic Gold Pty Ltd, the 100% holder of the Gum Creek Gold Project from Panoramic Resources Limited and is simultaneously seeking to raise \$15 million in order to conduct exploration and studies on the Gum Creek Gold Project, and to support an application for admission to the Official List of the ASX.

The Gum Creek Gold Project, located 640km north east of Perth, represents an exciting gold exploration and potential development opportunity in a historically proven gold province. The Project covers approximately 724 square kilometres that has previously produced over one million ounces of gold, and currently hosts JORC 2012 Mineral Resources of 17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ounces of gold.¹ Importantly, Horizon believes there are multiple new drilling targets and potential resource extension opportunities at the Gum Creek Gold Project. Further details of the current Mineral Resources and exploration and development work programs at the Gum Creek Gold Project are presented in Section 3 (Company and Project Overview) and in the Independent Technical Report that appears at Section 5.

It is Horizon's intention over the next two years to conduct resource extension and infill drilling programs, regional exploration targeting new gold discoveries outside of known resources and development studies. The Board of Horizon have a strong track record of successfully exploring, financing and developing gold and base metal mines in Australia and overseas.

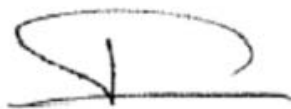
Under this Prospectus, Horizon is inviting investors to subscribe for 37,500,000 Shares at an Offer price of \$0.40 per Share to raise \$15,000,000 before costs. Eligible Panoramic Shareholders will be given priority to subscribe for Shares pursuant to the Priority Offer.

The Offers are fully underwritten by Somers and Partners. Zeta Resources Limited, Panoramic's largest shareholder, has agreed to sub-underwrite the Offers to an amount representing approximately 15% of the issued capital of Horizon.

This Prospectus contains detailed information about the Offers and Horizon's business objectives, as well as the risks of investing in the Company. I encourage you to read this Prospectus carefully.

On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a shareholder of Horizon Gold Limited.

Yours sincerely



Peter Harold
CHAIRMAN

¹ Refer to Table 2 in section 5 of the Independent Technical Report in Section 5. Any further references to Mineral Resources should be read in conjunction with the information contained in this table.

KEY OFFER INFORMATION

KEY DATES - Indicative timetable*

Date of Prospectus and lodgement with ASIC	21 October 2016
Priority Offer Record Date	28 October 2016
Opening Date	31 October 2016
Closing Date for Priority Offer	18 November 2016
Closing Date for Public Offer	25 November 2016
Despatch of holding statements	7 December 2016
Expected date for quotation on ASX	14 December 2016

** The above dates are indicative only and may change without notice. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Dates or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.*

KEY OFFER DETAILS


Offer price per Share	\$0.40
Shares currently held by Panoramic	5
Shares to be issued to Panoramic under the Acquisition Agreement	39,030,612
Shares to be issued under the Offers	37,500,000
Total number of Shares	76,530,617
Market capitalisation of Company at \$0.40	\$30,612,247
Gross amount to be raised under the Offers – before costs	\$15,000,000

1. INVESTMENT OVERVIEW

This Section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Horizon Gold Limited (ACN 614 175 923) (Company or Horizon).	Section 3.1
Who is the Company?	<p>The Company was incorporated as a public company limited by shares on 10 August 2016.</p> <p>The Company is currently a wholly owned subsidiary of Panoramic Resources Limited (ACN 095 792 288). Panoramic is a Western Australian mining company listed on ASX (ASX: PAN). Panoramic was formed in 2001 for the purpose of developing the Savannah Nickel Project in the East Kimberley region of Western Australia. Panoramic successfully commissioned the Savannah Project in late 2004 and restarted the Lanfranchi Nickel Project, near Kambalda, Western Australia in 2005. Following the development of these nickel projects, Panoramic diversified its resource base to include gold and platinum group metals.</p>	Section 3.1
Who is Panoramic Gold?	Panoramic Gold Pty Ltd (ACN 148 832 973) is a wholly owned subsidiary of Panoramic and is the owner of the Gum Creek Gold Project.	Sections 3.2.4, 6 and 8
What is the Gum Creek Gold Project?	<p>The Gum Creek Gold Project is a large, advanced exploration project located 640km north-east of Perth, and approximately 120km south west of Wiluna, Western Australia.</p> <p>Panoramic God acquired the Project through a series of acquisitions in 2011 and 2012 for an aggregate purchase price of approximately \$23 million.</p> <p>The Project has JORC 2012 Mineral Resources of 17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ounces of gold. Historic production from the Gum Creek tenements is over one million ounces.</p>	Section 3 and 5

Item	Summary	Further information
	<p>The Project has existing infrastructure including an operational airstrip, an accommodation camp, 600,000tpa process facilities (not in operation and not capable of use without significant capital investment in refurbishment), tailings storage facilities (not in operation) and well maintained access roads to the north and south.</p> <p>The main Project areas are on granted mining tenements.</p>	
<p>What is the Company's interest in the Gum Creek Gold Project?</p>	<p>On 21 October 2016, the Company entered into an agreement with Panoramic and Panoramic Gold (Acquisition Agreement) pursuant to which Panoramic agreed to sell to the Company the one share in Panoramic Gold held by it and the benefit of the loan of \$15,612,245 previously made by Panoramic to Panoramic Gold (Loan). The consideration to be paid by the Company to Panoramic is \$1 for the share in Panoramic Gold and the issue to Panoramic of 39,030,612 Shares at a deemed issue price of \$0.40 per Share for the benefit of the Loan.</p> <p>Completion of the Acquisition Agreement is conditional on the following outstanding conditions:</p> <ul style="list-style-type: none"> (a) \$15,000,000 before costs being raised under the Offers; and (b) the Company receiving a conditional admission letter from ASX granting approval to admit the Company to the Official List on terms satisfactory to the boards of both Panoramic and the Company. <p>Assuming Completion occurs, Panoramic Gold will be a wholly owned subsidiary of the Company and Panoramic Gold will remain the owner of the Gum Creek Gold Project. The Company's corporate structure at listing will be as follows:</p>	<p>Section 11.1</p>

Item	Summary	Further information
	 <pre> graph TD A[Horizon Gold Limited] -- 100% --> B[Panoramic Gold Pty Ltd] B -- 100% --> C[Gum Creek Gold Project] </pre>	
B. Business Objective and Strategy		
<p>What is the business objective and strategy of the Company?</p>	<p>The objective of the Company is to eventually become a stand-alone gold producer. The Company's business strategy to achieve this objective is to:</p> <ul style="list-style-type: none"> (a) undertake extensional and infill drilling on existing resources; (b) undertake regional exploration targeting new gold discoveries outside of the known resources; and (c) carry out development studies on the free milling and refractory mineralisation. 	<p>Sections 2.5 and 3.1</p>
C. Key Advantages and Key Risks		
<p>What are the key advantages of an investment in the Company?</p>	<p>The Directors are of the view that an investment in the Company provides the following various advantages, including:</p> <ul style="list-style-type: none"> (a) Strategic location The Gum Creek Gold Project is located within the Southern Cross Province of the Youanmi Terrane, a part of the Western Australian Archaean Yilgarn Craton, which has a history of gold production and hosts several operating gold mines. (b) Existing JORC resource The Gum Creek Gold Project has JORC 2012 Mineral Resources of 17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ounces of gold. Horizon plans to undertake an exploration drilling campaign aimed at expanding the current Resource base. 	<p>Section 3</p>

Item	Summary	Further information
	<p>(c) Multiple priority drill targets and exploration potential</p> <p>Since 2011, Panoramic Gold has invested significant funds on exploration and development studies at the Gum Creek Gold Project. Panoramic Gold has doubled the resource base, conducted preliminary development studies and identified multiple high priority drill targets and resource extension opportunities.</p> <p>Horizon has identified 14 priority exploration targets, including the Wilsons Shear that it plans to drill-test post completion of the Offers.</p> <p>(d) Board and Management</p> <p>Horizon has a highly experienced Board which will be supported by the management team of Panoramic pursuant to the Management Agreement. Under the Management Agreement, the Company and Panoramic have agreed the basis on which Panoramic will provide technical, commercial, managerial and administrative support to the Company. Panoramic has a proven track record in the discovery, financing and operation of mining projects in Western Australia and utilising Panoramic's services and personnel will ensure continuity in relation to the on-going exploration and evaluation of the Project.</p>	
<p>What are the key risks of an investment in the Company?</p>	<p>The business, assets and operations of the Company, prior to and following admission to the Official List, have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p>	<p>Section 4</p>

Item	Summary	Further information
	<p>A non-exhaustive list of the key risks affecting the Company include:</p> <p>(a) Exploration</p> <p>The Tenements comprising the Gum Creek Gold Project are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking.</p> <p>In particular, there is a risk that the contemplated extensional and infill resource drilling programs, or the regional exploration activities to generate new targets will not be successful.</p> <p>(b) Studies</p> <p>There is a risk that the contemplated metallurgical and process investigations on the known mineralisation types at the Project may not lead to a viable processing route.</p> <p>Furthermore, there is a risk that the contemplated development studies may not lead to a project that is economically viable.</p> <p>(c) Development</p> <p>If a potentially viable deposit is identified, there is no guarantee that it can be economically exploited. Numerous factors may affect whether any such deposit is able to be developed. A non-exhaustive list of factors is included in Section 4.2(c).</p> <p>The Company is at a preliminary stage of determining the technical viability of the Project and further metallurgical test work is required. These on-going Project studies may reveal additional challenges or complexities (such as the identified process, routes and refractory mineralisation solutions) and may indicate that existing assumptions or certain conclusions based on preliminary assessments are incorrect. There is a risk that if this process is not successful, ongoing development of the Project may be delayed or cost more than is currently expected.</p>	

Item	Summary	Further information
	<p>(d) Future funding</p> <p>While the Board considers that the net proceeds of the Offers will be sufficient to execute the business objectives described in this Prospectus, the Company is likely to require further funding to continue work on the Project. Such funding may not always be available on terms satisfactory to the Company, or at all.</p> <p>(e) Commodity and currency price fluctuations</p> <p>The value of the Project and any other assets acquired by the Company in the future may be adversely affected by fluctuations in commodity prices and exchange rates, in particular the price of gold.</p> <p>(f) Licences, permits and approvals</p> <p>The Company will be required to obtain certain authorisations to undertake the exploration program described in this Prospectus. These requirements include Program of Work approvals and Aboriginal heritage clearances (in certain circumstances). Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.</p> <p>(g) Management Team</p> <p>The Company does not have its own management team. Panoramic will provide management services to the Company under the Management Agreement. There can be no assurance that these services will continue to be available. Termination of the Management Agreement may have an adverse effect on the performance of the Company until alternative arrangements can be implemented or key personnel are appointed directly by the Company.</p> <p>The above list should not be considered an exhaustive list of risks faced by the Company or investors in the Company.</p>	

Item	Summary	Further information
	Additional key risks are disclosed at Section 4.	
D. Directors and Key Management Personnel		
Directors	<p>The Board is comprised of</p> <p>(a) Mr Peter Harold – Non-Executive Chairman;</p> <p>(b) Mr Paul Bennett – Non Executive Director; and</p> <p>(c) Mr Peter Venn – Non Executive Director.</p>	Section 9.1
Other Key Management Personnel and Management Agreement	<p>The Company Secretaries are Messrs Trevor Eton and Tim Shervington (Alternate).</p> <p>The services of Messrs Harold, Eton and Shervington and other Panoramic personnel will be provided to Horizon under the Management Agreement. Details of key management personnel whose services will be provided to the Company pursuant to the Management Agreement are set out in Section 11.3.</p>	<p>Section 9.2</p> <p>Section 11.3</p>
What are the Director's interests in the Company?	Each Director's interest in the Company is set out at Section 9.3.	Section 9.3 and 12.3
E. Financial Information		
How has the Company performed over the past 12 months?	<p>The Company was only recently incorporated (10 August 2016) and has no operating history and limited historical financial performance. The Company is yet to conduct its own exploration activities on the Project and will not commence these activities until the Company has been admitted to the Official List.</p> <p>As a result, the Company is not in a position to disclose any key financial ratios other than its pro forma historical balance sheet which is in Section 6.</p> <p>The historical financial statements for Panoramic Gold Pty Ltd which are referred to in Section 6 were lodged with ASIC on 21 October 2016 and are incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of these</p>	Section 6

Item	Summary	Further information
	statements to any person who requests a copy during the offer period, free of charge.	
What is the financial outlook for the Company?	<p>Given the current status of the Gum Creek Gold Project and the speculative nature of mineral exploration, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projected financial information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Sections 6 and 7
F. Offers		
What is being offered?	<p>The Company is offering 37,500,000 Shares at an issue price of \$0.40 per Share to raise \$15,000,000 (before costs).</p> <p>The Offers comprise a Priority Offer to Eligible Panoramic Shareholders and a Public Offer which is available to the Public.</p> <p>If less than 37,500,000 Shares are applied for by Eligible Panoramic Shareholders the shortfall will be made available to the Public pursuant to the Public Offer.</p> <p>The Offers are fully underwritten by Somers and Partners.</p> <p>The purpose of the Offers is to facilitate an application by the Company for admission of the Company to the Official List of the ASX and to position the Company to seek to achieve the objectives stated in Section 1B.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 2
What will the Company's capital structure look like after completion of the Offers?	The Company's capital structure on a post-Offers basis is set out in Section 3.9.	Section 3.9

Item	Summary	Further information
What are the terms of the Shares offered under the Offers?	A summary of the material rights and liabilities attaching to the Shares offered under the Offers is set out in Section 12.2.	Section 12.2
Will any of the Shares issued under the Offers be subject to escrow?	The Shares to be issued to Panoramic under the Acquisition Agreement will be subject to escrow for a period of 24 months after Horizon is listed. None of the Shares issued under the Priority Offer or the Public Offer will be subject to escrow.	Section 2.8
Will the Shares issued under the Offers be quoted?	The Company will make an application to ASX for quotation of all Shares to be issued under the Offers as well as the Shares held by Panoramic, albeit the Shares held by Panoramic will be subject to escrow.	Section 2.8
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information Section
What is the minimum investment size under the Offers?	Applications under the Offers must be for a minimum of \$2,000 worth of Shares (5,000 Shares) and thereafter, in multiples of \$2,000 worth of Shares (5,000 Shares). However, if you are an Eligible Panoramic Shareholder you may apply for your Notional Pro Rata Entitlement provided it is for 5,000 or more Shares.	Section 2.7
G. Use of funds		
How will the funds raised under the Offers be used?	<p>The funds raised will be used to:</p> <ul style="list-style-type: none"> (a) undertake extensional and infill drilling on existing resources; (b) undertake regional exploration targeting new gold discoveries outside of the known resources; (c) carry out development studies on the free milling and refractory mineralisation; and (d) provide working capital for the Company. <p>Further details are set out in Sections 2.5 and 3.</p>	Sections 2.5 and 3

Item	Summary	Further information
H. Additional information		
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.	Section 2.6
What are the tax implications of investing in Shares?	<p>Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 2.6
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, the Company has adopted <i>The Corporate Governance Principles and Recommendations (3rd Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>Prior to listing on the ASX, the Company will release its Corporate Governance Statement (September 2016) (Statement) which discloses the Company's compliance and departures from the Recommendations.</p> <p>A summary of the Company's Statement is provided in Section 10.</p>	Section 10
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</p> <p>(b) By contacting the Company Secretary on +61 8 6266 8600.</p>	

2. DETAILS OF THE OFFERS

2.1 The Offers

Pursuant to this Prospectus, the Company invites applications for 37,500,000 Shares at an issue price of \$0.40 per Share to raise \$15,000,000.

The Offers consist of the Priority Offer and the Public Offer.

PRIORITY OFFER

The Company is inviting Eligible Panoramic Shareholders to become Shareholders pursuant to the Priority Offer.

Eligible Panoramic Shareholders must hold Panoramic Shares on the Priority Offer Record Date.

Eligible Panoramic Shareholders who wish to apply for Shares should do so using the white personalised Priority Offer Application Form mailed to Australian resident Eligible Panoramic Shareholders together with their copy of this Prospectus.

The Priority Offer Application Form provides Eligible Panoramic Shareholders with three options as follows:

- (1) apply for a minimum of 5,000 Shares (\$2,000); or
- (2) apply for any number of Shares in excess of 5,000 Shares in multiples of 5,000 Shares – for example, 10,000 Shares (\$4,000), 50,000 Shares (\$20,000) or 100,000 Shares (\$40,000); or
- (3) apply for your Notional Pro Rata Entitlement to Shares as shown on the Priority Offer Application Form provided, however if your Notional Pro Rata Entitlement to Shares is less than 5,000 Shares you may only apply for 5,000 or more Shares.

Eligible Panoramic Shareholders should note that their Notional Pro Rata Entitlement to Shares is indicative only.

Further details regarding these options, including in relation to your Notional Pro Rata Entitlement, are contained in Section 2.7 and on your Priority Offer Application Form.

Eligible Panoramic Shareholders who receive this Prospectus outside Australia may be unable to participate in the Priority Offer as described in the Important Notice section of this Prospectus.

If less than 37,500,000 Shares are applied for by Eligible Panoramic Shareholders the shortfall will be made available to the Public pursuant to the Public Offer.

PUBLIC OFFER

The Public Offer is comprised of any Shares that are not taken up under the Priority Offer. The Public may apply for Shares under the Public Offer by completing the green Public Offer Application Form.

The Directors may, in consultation with the Underwriter, reject any Application made under the Public Offer or allocate fewer Shares than the Applicant has applied for.

The Shares offered under this Prospectus will, when issued, rank equally in all respects with the existing Shares on issue.

2.2 Principles applying to Offers including scale back

The Directors have determined that the following principles will apply in relation to the Offers.

- (a) Eligible Panoramic Shareholders and Applicants under the Public Offer may only apply for a **minimum** of 5,000 Shares. Applications for less than that number of Shares will **not** be accepted;
- (b) All Eligible Panoramic Shareholders who apply for 5,000 or more Shares will receive a minimum of 5,000 Shares;
- (c) If Applications for less than 37,500,000 Shares are received under the Priority Offer and the Public Offer then, subject to paragraph (a), all Applicants will receive the Shares they applied for and the shortfall will be taken up by the Underwriter and its sub underwriters under the Underwriting Agreement;
- (d) If Applications for more than 37,500,000 Shares are received from Eligible Panoramic Shareholders and the Public then, subject to paragraphs (a) and (e), Eligible Panoramic Shareholders will receive all of the Shares they applied for and the remaining Shares will be allocated to Applicants under the Public Offer as determined by the Directors in consultation with the Underwriter;
- (e) If Applications for more than 37,500,000 Shares are received from Eligible Panoramic Shareholders then Applicants under the Public Offer will receive no Shares and, subject to paragraphs (a) and (b) above, Eligible Panoramic Shareholders will be scaled back on a pro rata basis by reference to their shareholding in Panoramic on the Priority Offer Record Date.

2.3 No Minimum subscription

Given that the Offers are fully underwritten there is no minimum subscription. If \$15,000,000 before costs has not been raised under the Offers within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.4 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.5 Source and Use of Funds

The Company intends to apply funds raised from the Offers over the first two years following admission of the Company to the Official List of ASX as follows:

	Year 1 (\$)	Year 2 (\$)	Total (\$)
Source of Funds			
Funds raised from the Offers	15,000,000	0	15,000,000
Total Funds Received	15,000,000	0	15,000,000
Allocation of Funds			
Exploration expenditure ¹	4,310,000	2,140,000	6,450,000
Ongoing development studies ¹	810,000	1,140,000	1,950,000
Tenement rents and rates	1,020,000	1,020,000	2,040,000
Site maintenance costs	550,000	550,000	1,100,000
General and administrative costs	750,000	800,000	1,550,000
Costs of the Offers ²	1,350,000	0	1,350,000
Apportionment of rents, rates and MRF levy ³	200,000	0	200,000
Total Expenses	8,990,000	5,650,000	14,640,000
Working Capital Remaining	6,010,000	360,000	360,000

Notes:

1. Refer to the Company and Project Overview (Section 3) and Independent Technical Report (Section 5) for further information on the planned exploration activities and ongoing development studies activities for the Project.
2. Further details regarding the costs of the Offers are set out in Section 12.6.
3. Under the Acquisition Agreement, the Company has agreed to pay to Panoramic \$198,115 for apportionment of rent, rates and MRF payments made by Panoramic that relate to periods after the date of the Acquisition Agreement and taking account of payments that will be made by Panoramic Gold after the date of the Acquisition Agreement and which relate, in whole or in part, to periods prior to such date.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and ongoing development studies. This may lead to increased or decreased levels of expenditure on certain aspects of the Project.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offers, the Company will have sufficient working capital to carry out its stated objectives. It should be noted that an investment in the Company is highly speculative and investors are encouraged to read the risk factors outlined in Section 4.

2.6 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.

2.7 Applications

Applications for Shares under the Offers must be made using the relevant Application Form.

Eligible Panoramic Shareholders should use the personalised white Priority Offer Application Form that accompanies their copy of the Prospectus.

Applicants other than Eligible Panoramic Shareholders should use the Public Offer Application Form coloured green and headed "Public Offer Application Form" that accompanies this Prospectus.

By completing an Application Form, each Applicant under the Offers will be taken to have declared that all details and statements made by the Applicant in the Application Form are complete and accurate and that the Applicant has personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Subject to Eligible Panoramic Shareholders having the right to apply for their Notional Pro-Rata Entitlement provided it is for 5,000 or more Shares, applications for Shares must be for a minimum of 5,000 Shares and thereafter in multiples of 5,000 Shares and payment for the Shares must be made in full at the issue price of \$0.40 per Share.

Eligible Panoramic Shareholders should note that their Notional Pro Rata Entitlement to Shares is indicative only. It has been calculated on the basis that Panoramic had made an offer of 37,500,000 Shares in Horizon to all of its shareholders on a pro rata basis. On this basis, Panoramic shareholders would be entitled to one Share in Horizon for every 11.428 shares held by them in Panoramic, with any fractional entitlements rounded up to the nearest whole number.

Completed Application Forms and accompanying cheques, made payable to "**Horizon Gold Limited IPO Account**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the relevant Closing Date as set out below.

Closing Date for Priority Offer 18 November 2016.

Closing Date for Public Offer 25 November 2016.

The Company reserves the right to close the Offers early, or extend the Offers, as the case requires.

If you require assistance in completing an Application Form, please contact the Company Secretary on +61 8 6266 8600.

Payment by BPAY®

Priority Offer

In relation to the Priority Offer, for payment by BPAY®, Eligible Panoramic Shareholders are requested to follow the instructions on the Priority Offer Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®, you do not need to submit the Priority Offer Application Form but are taken to have made the declarations on that Priority Offer Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than **4:00pm (WST) on the Priority Offer Closing Date** for the Priority Offer. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

Public Offer

Applicants under the Public Offer wishing to pay by BPAY should complete the online Public Offer Application Form accompanying the electronic version of this Prospectus which is available via a link at the Company website www.horizongold.com.au and follow the instructions on the online Public Offer Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)).

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid. It is your responsibility to ensure that payments are received by **4.00pm (WST) on the Public Offer Closing Date**. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Company accepts no responsibility for any failure to receive application monies or payments by BPAY before the Public Offer Closing Date arising as a result of, among other things, processing of payments by financial institutions.

2.8 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within seven days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

Other than the Shares to be issued to Panoramic under the Acquisition Agreement, the Board does not expect that any Shares issued under the Priority Offer or the Public Offer will be subject to escrow under the ASX Listing Rules.

2.9 Issue

Subject to \$15,000,000 (before costs) being raised under the Offers and the Company receiving a conditional admission letter from ASX granting approval to admit the Company to the Official List on terms satisfactory to the boards of both Panoramic and the Company, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date of the Public Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The basis for allocation of Shares is set out in Section 2.2. The Directors nevertheless reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date for the Public Offer.

2.10 Fully underwritten

The Offers are fully underwritten by Somers and Partners. Somers and Partners is also acting as book runner and lead manager to the Offers.

Details of the key terms and conditions of the Underwriting Agreement are set out in Section 11.2.

3. COMPANY AND PROJECT OVERVIEW

3.1 Company Overview

Horizon is headquartered in Perth, Western Australia and has been incorporated for the purpose of acquiring, exploring and developing the Gum Creek Gold Project.

Horizon has entered into the Acquisition Agreement to acquire all of the issued capital of Panoramic Gold, the 100% holder of Gum Creek, from Panoramic. A summary of the Acquisition Agreement is set out in Section 11.1.

Following admission to the Official List, the Company intends to:

- undertake extensional and infill drilling to grow the known resources and lift defined resources into higher-confidence JORC categories;
- undertake regional exploration targeting new gold discoveries outside of the known resources; and
- carry out development studies (including but not limited to metallurgical and processing investigations) on the free milling and refractory mineralisation.

Horizon's Board of Directors has extensive experience in mineral exploration, project financing and project development in Australia and overseas. The experience of the Board is summarised in Section 9.1.

3.2 Overview of the Gum Creek Gold Project

Gum Creek provides an exciting gold exploration and potential development opportunity. The Project covers approximately 724 square kilometres and hosts JORC 2012 Mineral Resources of 17.3 million tonnes averaging 2.25g/t gold containing 1.25 million ounces of gold. It is located within a well-endowed gold region that hosts multi-million ounce deposits including Big Bell, Wiluna, Mt Magnet, Meekatharra and Agnew/Lawlers. Importantly, Horizon believes there are multiple high priority drill targets and possible resource extension opportunities at the Project which could grow the existing resource inventory.

This Section provides a description of the Project's location, tenure, geological setting, historical activities and currently defined Resources. Further details of the Project are set out in the Independent Technical Report in Section 5.

3.2.1 Location, Tenure and Infrastructure

Gum Creek is located 640 kilometres north-east of Perth, and 90 kilometres from the nearest town of Sandstone (Figure 3.1). Access to Sandstone from Perth is via the Great Northern Highway to Mt Magnet, or alternatively from Kalgoorlie via the Goldfields Highway to Leinster. The Project is accessed by good quality unsealed roads from Sandstone, Meekatharra and Wiluna. The closest airports with scheduled commercial services are Wiluna and Meekatharra, located 129km northwest and 144km northeast respectively from Gum Creek.

Due to its previous operational status, the Project benefits from substantial legacy infrastructure remaining on site (Figure 3.2). Existing infrastructure at the site includes a 110 person camp, operational airstrip, tailings storage facilities, and an extensive road network. A 600,000tpa processing plant is also on site,

however due to its age and condition significant capital investment on refurbishment would be required to return the plant to operating condition.

Figure 3.1: Location of the Project and selected other gold projects in the region.

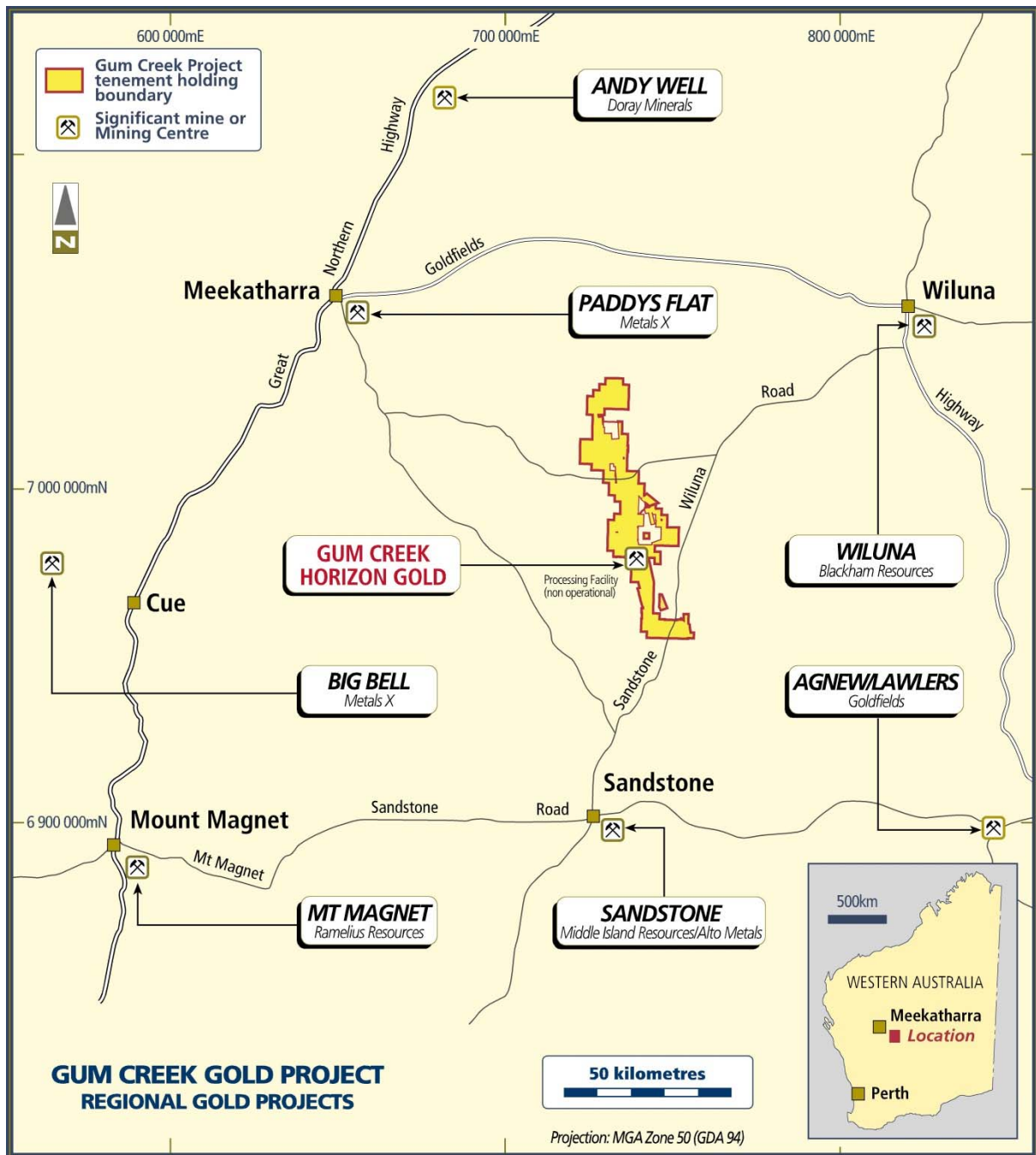


Figure 3.2: Existing infrastructure at the Project. Clockwise from top left – aerial view of tailings dam / plant site and Swan open pit, airstrip, village and plant/site office.



Tenure over the Project covers an area of approximately 724 square kilometres. The main Resources at Swan-Swift, Howards and Wilsons and the existing plant site, tailings dam and village are held on granted mining leases. The haul road linking Wilsons with the existing plant site is held under a miscellaneous licence. A number of satellite deposits are also covered by granted mining leases. All tenements are registered in the name of Panoramic Gold. A summary of the tenement holdings is shown in Figure 3.3.

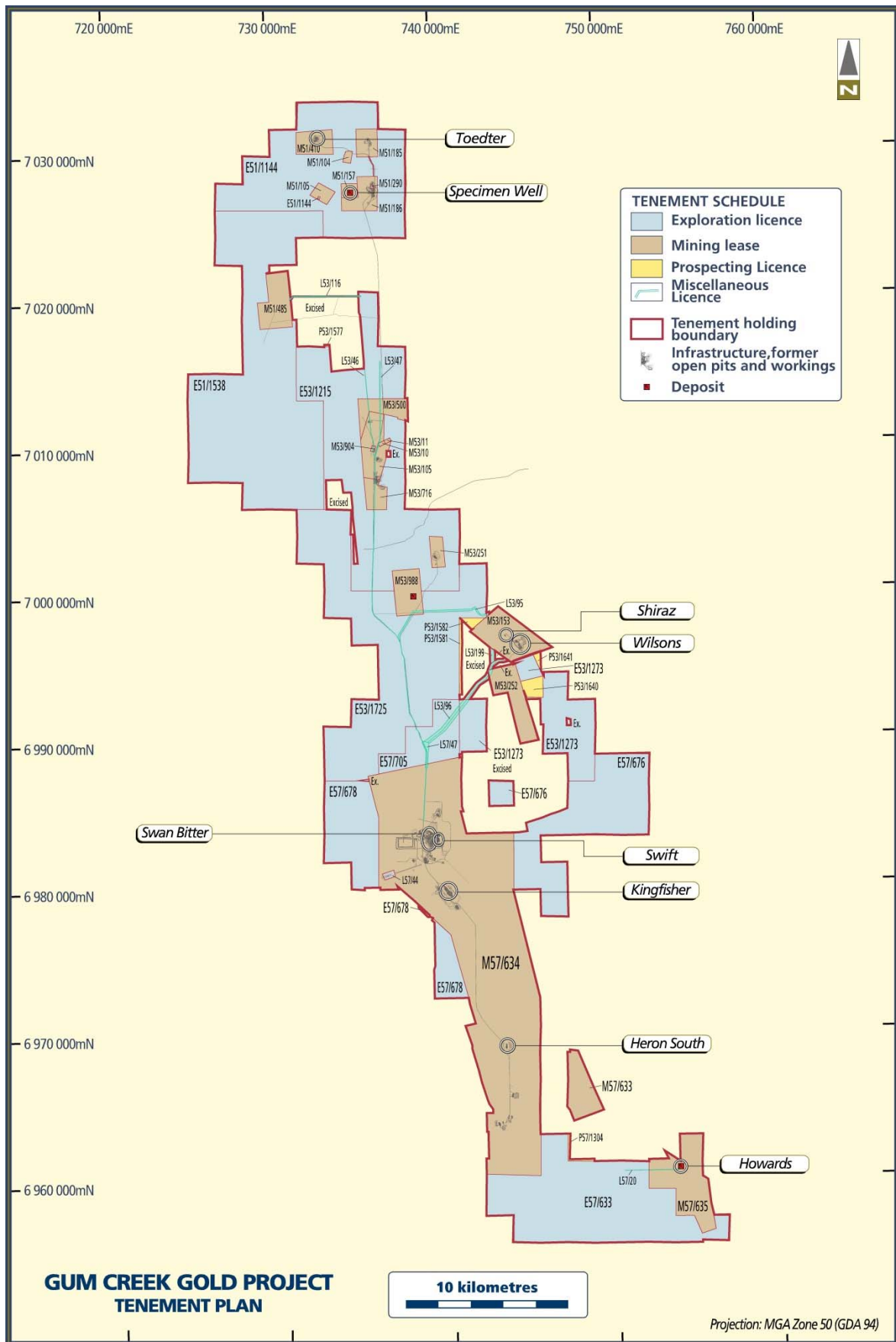
There are a number of royalty agreements affecting portions of the Project. The most significant of the royalty agreements, based on currently identified gold Resources, are the Mt Townsend royalty which applies to the Wilsons deposit, and the Howards royalty which applies to the Howards deposit. Details of the royalties can be found in the summary of the Solicitor's Report on Tenements in Section 8.

The majority of the Project area, including the Swan-Swift deposits, the existing plant and village is currently not subject to claims under the Native Title Act. A registered claim by Yugunga-Nya People (WC1999/046) overlaps the northern part of the Project area, and a registered claim by the Tjiwarl Group (WC2011/007) covers tenements on the eastern side of the project. The Tjiwarl claim partially encroaches on Mining Lease M53/153 covering the Wilsons deposit, however this lease was granted in 1990, prior to the Native Title Act coming into effect.

There are current environmental liabilities at Gum Creek that pertain to the historical mining activities, which are the responsibility of the registered tenement holder. Estimated costs to rehabilitate the site, are currently \$9,579,000.

Further details on the Tenements can be found in the summary of the Solicitors Report (refer to Section 8).

Figure 3.3: Map showing tenure and JORC 2012 compliant Resources over the Project.



3.2.2 Regional Geology

The Project covers most of the Gum Creek Greenstone Belt, situated within the Southern Cross Province of the Youanmi Terrane, a part of the Archaean Yilgarn craton in Western Australia. The Gum Creek Greenstone Belt forms a lensoid, broadly sinusoidal structure about 110km long and 24km wide, dominated by volcanic and sedimentary sequences and surrounded by intrusive granitoids which contain rafts of greenstones. The margins of the belt are typically dominated by contact-metamorphosed basalts and banded iron formations. A geological map of the belt is shown in Figure 3.4.

The greenstone sequence is relatively simple, with three broadly continuous major geological units occupying a large north-south synclorium. The lowest unit consists of a sequence of interbedded banded iron formation and mafic and ultramafic volcanics overlain by ferruginous shales, shales and thin cherts. The central unit consists of a sequence of basalts and felsic volcanics, contemporaneous dolerites, and lesser ultramafic volcanics and interflow sediments. The central unit has been intruded by differentiated gabbroic sills which range in composition from ultrabasic through to pyroxenite to gabbro. The uppermost unit consists of shales, black shales, siltstones and minor cherts, with rare conglomerates and dolostones. Late stage, generally massive granitoids intrude along the length of the belt.

Several early phases of tight to isoclinal folding have affected rocks of the lower domain. Most fold axes now exhibit a general north-south trend. The whole belt has been folded about tight north-north-west axes, producing two synclines separated by a narrow anticline in the central domain. The western syncline appears to be doubly plunging suggesting late open folding under an east-west stress regime.

Complex faulting is present throughout the Gum Creek Greenstone Belt, with many lithological units being fault bounded. Prominent deformation also occurs as regional-scale north-northwest trending ductile shear zones. These zones occur in close proximity to gold occurrences at Bolger Well, Gidgee, Victory Well, Tokay and Wilsons.

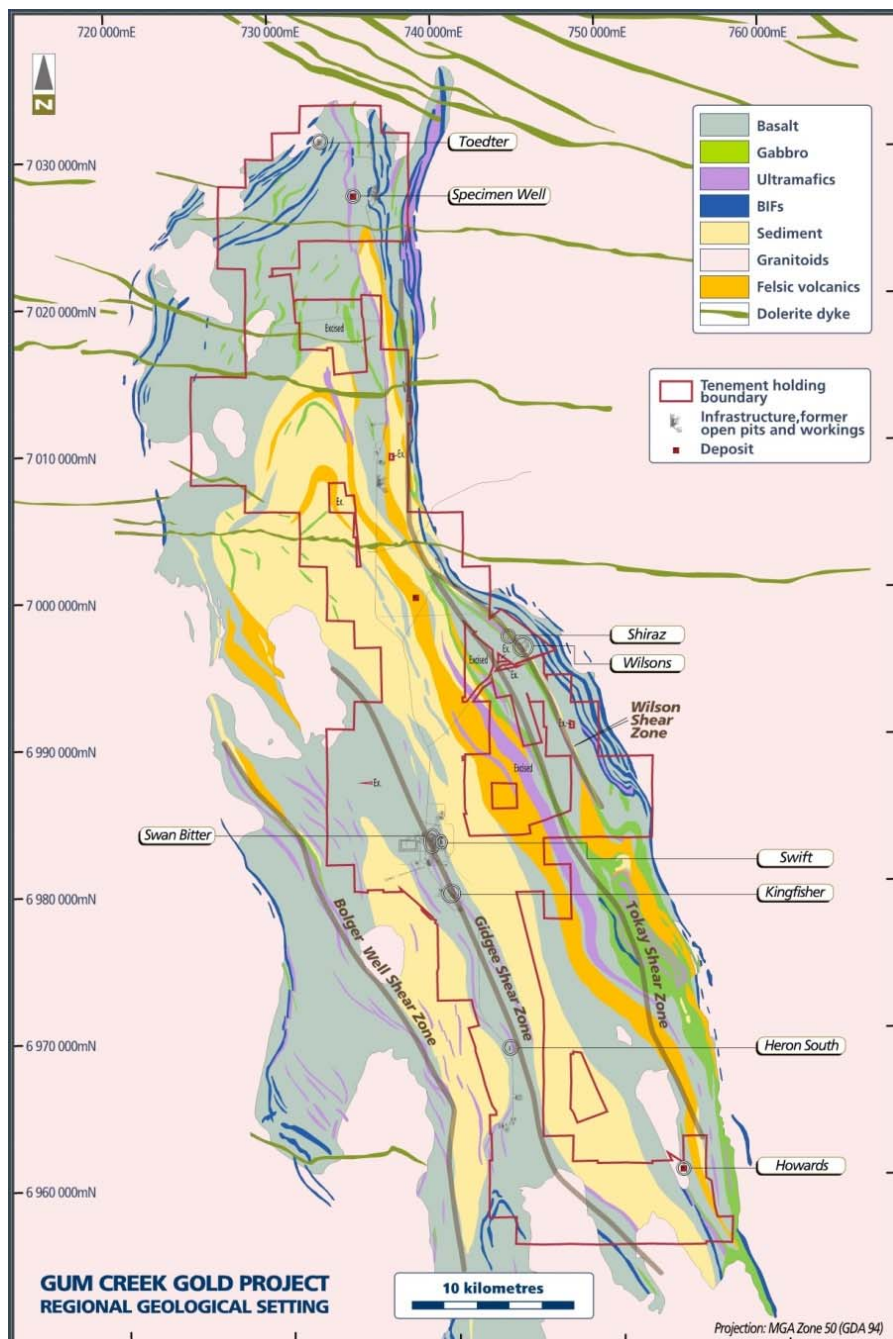
Five main styles of mineralisation are recognised in the area:

- Quartz-carbonate (+pyrite, arsenopyrite, galena & sphalerite) veins. Typically free milling and locally high grade (>20g/t Au). Form complex conjugate vein arrays associated with brittle dilational openings developed along major shears within competent mafic host rocks. Carbonate-sulphide wall-rock alteration is common about mineralised zones and extensive supergene enrichment often overlies the primary mineralisation zones. Deposits of this type represent the dominant mineralisation type at Gum Creek and include Swan Bitter, Swift, Kingfisher and Wyooda/Thangoo.
- Ductile shear hosted mineralisation – arsenopyrite dominant. Fine grained gold associated with sulphide rich, intense biotite-sericite altered narrow ductile shear zones. Gold grades are typically in the range 5-10g/t Au. Arsenopyrite and pyrrhotite are the dominant sulphides with most gold locked within the arsenopyrite. Examples of this style of mineralisation are the refractory deposits of Wilsons, Heron South, Snook and Camel Bore.
- Ductile shear hosted mineralisation – pyrite dominant. Fine grained gold associated with sulphide poor, broad ductile shear zones developed within mafic host rocks. Shearing typically defined by weak biotite alteration, up to 1% fine pyrite and a sparse network of thin (1-3mm thick) quartz veins.

Gold grades are typically in the range 0.5–1.5g/t Au and the mineralisation is free milling. The Howards deposit is representative of this mineralisation style.

- BIF hosted mineralisation. Quartz-pyrrhotite veining and pyrrhotite replacement of magnetite meso-bands form narrow steep-plunging shoots of limited length and width, but extending to depth. This mineralisation style occurs in fold hinges within banded iron formation marginal to major north-south shear zones, and is similar to the Hill 50 mineralisation at Mt Magnet. Grades are typically 1-10g/t Au and the mineralisation is free milling. The Omega deposit is of this style.
- Quartz veins. Sulphide poor, sheeted and anastomosing quartz veins and lenses developed in shears straddling granodiorite contacts within the Gum Creek Greenstone Belt. Grades are typically 1-5g/t Au. The Montague deposits, which are free milling, represent this style of mineralisation.

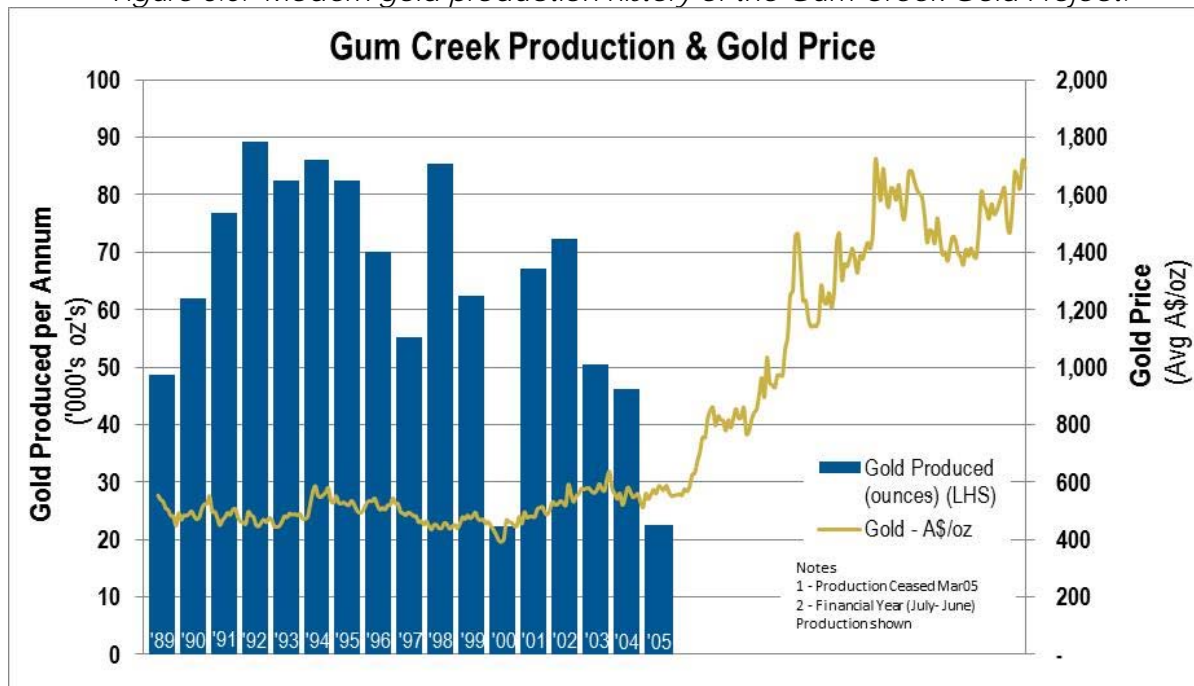
Figure 3.4: Regional geology of the Gum Creek Greenstone Belt



3.2.3 Historical Activities

Gold was first discovered in the area at Jonesville (now part of the Swan Bitter deposit) in 1926, with first recorded gold production in 1931. Modern mining operations commenced in the 1980's and ceased in 2005 when the gold price was approximately A\$550/oz. To that time, in excess of one million ounces of gold were produced from more than 20 open pits and three underground mines, with the main gold-producing areas being Swan-Swift, Kingfisher, Omega and Montague. Production during the modern era is shown in Figure 3.5.

Figure 3.5: Modern gold production history of the Gum Creek Gold Project.



3.2.4 Exploration and Studies by Panoramic Gold from 2011 to 2016

The Project was acquired by Panoramic Gold in two separate transactions. In February 2011, Panoramic Gold purchased the majority of the current Gum Creek Tenements and mine infrastructure. In June 2012, Panoramic Gold acquired the adjacent high grade Wilsons deposit.

Resource extension drilling programs completed by Panoramic Gold during 2011-2012 led to an increase of gold in Resources of approximately 65% to 1,048,600oz. In August 2012, Panoramic Gold completed a Scoping Study which contemplated open pit mining from Swan Bitter, Swift, Howards, Toedter and Specimen Well, and underground mining of Wilsons.

During FY2013, Panoramic Gold completed approximately 35km of RC and core drilling at Wilsons, Swan-Swift, Howards and Shiraz, leading to an upgrade of gold in Resources to 1.3Moz, with over 85% of the Resource in the Indicated category. During FY2013 and FY2014, metallurgical and engineering studies to optimise capital and operating costs, gold recoveries, process flowsheet infrastructure and tailings storage were also progressed. In addition, Panoramic Gold completed a number of environmental and heritage baseline studies as part of the mining approvals process.

In 2015, a new exploration initiative commenced, with the acquisition of heli-borne electromagnetic (EM) and ground gravity datasets over the Project.

Integration of geophysical data collected from ground gravity and airborne electromagnetic surveys with existing magnetic surveys, geological mapping and the drill-hole database identified fourteen high priority regional targets for follow-up exploration. The Wilsons Shear was one of the 14 target zones identified, with a further 14 discrete geophysical targets identified along the shear. JORC Table 1, Section 2 (Reporting of Exploration Results) in relation to the EM survey is included in Appendix 1 to this Prospectus.

In 2016, Panoramic Gold conducted an induced polarisation (**IP**) test survey over the Wilsons deposit. The IP test survey identified a clear chargeable source coincident with the known Wilsons mineralisation. Following on from the Wilsons IP test survey Panoramic Gold continued IP surveying across the Wilsons Shear for a distance of 6km to the south of the Wilsons deposit. The IP survey program identified two discrete IP chargeable anomalies similar to the one identified by the test survey at Wilsons. Neither of the anomalies has been tested by drilling, and the source of the anomalies is unknown. An estimated ten percent of the Wilsons Shear strike extent within the Project area has been tested by the IP completed to date. JORC Table 1, Section 2 (Reporting of Exploration Results) in relation to the IP survey is included in Appendix 1 to this Prospectus.

In March 2016, Panoramic Gold completed a Scoping Study for a free-milling only development option. The Scoping Study contemplated open pit mining from Swan, Swift and Howards deposits, with processing via conventional gravity and carbon-in-leach treatment.

In June 2016, metallurgical testwork on the Wilsons refractory mineralisation identified a potential processing route utilising moderate conditions to oxidise flotation concentrate, achieving high gold recoveries by cyanide leach.

3.3 Mineral Resources

Total Mineral Resources at the Project as at 30 September 2016 stood at 17.3 million tonnes averaging 2.25g/t gold containing for 1.25 million ounces of gold. All Resources are in compliance with JORC 2012. A breakdown of the Resources by deposit is shown in Table 3.1.

Full details of the Resources, including Material Information Summaries for each deposit and JORC Table 1, Sections 1 and 3 are included in an announcement by Panoramic to the ASX dated 14 October 2016. The announcement can be accessed via Panoramic's ASX announcements platform (ASX: PAN). The Company lodged a copy of the announcement with ASIC on 21 October 2016. The lodged announcement is incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of the announcement to any person who requests a copy during the offer period, free of charge.

Table 3.1: Mineral Resources (JORC 2012 compliant) at the Gum Creek Gold Project as at 30 September 2016.

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	Jun-15	0.7	Free Milling	2,250,000	2.57	990,000	2.36	3,240,000	2.51	261,100
Heron South	Aug-16	0.5	Refractory	1,135,000	2.20	2,000	1.32	1,137,000	2.20	80,400
Howards	Jul-13	0.4	Free Milling	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well	Aug-16	0.5	Free Milling			361,000	2.00	361,000	2.00	23,200
Toedter	Aug-16	0.5	Free Milling			690,000	1.54	690,000	1.54	34,200
Shiraz	Jul-13	0.4	Refractory	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Underground Resources										
Swan UG	Jun-15	4.0/6.0	Free Milling	207,000	8.71	77,000	11.25	284,000	9.40	85,800
Swift UG	Jun-15	6.0	Free Milling			46,000	10.25	46,000	10.25	15,200
Kingfisher UG	Aug-16	3.5	Free Milling			391,000	6.14	391,000	6.14	77,200
Wilsons UG	Jul-13	1.0	Refractory	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Total				13,454,000	2.17	3,849,000	2.53	17,303,000	2.25	1,250,100

3.3.1 Competent Persons Statement

The information in this Prospectus that relates to Exploration Results at Gum Creek is based on information compiled by John Hicks. Mr Hicks is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a full-time employee and shareholder of Panoramic Resources Limited. Mr Hicks also holds performance rights to shares in relation to Panoramic Resources Limited. The aforementioned has sufficient experience that is relevant to the style of mineralisation and type of target/deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in this Prospectus of the matters based on the information in the form and context in which it appears.

The information in this Prospectus that relates to the Swan OC, Swan UG, Swift UG, and Kingfisher Mineral Resources is based on information compiled by or reviewed by Dr Spero Carras (FAusIMM). Dr Carras is the Executive Director of Carras Mining Pty Ltd and was acting as a consultant to Legend Mining Ltd in 2006 and Panoramic Resources Ltd between 2012 and 2016. Dr Carras has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Carras consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to the Heron South, Howards, Specimen Well, Shiraz and Toedter Mineral Resources is based on information compiled by or reviewed by Andrew Bewsher (AIG). Mr Bewsher is a full time

employee of BM Geological Services and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bewsher consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to the Wilsons Mineral Resource is based on information compiled by or reviewed by Ben Pollard (AIG, AusIMM). Mr Pollard is a full time employee of BM Geological Services and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pollard consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

3.4 Proposed Exploration and Development Strategy

The Company's proposed strategy for the Gum Creek Gold Project comprises three key objectives:

- undertake extensional and infill drilling to grow the known resources and lift defined resources into higher-confidence JORC categories;
- undertake regional exploration targeting new gold discoveries outside of the known resources; and
- carry out development studies (including but not limited to metallurgical and processing investigations) on the free milling and refractory mineralisation.

Details of the proposed initial two-year work program are presented below.

3.5 Proposed Work Programs

3.5.1 Resource Extension and Infill Drilling

Initial targets for infill and extension drilling in years one and two include:

- infill and confirmatory RC and core drilling at Swan North and Swift to enhance understanding of the controls on mineralisation and to improve Resource confidence; and
- drill testing for Resource extensions at depth and along strike at Heron South and Kingfisher.

A total of 7,000m of RC and core drilling is proposed over the four targets. First priority target is Heron South, where previous drilling below the depth of weathering intersected significant thicknesses and grades of gold mineralisation. Heron South is open at depth and along strike.

3.5.2 Regional Exploration Activities

Panoramic Gold has assembled fully integrated, high quality, belt scale geological, geophysical and geochemical datasets. These have been used by Panoramic Gold to generate high priority gold targets, which the Company believes justify a significant exploration program.

Integration of geophysical data collected from ground gravity and airborne electromagnetic surveys with existing magnetic surveys, geological mapping and the drill-hole database by Panoramic Gold's consultant geophysicists led to 14 high priority regional targets identified for follow-up exploration, labelled T1 to T14 in Figure 3.7. Brief descriptions of the 14 priority targets and proposed two-year work programs are presented in Table 3.2.

The Wilsons Shear was one of the 14 target zones identified (T6), with a further 14 discrete geophysical targets identified along the shear (T6.1 to T6.14, Figure 3.7). In 2016, Panoramic Gold conducted an IP test survey over the Wilsons deposit. The IP test survey identified a clear chargeable source coincident with the known Wilsons mineralisation. Following on from the Wilsons IP test survey Panoramic Gold continued IP surveying across the Wilsons Shear for a distance of 6km to the south of the Wilsons deposit. The IP survey program identified two further IP chargeable anomalies similar to that outlined at Wilsons (Figure 3.8). Neither of these anomalies has been previously tested by drilling and currently only ten percent of the Wilsons Shear has been tested by IP. Future work includes extending the IP coverage along the Wilsons Shear and drill testing highlighted chargeable anomalies.

Proposed regional exploration includes staged programs of ground EM surveys, IP surveys and air-core drilling, to better define geophysical, geochemical and structural targets, to be followed by RC and core drilling of prospects that warrant it. Approximately 200 line kilometres of EM, 400 line kilometres of IP, and 13,000m of air-core drilling is planned in the initial exploration phase, with approximately 13,000m of RC and core drilling planned in the follow-up advanced exploration phase. The amounts of geophysical surveys and drilling is indicative only, and may vary depending on results.

Where required, aboriginal heritage surveys will be undertaken prior to commencing ground disturbing activities. The exact nature and timing of work programs may be subject to change, depending on the outcomes of the surveys.

Figure 3.7: Grey-scale magnetic (total magnetic intensity) image of the Gum Creek Greenstone Belt, showing priority geophysical exploration targets.

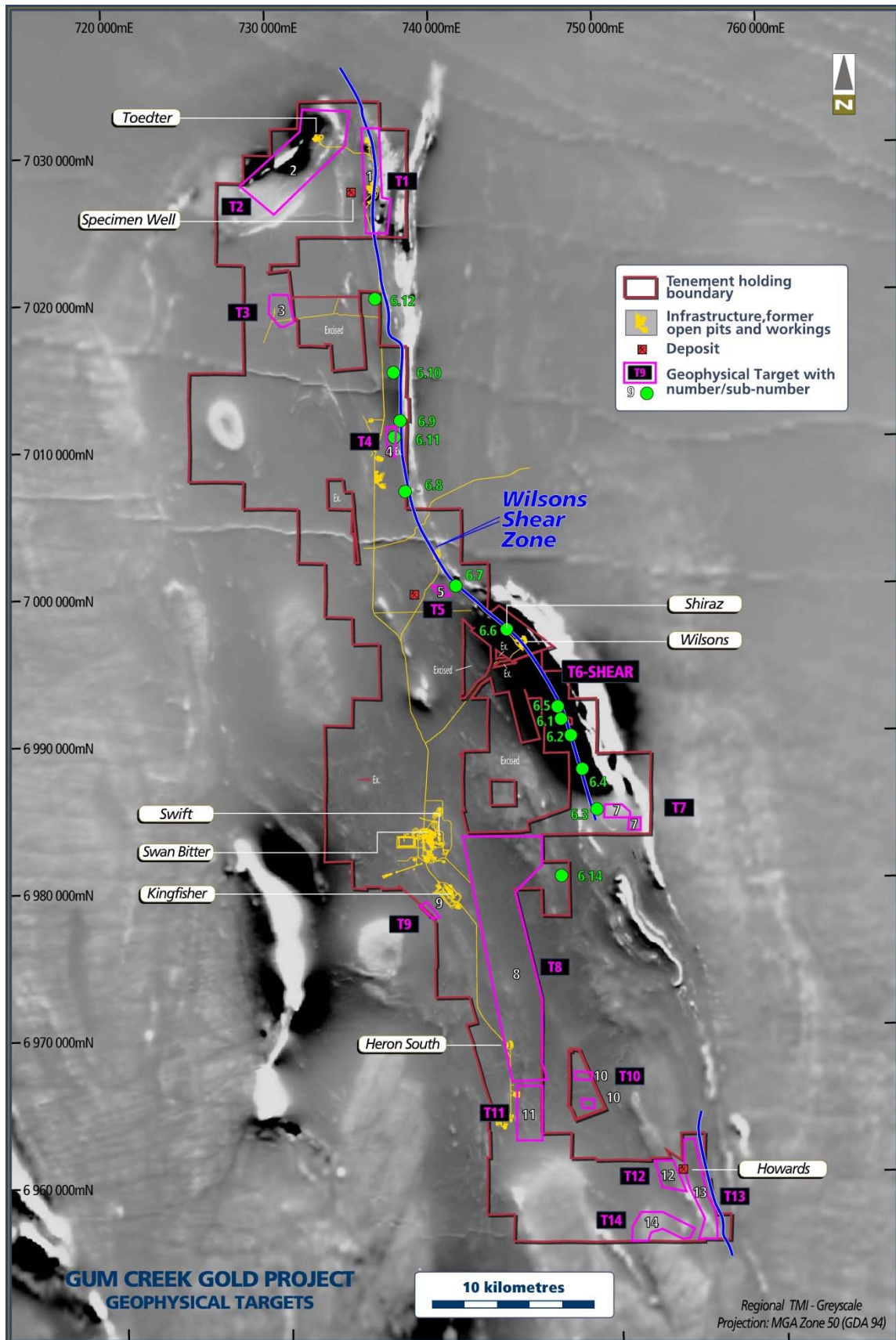
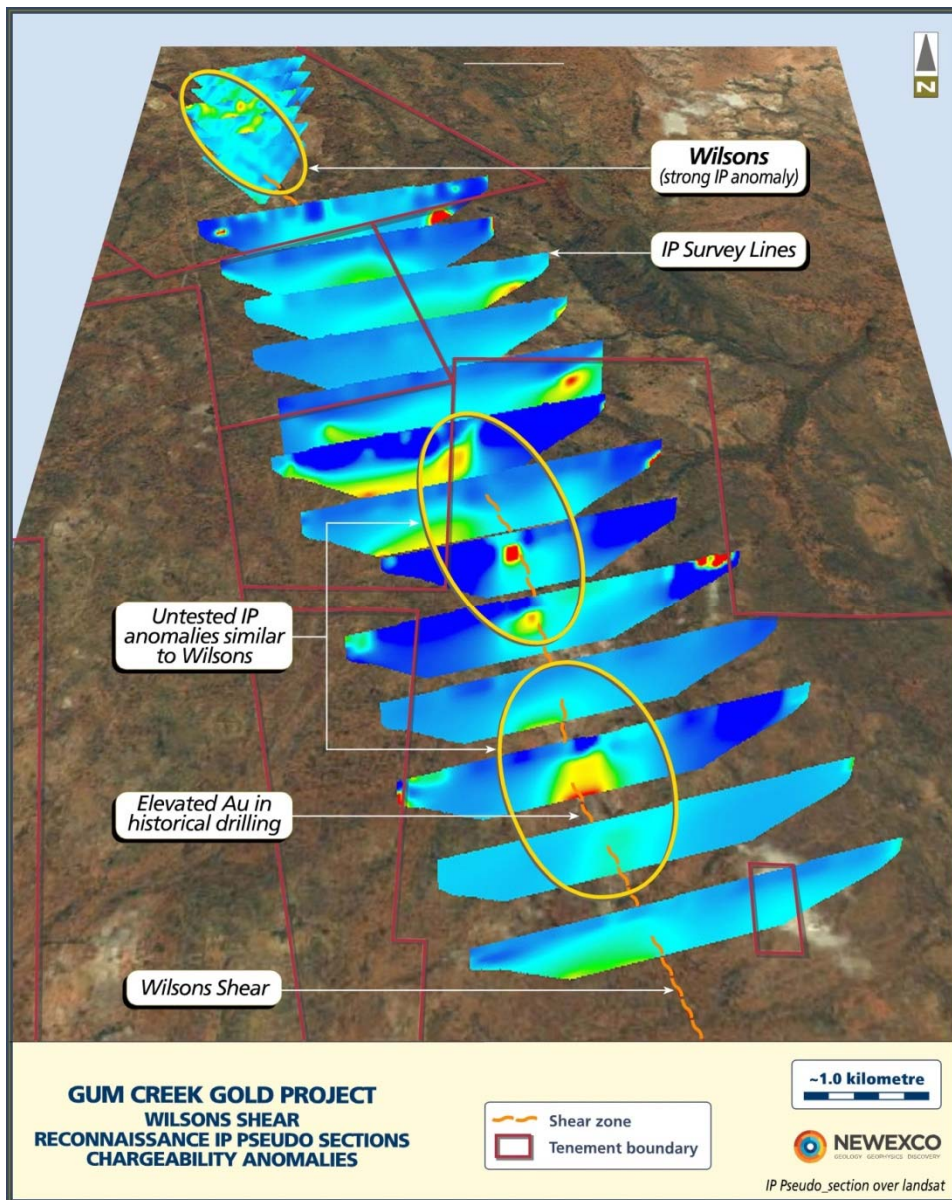


Table 3.2: Summaries of the 14 priority target areas and proposed two-year work programs.

Target	Description	Proposed Work Program
T1	<ul style="list-style-type: none"> 7km strike extent of prospective BIF extending south from the high grade Omega deposit BIF has not been intensively drilled Anomalous Au in drilling not followed up Two bedrock conductors interpreted 	<ul style="list-style-type: none"> Ground EM survey RC and core drilling as required
T2	<ul style="list-style-type: none"> 8km strike extent of prospective BIF Much of the area has no drilling Previous soil geochem and prospecting ineffective due to transported cover One bedrock conductor interpreted 	<ul style="list-style-type: none"> Ground EM survey Air-core drilling RC drilling as required
T3	<ul style="list-style-type: none"> 1.5km strike extent of prospective northeast striking mineralised structure Orion open pit is within the target area Anomalous gold in aircore drilling not followed up Much of the structure has not been drilled Much of the area is covered by alluvium, hence soil geochem and prospecting may have been ineffective Two bedrock conductors interpreted 	<ul style="list-style-type: none"> IP survey Air-core drilling RC drilling as required
T4	<ul style="list-style-type: none"> 1.8km strike extent of a conductive regolith possibly associated with deeper weathering developed over an alteration zone Anomalous gold in drilling in part of the area with multiple holes having intersections >5g/t Much of the regolith conductor has not been drilled One bedrock conductor interpreted 	<ul style="list-style-type: none"> Ground EM survey Air-core drilling RC and core drilling as required
T5	<ul style="list-style-type: none"> Isolated gold in drilling Interpreted favourable structural setting Limited existing drilling One bedrock conductor interpreted 	<ul style="list-style-type: none"> IP survey RC drilling as required
T6	<ul style="list-style-type: none"> 10km strike length of the Wilson's Shear, extending 5km north and south of the Wilsons deposit 14 discrete geochemical, geophysical and structural targets identified 	<ul style="list-style-type: none"> IP survey Air-core drilling RC and core drilling as required
T7	<ul style="list-style-type: none"> Two discrete strong airborne EM anomalies Favourable structural location Untested by previous drilling 	<ul style="list-style-type: none"> Ground EM survey RC and core drilling as required
T8	<ul style="list-style-type: none"> Large, underexplored target extending for 15km strike length under transported cover Along strike from Kingfisher, Heron and Deep South 	<ul style="list-style-type: none"> IP survey RC drilling as required
T9	<ul style="list-style-type: none"> Isolated gold in drilling Limited existing drilling One bedrock conductor interpreted 	<ul style="list-style-type: none"> Air-core drilling RC drilling as required
T10	<ul style="list-style-type: none"> Two discrete EM targets Anomalous gold in drilling Favourable structural location Limited existing drilling 	<ul style="list-style-type: none"> Ground EM survey RC drilling as required
T11	<ul style="list-style-type: none"> 3.5km long zone along strike from Kingfisher deposit Only partially drill tested Previous soil geochem and prospecting ineffective due to transported cover 	<ul style="list-style-type: none"> IP survey RC drilling as required
T12	<ul style="list-style-type: none"> 2km north-south extension of mineralised trend associated with the Whistler, Montague Boulder, Caledonian, Rosie Castle and Airport Gold 	<ul style="list-style-type: none"> IP survey RC drilling as required

	occurrences <ul style="list-style-type: none"> • Thin transported cover • Limited drilling 	
T13	<ul style="list-style-type: none"> • 7km north-south zone defined by a strong gravity gradient • Howards deposit lies on this gravity feature • Thin colluvial and alluvial cover • Most of the target is undrilled 	<ul style="list-style-type: none"> • IP survey • Air-core drilling • RC drilling as required
T14	<ul style="list-style-type: none"> • 3km long zone defined by a strong gravity gradient • Alluvial cover • Most of the target is undrilled 	<ul style="list-style-type: none"> • IP survey • RC drilling as required

Figure 3.8: Wilsons IP pseudo-sections highlighting chargeable zones



3.5.3 Development Studies

Scoping-level studies for both free-milling and refractory mineralisation were completed by Panoramic Gold over the period between 2012 and 2016. As a result of these studies, a significant body of data and knowledge has been accumulated on the technical and permitting aspects of the Project. The Company believes that the work carried out to date serves as a basis upon

which to carry out the following key activities to further advance its understanding of the Project.

Year 1

- Optimisation studies on free milling material to identify areas for possible reductions in mining and processing operating and capital costs; and
- Further metallurgical test work to confirm the suitability of Wilsons refractory mineralisation to treatment by a moderate temperature and pressure oxidation process. The aim is to develop and optimise a flowsheet, ensure repeatability and scalability and determine sufficient information for detailed design and costing.

Year 2

Work proposed to be undertaken in Year 2 will depend on results from Year 1, prevailing market conditions and gold price. Assuming these are all favourable, then it is anticipated that a development study may be undertaken in Year 2, the scope of which may or may not include refractory material, depending on metallurgical and other studies completed in Year 1.

3.6 Horizon Two Year Budget

A budget has been prepared covering the first two years after listing, with approximately \$13.09 million (inclusive of general and administrative charges, but excluding IPO and reimbursement costs) as disclosed in Table 3.3.

Under the Management Agreement with Panoramic, Horizon will utilise Panoramic's management team to provide corporate, technical, managerial and administrative services to Horizon, providing continuity of knowledge in relation to the Project.

Further details of the Company's intended exploration and studies programs are contained in the Independent Technical Report in Section 5.

Table 3.3: Two-year budget for Horizon (excluding Offers and reimbursement costs).

Program	Activity	Year 1 (\$'000s)	Year 2 (\$'000s)	Total (\$'000s)
Exploration	Staff, contractors and consultants	860	720	1,580
	Geophysical surveys	850	310	1,160
	Air-core drilling & sampling	310	90	400
	RC, core drilling & sampling	1,070	520	1,590
	Resource extension / infill drilling	720	-	720
	Follow-up exploration (unallocated)	500	500	1,000
	Sub-total	4,310	2,140	6,450
Studies	Metallurgical testwork	520	60	580
	Project studies	290	1,080	1,370
	Sub-total	810	1,140	1,950
Project maintenance	Rent, rates and MRF levy	1,020	1,020	2,040
	Site maintenance costs	550	550	1,100
	General and administration	750	800	1,550
	Sub-total	2,320	2,370	4,690
Project Total		7,440	5,650	13,090

The exploration programs and budgeted expenditure outlined in Table 3.5 is subject to modification on an ongoing basis and is contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities and will always be prioritised in accordance with due regard to technical merit and other business decisions related to the Company's activities. Ongoing assessment of the Company's projects may lead to increased or decreased levels of expenditure reflecting a change of emphasis.

3.7 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Technical Report in Section 5 for further details about the geology, location and mineral potential of the Project; and
- (b) the summary of the Solicitor's Report on Tenements in Section 8 for further details in respect of Panoramic Gold's interests in the Tenements.

3.8 Dividend Policy

It is anticipated that significant expenditure will be incurred in the evaluation and continued development of the Project. These activities are expected to dominate at least, the first two years following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that time.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3.9 Capital Structure

The capital structure of the Company following completion of the Offers is summarised below¹:

Description	Number of Shares
Shares currently on issue and held by Panoramic	5
Shares to be issued to Panoramic under the Acquisition Agreement	39,030,612
Shares to be issued pursuant to the Offers	37,500,000
Total Shares on completion of the Offers	76,530,617

Notes:

1. Refer to the Independent Limited Assurance Report set out in Section 7 for further details.
2. The rights attaching to the Shares are summarised in Section 12.2.

3.10 Substantial Shareholders

As at the date of this Prospectus, Panoramic holds 5 Shares (being 100% of the issued capital of the Company). Upon completion of the Offers, Panoramic will hold 39,030,617 Shares, equating to a 51% shareholding in the Company.

Zeta Resources Limited (**Zeta**) is a company listed on ASX and together with UIL Limited, General Provincial Life Pension Fund (L) Limited, Bermuda Commercial Bank Limited and ICM Limited has lodged a Form 604 under the Corporations Act dated 4 May 2016 disclosing voting power in Panoramic of 24.68%. As a result of such holding, Zeta will, under the Corporations Act, be deemed to have a relevant interest in the 51% shareholding in the Company held by Panoramic.

The Directors understand that Zeta has agreed to sub-underwrite the Offers to the extent of 11,478,827 Shares, which is equivalent to a 15% shareholding in Horizon and that any Shares that Zeta applies for under the Offers will go in relief of its sub-underwriting commitment.

The Directors are not otherwise aware of the extent, if any, to which Zeta intends to participate in the Priority Offer in addition to its sub-underwriting commitment.

Given that there is no limit on the number of Shares that Applicants may apply for it is not possible, as at the date of this Prospectus, to provide any more detail on the possible substantial shareholders of Horizon on listing.

The Company will announce to the ASX details of its top-20 registered Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

4. RISK FACTORS

4.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed. There may also be additional risks (including financial and taxation risks) that you should consider in light of your own personal circumstances

4.2 Company specific

(a) Exploration

The Tenements comprising the Gum Creek Gold Project are at various stages of exploration. Potential investors should understand that mineral exploration is a high-risk undertaking.

In particular, there is a risk that the contemplated extensional and infill resource drilling programs, or the regional exploration activities to generate new targets will not be successful.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, availability of suitable equipment and personnel, land access and environmental considerations.

There can be no assurance that future exploration of the Tenements, or any other Tenements that may be acquired in the future, will result in the discovery of an economically viable deposit.

(b) Studies

There is a risk that the contemplated metallurgical and process investigations on the known mineralisation types at the Project may not lead to a viable processing route.

Furthermore, there is a risk that the contemplated development studies may not lead to a project that is economically viable.

(c) **Development**

If a potentially viable deposit is identified, there is no guarantee that it can be economically exploited. Factors such as gold price and currency exchange rate, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction rates and costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, permitting requirements, government regulations and many other factors beyond the control of the Company, may affect whether a deposit can be economically exploited.

(d) **Future funding**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve granting of security over the Company's assets, restrictions on other forms of financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) **Key personnel**

Panoramic will provide personnel to the Company under a Management Agreement. Refer to Section 11.3 for a summary of the key terms of the Management Agreement. There can be no assurance that this service will continue to be available. The termination of the Management Agreement may have an adverse effect on the performance of the Company until alternative arrangements can be implemented or key personnel are appointed directly by the Company.

(f) **Limited history**

The Company was recently incorporated (10 August 2016) and has no operating history and no historical financial performance. Exploration has previously been conducted on the Gum Creek Gold Project, however, the Company is yet to conduct its own exploration activities and will not commence these activities until the Company has been admitted to the Official List. No assurance can be given that the Company will achieve financial viability through the successful exploration and/or development and operation of the Project. Until the Company is able to realise value from the Project, it is likely to incur ongoing operating losses.

As noted in Section 6 and the Independent Limited Assurance Report in Section 7, if the capital raising under this Prospectus is unsuccessful there is uncertainty as to whether the Company will be able to continue as a going concern. The Board notes that the Offers are fully underwritten. Please refer to Section 11.2 for a summary of the key terms of the Underwriting Agreement.

(g) **Restricted securities reducing liquidity**

The Shares issued to Panoramic prior to the listing of the Company on ASX will be designated as “restricted securities” under the ASX Listing Rules and will be required to be held in escrow for a period of two years from the date of official quotation on the ASX.

A significant sale of Shares by Panoramic following expiry of the escrow period, or the perception that a sale may have occurred, could adversely affect the price of the Shares. Alternatively, the absence of any sale of those Shares may cause or at least contribute to an illiquid market for Shares.

(h) **Underwriting risk**

The Underwriting Agreement entered into by the Company with the Underwriter is subject to certain terms and conditions (refer to Section 11.2). If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. If the Underwriting Agreement is terminated, then the Offers may not proceed.

(i) **Directors**

The Company is dependent on the experience of its Directors. Whilst the Board has sought to and will continue to ensure that Directors are appropriately experienced and remunerated, their on-going services cannot be guaranteed.

(j) **Environment**

The Gum Creek Gold Project covers areas that were the subject of previous mining operations the rehabilitation of which is Panoramic Gold’s responsibility. Current estimated costs to rehabilitate the site are \$9,579,000. This amount may increase over time, and may affect the Company’s working capital position at the time it is necessary for any such rehabilitation to be carried out.

(k) **Royalties**

Mining activities by the Company on the Tenements are subject to State royalties. In addition, a number of the Tenements are subject to private royalties held by third parties (refer to Section 3.2.1 and the summary of the Solicitor’s Report in Section 8). These royalties may affect the profitability and commercial viability of the Company’s possible future mining operations that are subject to these royalties.

4.3 Industry specific

(a) **Commodity price and exchange rate risk**

Changes in the market price of gold, which in the past has been subject to material fluctuations, will affect the profitability of the Company’s operations and its financial condition in the future, if the Company is able to develop the Project and commences production. The market price of gold is set in global markets and is affected by numerous industry and market factors beyond the Company’s control including expectations with respect to the rate of inflation, interest rates, currency

exchange rates, the demand for jewellery and other products containing gold, production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, of gold and other metals in response to any of the above factors, and global and regional political and economic factors.

A decline in the market price of gold below the Company's future production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Company's possible future operations. Such a decline could also have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future projects. A decline in the market price of gold may also require the Company to write-down any Reserves that may be declared in the future which would have a material adverse effect on the value of the Company's securities. The Company will also have to assess the economic impact of any sustained lower gold prices on recoverability and therefore, on cut-off grades and the level of its Mineral Resources and any Reserves it may estimate in the future.

The international price of gold is typically denominated in United States dollars, whereas the income and expenditure of the Company with respect to the Gum Creek Gold Project will be denominated in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(b) **Resource estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially made may alter significantly when new information or techniques become available. In addition, by their very nature resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

The Company has identified a number of exploration prospects based on geological interpretations and limited geophysical data, geochemical sampling and historic drilling. Insufficient data exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining new resources, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration prospects identified. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

(c) **Tenements**

The Tenements are subject to the Mining Act 1978 (WA) (**Mining Act**) and applicable regulations. The tenement holder has certain obligations under the Mining Act in relation to the Tenements, including payment of annual rents, meeting prescribed expenditure commitments (or obtaining exemptions therefrom), and satisfying other conditions imposed on the Tenements.

It is the Company's intention to satisfy the conditions that apply to the Tenements. However there are no guarantees that, in the future, the

Tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the Tenements will be satisfied. If the conditions that apply to a Tenement are not satisfied, it may be subject to additional conditions, penalties, objections or forfeiture applications. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.

Tenements are subject to periodic renewal or extension of term. Extension of term applications are pending for six Tenements. There is no guarantee that these applications will be approved, or that future applications for renewal or extension will be approved.

Whilst a number of the Company's key prospects are on granted Mining Leases, there are a number of targets located on Exploration Licences. There can be no assurance that applications for future Mining Leases will be granted on satisfactory terms, or at all.

Please refer to the summary of the Solicitor's Report on Tenements in Section 8 for further details.

(d) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in a delay to anticipated exploration programmes or mining activities.

Environmental impacts of exploration activities and mining operations are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

(e) **Native Title and Aboriginal Heritage**

The effect of the present laws in respect of Native Title that apply in Australia is that the Tenements may be affected by Native Title claims or procedures. This may preclude or delay the granting of exploration and mining tenements or the ability of the Company to explore, develop

and/or commercialise the resources on the Tenements. Considerable expense may be incurred negotiating and resolving issues, including any compensation arrangements reached in settling Native Title claims lodged over any of the Tenements held or acquired by the Company.

The presence of Aboriginal sacred sites and cultural heritage artefacts on the Tenements is protected by State and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and Court injunctions, which may adversely impact on exploration and mining activities. The Company will review and, as required, conduct surveys before conducting exploration work which could disturb the surface of the land. The Tenements currently contain, and may contain additional, sites of cultural significance which will need to be avoided during field programs and any resulting mining operations. The existence of such sites may limit or preclude exploration or mining activities on those sites and delays and expenses may be experienced in obtaining clearances.

The Company intends to engage with identified stakeholders as part of executing its exploration program.

Please refer to the summary of the Solicitor's Report on Tenements in Section 8 for further details.

4.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and commodity and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Currently no market**

There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offers.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than \$0.40 and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid for their Shares.

(c) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- General economic outlook;
- Introduction of tax reform or other new legislation;
- Interest rates and inflation rates;
- Changes in investor sentiment toward particular market sectors;
- The demand for, and supply of, capital; and
- Terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the ASX, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Agents and contractors**

The Directors are unable to predict the risk of insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(f) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in the impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(h) **Litigation risks**

The Company may in the future be exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(i) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(j) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the possible development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

4.5 Investment speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

5. INDEPENDENT TECHNICAL REPORT

Independent Technical Report

Horizon Gold Limited

Gum Creek Gold Project

Prepared by: Tuscan Geoscience
Paul Patrick Mazzoni
18 October 2016

Document Reference:
IGR_GumCreekGoldProject_ITR_final_18October2016

18 October 2016

The Directors
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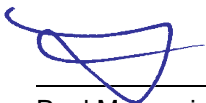
RE: Gum Creek Gold Project - Independent Technical Report

Horizon Gold Limited (Horizon) has commissioned Paul Patrick Mazzoni, trading as Tuscan Geoscience, to prepare an Independent Technical Report (ITR) for the Gum Creek Gold Project (the "Project"). It is understood that the ITR is required for inclusion in a Prospectus to support the listing of Horizon on the Australian Securities Exchange (ASX). Gum Creek is an advanced exploration and pre-development project in the Yilgarn Craton of Western Australia. Horizon intends raising A\$15 million through the issuance of 37.5 million shares at A\$0.40 per share. An exploration and project development studies budget for the first two years following listing has been prepared by Horizon. The total proposed budget is A\$13.09M. A total of A\$1.95M is allocated to Project development studies and A\$9.59M to Exploration (including leasing costs and site care and maintenance). Together these budget allocations comprise 77% of the planned capital raising.

The Independent Technical Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("The Valmin Code" 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG), and the rules and guidelines issued by such bodies as the ASIC and Australian Securities Exchange (ASX), which pertain to Independent Expert Reports. The report is also consistent with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 ("The JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (JORC).

The primary author of this report is Mr Paul Mazzoni, who is a professional geologist with 43 years of experience in the mining industry. Mr Mazzoni is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), holds Chartered Professional Status (CP-Management) and is a Member of the Society of Economic Geologists (MSEG). The other contributing authors to this report are Mr Paul Payne and Mr Christopher Campbell-Hicks. They were retained as "Specialists" to review and report on the Project Mineral Resources and the metallurgical and processing aspects of the Project respectively. Mr Payne is a professional geologist with 32 years of experience and is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Campbell-Hicks is a Process Engineer with more than 40 years of experience in process engineering. Mr Campbell-Hicks is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), holds Chartered Professional Status and is a Member of the Mineral Industry Consultants Association.

Each of the authors has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and as "Competent Persons" under the definition provided in the JORC Code.



Paul Mazzoni
Tuscan Geoscience

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EXECUTIVE SUMMARY

Context and Scope

Horizon Gold Limited (Horizon) has commissioned Paul Patrick Mazzoni, trading as Tuscan Geoscience (Tuscan), to prepare an Independent Technical Report (ITR) for the Gum Creek Gold Project (the "Project"). Gum Creek is an advanced exploration and pre-development gold project on the Yilgarn Craton of Western Australia. It is understood that the ITR is required for inclusion in a Prospectus to support the listing of Horizon Gold Limited on the Australian Securities Exchange (ASX). Horizon intends raising A\$15 million through the issuance of 37.5 million shares at A\$0.40 per share. An exploration and project development studies budget for the first two years following listing has been prepared by Horizon. The total proposed budget is A\$13.09M. A total of A\$1.95M is allocated to Project development studies and A\$9.59M to Exploration (including leasing costs and site care and maintenance).

The Independent Technical Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("The Valmin Code" 2015 Edition) and the regulatory guidelines issued by the ASIC which pertain to Independent Expert Reports. The report is also consistent with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 ("The JORC Code 2012 Edition")'. The Independent Technical Report has been prepared based on information available up to and including 14 October 2016.

Project Background

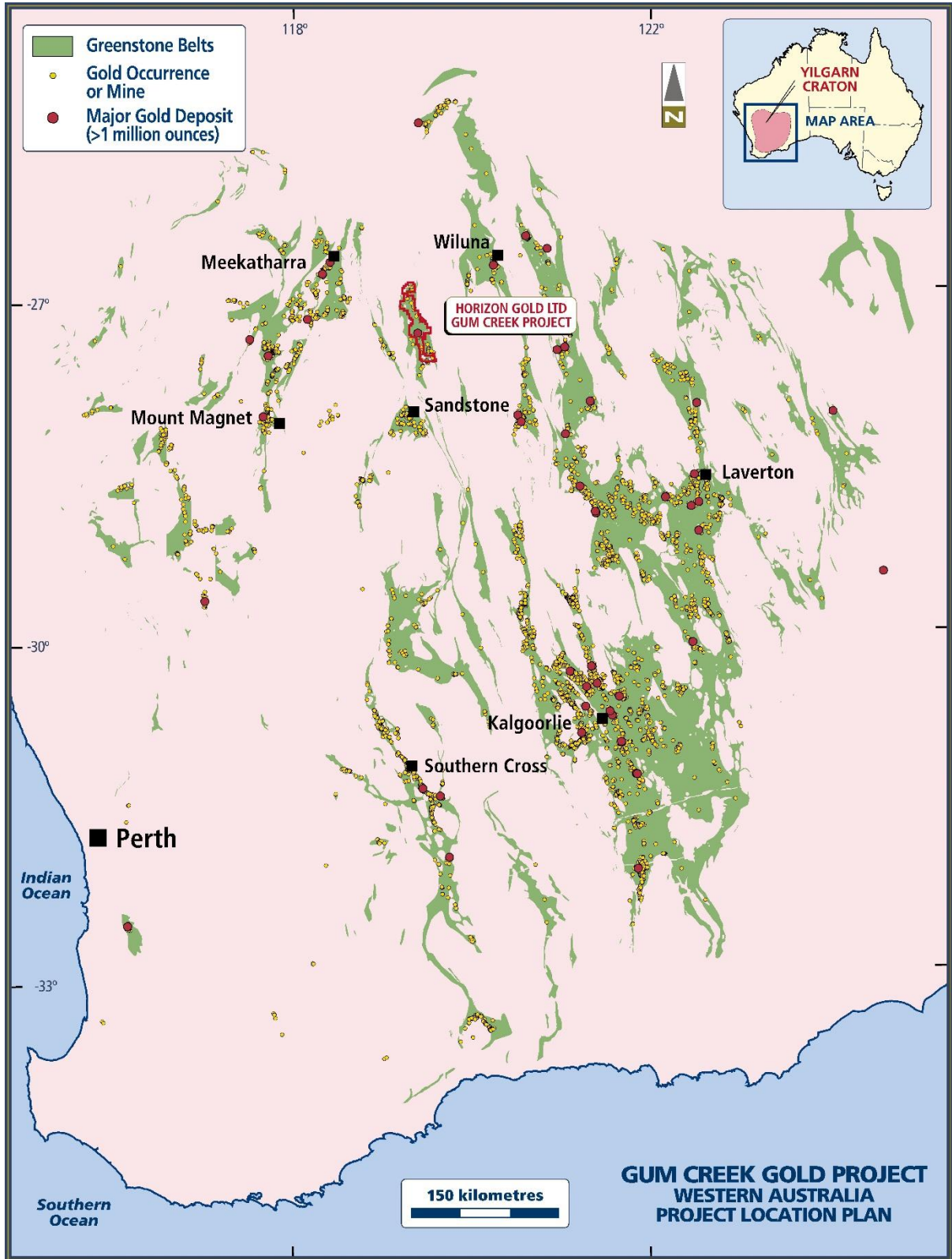
The Project is located 640km north-east of Perth and is centrally located between the towns of Meekatharra, Wiluna and Sandstone. The Project tenements comprise 46 licenses for an area of approximately 724km² covering a significant part of the Gum Creek Greenstone Belt. The mining tenements are held in the name of Panoramic Gold Pty Ltd, currently a wholly owned subsidiary of Panoramic Resources Ltd (together "Panoramic"). On successful listing, Panoramic Gold will become a wholly owned subsidiary of Horizon.

Historical gold mining commenced in the area in 1931 but the main period of gold production occurred between 1987 and 2005. A total of 37 individual mines including three underground mines provided the bulk of the feed to the processing plant. Around 1.1Moz of gold were produced from historical mining and processing activities. The Project includes the 600,000tpa Gidgee processing plant (inactive since 2005), associated infrastructure, a tailings storage facility, a 110 person accommodation village and an airstrip.

Geology and Mineralisation

The Project tenements are located within the northern portion of the Southern Cross Province of the Youanmi Terrane, a part of the Archaean Yilgarn Craton in Western Australian. The Southern Cross Province comprises a series of granite-greenstone belts of which the Gum Creek Greenstone Belt is one (Figure 1). The Gum Creek Belt is about 110km long and 24km wide and is surrounded by intrusive granitoids which contain rafts of greenstones. Within the Belt, major geological units occupying a large north-south synclinorium. The lowest unit consists mostly of interbedded banded iron formation and mafic and ultramafic volcanics. The central unit consists mainly of basalts and felsic volcanics with differentiated gabbroic sills which range in composition from ultrabasic through to pyroxenite to gabbro. The uppermost unit mainly consists of shales, siltstones and minor cherts. Late stage granitoids intrude along the length of the belt.

Figure 1
Gum Creek Gold Project Location



Source: Horizon 2016

Four main styles of gold mineralisation have been mined

- Quartz-carbonate-(pyrite) veining in mafic rocks along or marginal to major, remobilised N-S shear zones. Much of the ore mined to date has been from supergene-enriched zones, and at depth the veins largely occupy brittle structures. The Gidgee (including Swan Bitter and Swift), Kingfisher and Wyooda/Thangoo deposits are examples of this style of mineralisation. They represent the dominant mineralisation type mined to date and are generally considered typical free milling gold deposits.
- Quartz-pyrite-arsenopyrite veining in mafic volcanic rocks. Later faulting is thought to control the localisation of high grade shoots. The Wilsons, Heron South and Shiraz deposits are of this type and are sulphide-rich below the extent of surficial oxidation. This style of mineralisation where not oxidised generally has processing characteristics which can be considered refractory and requiring additional processing steps to achieve adequate gold recovery. About 44% of the total gold contained in current Mineral Resources is in refractory mineralisation.
- Quartz veining in and adjacent to granites close to major N-S shears. The Montague deposits represent this style of mineralisation.
- Quartz-pyrrhotite veining and pyrrhotite replacement as steep-plunging shoots in fold hinges within banded iron formation marginal to major N-S shear zones. Local shoots may be controlled by NE faulting. This type is very similar to the Hill 50 mineralisation at Mt Magnet. The Omega deposit was typical of this style of mineralisation.

Exploration and Development History

Gold was first discovered in the Gum Creek area in the 1920s and an early period of production in the late 20s and early 30s ensued with a recorded 21,000oz of gold recovered. Production by Cyprus Minerals Australia resumed in April 1987. An intermittent history of production and ownership changes ensued with Arimco Mining Pty Ltd, Australian Resources Ltd, Abelle Pty Ltd, Harmony Gold Mining Company Limited and Legend Mining Limited as successive gold producers. Legend placed the mine on care and maintenance in March 2005 and at that point the total recorded gold production was 1.11Moz. Apex Minerals Ltd (Apex) subsequently acquired the Project but completed little work on it. Panoramic Resources Ltd (Panoramic) acquired the Gidgee Gold Project from Apex in February 2011 and the Wilsons deposit from Apex in May 2012.

Following acquisition of the Project, Panoramic completed exploration and resource drilling programs and significantly increased the Mineral Resources. Panoramic also completed extensive studies including metallurgical testwork, a tailings dam lift, various geotechnical investigations, mining studies and various environmental baseline studies to support recommencement of operations at Gidgee. This work was used in a number of Studies which culminated in the March 2016 “Free Milling Scoping Study” based on open pit mining free milling gold mineralisation from the Swan, Swift and Howards deposits.

An extensive drilling database is available for the Project comprising holes drilled by previous project operators and by Panoramic. The majority of drilling surrounds historic and existing resources. Regional exploration by previous Project operators relied on reconnaissance drilling on 400m to 800m spaced lines of shallow aircore or RAB across the recognised major host shear structures. Gold anomalism identified by this drilling was then targeted for closer spaced follow-up drilling. Panoramic initially adopted this approach but with a strong multi-element, litho-geochemical emphasis. Most of the Project has been covered by a moderate to high level of drilling, but a significant amount of this did not test below 50m depth.

In 2015 Panoramic focused on geophysical exploration. This included detailed ground gravity and airborne EM (“SkyTEM”) surveys over the entire Project to produce a fully integrated geophysical database comprising detailed airborne magnetics and radiometrics, ground gravity and airborne EM. During 2016, Panoramic completed an orientation IP survey over the Wilsons deposit which successfully detected the deposit and led to the extension of the survey for 6km southwards along the Wilsons Shear. This work generated two additional IP targets for testing.

Mineral Resources

The current Mineral Resource inventory for the Gum Creek Project contains a total of 1.25Moz of gold as shown in Table 1. The Mineral Resources estimates for the Swan, Swift and Kingfisher deposits were completed by Dr S Carras of Carras Mining Pty Ltd. The Mineral Resources estimates for the Wilsons UG and Heron South deposits were completed by Mr B Pollard of BMGS Perth Pty Ltd. The Mineral Resources estimates for the Howards, Specimen Well, Toedter and Shiraz deposits were completed by Mr A Bewsher of BMGS Perth Pty Ltd. Messrs Carras, Pollard and Bewsher have consented to the inclusion of the Mineral Resource information in this report in the form and context in which it appears.

Table 1
Current Mineral Resources for the Gum Creek Gold Project
(JORC 2012)

Resource	Date	Cutoff g/t	Indicated		Inferred		Total		Metal Au oz
			Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	
Swan OC	Jun-15	0.7	2,250,000	2.57	990,000	2.36	3,240,000	2.51	261,100
Heron South	Oct-12	0.5	1,135,000	2.20	2,000	1.32	1,137,000	2.20	80,400
Howards	Jul-13	0.4	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well	Aug-16	0.5			361,000	2.00	361,000	2.00	23,200
Toedter	Aug-16	0.5			690,000	1.54	690,000	1.54	34,200
Shiraz	Jul-13	0.4	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Swan UG	Jun-15	4.0/6.0	207,000	8.71	77,000	11.25	284,000	9.40	85,800
Swift UG	Jun-15	6.0			46,000	10.25	46,000	10.25	15,200
Kingfisher UG	Aug-16	3.5			391,000	6.14	391,000	6.14	77,200
Wilsons UG	Jul-13	1.0	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Total			13,454,000	2.17	3,849,000	2.53	17,303,000	2.25	1,250,100

Panoramic, 2016c

(Rounding errors may apply)

* UG = underground resource

A high level review of the Mineral Resource information was completed as part of this ITR. This focused principally on reports dealing with the estimation and the methodology employed. It was restricted to seven deposits which account for 95% of the total gold in resources (Swan, Swift, Kingfisher, Heron South, Howards, Shiraz and Wilsons). The Mineral Resources have been reported in accordance with the JORC 2012 guidelines and are considered by the author to provide a reasonable representation of the current gold endowment at the project.

The Swan, Swift and Kingfisher estimates are largely based on historic drilling and it is recommended that additional drilling be carried out to improve confidence in the estimates and assist with mine planning prior to making a decision to mine. In the areas of previous underground mining (Swan and Kingfisher) very little drilling occurs below 400m depth and good potential exists to define further lodes with additional drilling. While preliminary metallurgical testwork suggests that a viable process flowsheet exists for the high grade Wilsons refractory deposit, further testwork is required to confirm that the lower grade Shiraz refractory mineralisation can also be viably processed.

Processing

The Gum Creek Gold Project contains Mineral Resources which can be classified as free milling or refractory. Free milling mineralisation from which the gold is more readily extracted comprises about 56% of the gold in current Mineral Resources and the 1.1Moz of historical production was effectively from this type with a smaller component of “transitional” to refractory material. The processing characteristics of this are reasonably well demonstrated through past production records and additional Panoramic testwork. Overall processing recoveries of 90% to 97% can be expected for this style of mineralisation with higher recoveries likely to be associated with higher grade mineralisation.

There are currently about 549,000oz of gold in refractory Mineral Resources at Wilsons, Heron South and Shiraz. In these, a significant portion of the gold is locked inside sulphide (arsenopyrite) grains and not easily liberated through conventional processing. Development of a viable and cost effective process is a prerequisite to the development of these resources. Two techniques usually employed to deal with refractory mineralisation, Albion and bacterial oxidation, have both been reported to be effective but at capital and operating costs which could not be sustained by the resource base. In June 2016, Panoramic reported results from new metallurgical testwork completed on Wilsons refractory mineralisation. This identified a potential processing route (designated LOPOX by Panoramic) which utilises moderate pressure and temperature conditions to oxidise a sulphide flotation concentrate allowing efficient recovery of gold through conventional CIL. The initial test results were quite encouraging. The flotation step with a recovery of 90 – 93% followed by a LOPOX recovery of 94 – 96% represent an overall gold recovery of 85% for this initial testwork.

Additional LOPOX testwork should be carried out on flotation concentrates to confirm the initial test results and to investigate variability between different refractory mineralisation sources and differences in cyanide leach recovery between process oxidised fresh mineralisation and process oxidised flotation concentrate.

Development Studies

Following acquisition of the Project, Panoramic conducted extensive resource definition and exploration drilling programs which significantly increased the resource base. There followed a number of technical-economic studies to evaluate different paths to resume gold production. In August 2012, Panoramic released the Gidgee Gold Project Scoping Study. The study was based on the mining of open pit resources from Swan Bitter, Swift, Howards, Toedter, Specimen Well and the mining of underground resources from Wilsons.

From December 2013 through to September 2014, Panoramic investigated a “Wilsons Only” option which considered mining and processing the refractory Wilsons deposit to produce a gold rich sulphide concentrate for direct sale. Subsequently, with a rising gold price and the addition of the Howards Mineral Resource, the emphasis changed to initially developing the free milling open pit mineralisation while ongoing options were investigated for treatment of the high grade Wilsons refractory mineralisation.

In March 2016, Panoramic released the results of an updated scoping study which focused on early production from free milling resources. The “Gum Creek Gold Project Free Milling Scoping Study”, was based on mining open pit resources from the Swan, Swift and Howards deposits and processing them through a new CIL processing plant. At the level of accuracy of the Study, it suggested a positive economic outcome was possible at a gold price of A\$1,700/oz. No Ore Reserves were declared. The main risks to a positive financial outcome were identified as; gold price fluctuation, capital and operating costs estimates, resource to reserve conversion rates, metallurgical recoveries, availability of project financing and obtaining regulatory approvals.

Exploration Potential

The Gum Creek Gold Project contains a significant exploration package of some 724km² which is prospective for gold. Within the Project area, past gold production and current Mineral Resources total more than 2Moz. The gold potential comprises discovery of additional gold mineralisation on the extensions of known deposits and the potential for discovery of new deposits throughout the greenstone belt. Clear extensional exploration opportunities exist at Wilsons below 500m, Heron South below 200m, Shiraz below 150m and Howards below 150m. These deposits have not been closed off and additional drilling is likely to increase Mineral Resources at each of them. The Swan-Swift and Kingfisher deposits have only been explored to 400m depth and there is potential for the discovery of additional high grade shoots within this mineral system.

The Gum Creek Greenstone Belt has been extensively explored since the early gold discoveries and during the most recent production period of 1990 to 2005. Previously mined deposits are concentrated in the outcrop and subcrop areas where prospecting, surface geochemical sampling and shallow geochemical drilling have been effective exploration tools. Large parts of the Project area have not been tested below 50m depth, while typical mesothermal lode gold deposits can have vertical extents greater than 1000m. Panoramic, for the first time assembled a comprehensive data-set comprising detailed geophysical and geochemical data. These data together with the structural and stratigraphic models developed from geological and geophysical interpretation have allowed the generation of a number of high priority exploration targets for free milling and refractory style gold deposits.

A number of the larger targets defined are in areas of thicker transported cover and have not previously been effectively tested. These provide a good opportunity for the discovery of new gold systems within the Project area. The successful application of IP over the Wilsons deposit and the subsequent definition of additional untested IP anomalies along strike, suggest this technique could be quite effective in direct detection of additional Wilsons style refractory gold mineralisation. The promising initial LOPOX test results for the Wilsons mineralisation and the gold grades at Wilsons, support the pursuit of these targets.

Strategy and Budgets

A proposed exploration and development study program for the Project has been provided by Horizon. The strategy is focused primarily on exploration to delineate additional (high grade) resources to facilitate a decision to proceed to development. A significant additional aspect of the strategy is to increase confidence in gold recoveries and processing costs for the refractory mineralisation. This will allow the existing high grade refractory resources and future discoveries of this mineralisation style to be successfully exploited.

Extensional and infill drilling respectively are aimed at increasing the size of the known resources and increasing the confidence in those resource estimates. Drilling of high priority exploration targets away from the known deposits is aimed at adding gold resources through the discovery and delineation of new deposits. The proposed regional exploration program for new deposits comprises drill testing of the high priority targets identified during 2016 and continued ground geophysical programs to define new drill targets.

In conjunction with exploration, ongoing project development studies are planned to allow more accurate financial modelling and if successful declaration of Ore Reserves. A key initial component is the planned additional bulk sample testwork on refractory mineralisation from Wilsons. Independent consultants will be employed to optimise testwork, ensure repeatability and scalability and prepare detailed design and costing.

An exploration and project development studies budget for the first two years following listing has been prepared by Horizon. The total proposed budget is A\$13.09M. A total of A\$1.95M is allocated to Project development studies and A\$9.59M to Exploration (including leasing costs and site care and maintenance). These two budget allocations comprise 77% of the planned capital raising.

Key Conclusions and Recommendations

The Gum Creek Gold Project covers around 724km² of the prospective Gum Creek Greenstone Belt. Current Mineral Resources of 1.25Moz and the historical production up until cessation of mining in early 2005 make up a significant known gold endowment of 2.35Moz. Approximately 45% of the current gold in resources is characterised as “refractory” and prone to low gold recoveries without a viable alternate processing route.

A Free Milling Scoping Study was completed by Panoramic in March 2016 based on open pit resources in potential cutbacks at the Swan and Swift pits and with the previously unmined Howards deposit. The high grade refractory resources at Wilsons were excluded from the Study. At the level of accuracy of the Study, it suggested a positive economic outcome was possible at a gold price of A\$1,700/oz. The main risks to a positive financial outcome were identified by Panoramic as; gold price fluctuation, capital and operating costs estimates, resource to reserve conversion rates, metallurgical recoveries, availability of project financing and obtaining regulatory approvals to recommence mining and processing.

Subsequent to the Scoping Study, Panoramic released the results on preliminary LOPOX metallurgical testwork which suggested a viable processing route was available for the refractory Wilsons mineralisation. Horizon plans to address the risk issues as part of planned development studies and has allocated a significant portion of its initial 2 year budget to address these risks. This includes additional bulk sample LOPOX metallurgical testwork on Wilsons mineralisation to confirm the commercial viability of the process.

Notwithstanding the significant exploration history which resulted in the discovery and development of numerous gold deposits, significant exploration potential exists to increase the Mineral Resources through extensions to existing deposits and the discovery of new deposits within the belt. The potential for new deposit discoveries is in part enhanced by the fragmented ownership and ineffective exploration history over the last 30 years. For the first time in the exploration history of the area, fully integrated high quality belt scale geological, geophysical and geochemical datasets have been assembled. These have been compiled and interpreted to produce high priority gold targets which warrant a significant exploration program by Horizon.

As well as the geophysical targets on which the bulk of the exploration has been planned, the Outcrop Exploration Services (OES) structural-geochemical targets not coincident with geophysical targets (OES 2, 3, 4, 5, 7 8) should also be reviewed for potential inclusion in the exploration drilling program. These are associated with NNE trending structures which appear to influence the distribution of the more significant deposits in the Gum Creek Greenstone Belt. An orientation IP survey over the Heron South deposit is recommended and if successful, IP coverage should be extended along the controlling structure to identify additional drilling targets for potentially high grade mineralisation.

There should be an ongoing interpretation of the extensive regional database and refinement and re prioritisation of exploration targets as new information comes to hand. The extensive regional geochemical database needs to be reviewed in concert with a detailed regolith reinterpretation.

Potential also exists to add to the Gum Creek Mineral Resources through extensional exploration drilling around the existing deposits and along the mineralised structures hosting these deposits. Some clear examples of this are the Wilsons and Heron South deposits and the Swan Bitter-Swift underground lode system. In part it appears that the chequered mine ownership history and much lower gold prices compared to operating costs at the time are factors which contributed to this near mine potential not being adequately pursued. Near mine data compilation and interpretation requires an elevated priority to guide extensional exploration. A significant historical database associated with previous mining operations remains to be fully utilised and may provide quick wins for definition of new lodes or lode extensions accessible from (refurbished) existing underground mine workings and/or pit cutbacks.

As part of the proposed development studies, additional LOPOX metallurgical testwork should be completed to characterise gold recovery variability within the Wilsons deposit and to provide information on potential recoveries from the Heron South and Shiraz deposits. Sequencing of exploration activity should be coordinated with developing a viable processing solution for the refractory mineralisation. Sequencing of the budget should allow for the bulk scale metallurgical testwork to confirm the process route early in the program.

1 INTRODUCTION

1.1 Context, Scope and Terms of Reference

Horizon Gold Limited (Horizon) has commissioned Paul Patrick Mazzoni, trading as Tuscan Geoscience (Tuscan), to prepare an Independent Technical Report (ITR) for the Gum Creek Gold Project (the "Project"). It is understood that the ITR is required for inclusion in a Prospectus to support the listing of Horizon Gold Limited on the Australian Securities Exchange (ASX). Gum Creek is an advanced exploration and pre-development gold project on the Yilgarn Craton of Western Australia. Horizon intends raising A\$15 million through the issuance of 37.5 million shares at A\$0.40 per share. Of this, A\$9.59 million has been allocated for additional exploration and A\$1.95 million for additional metallurgical and other development studies to advance the Project.

Panoramic Gold Pty Ltd a wholly owned subsidiary of Panoramic Resources Ltd (together "Panoramic") acquired the Gum Creek Gold Project (formerly Gidgee) from Apex Minerals Ltd in February 2011. In May 2012 Panoramic acquired the Wilsons deposit from Apex to complete the acquisition of the Project for a combined purchase price of A\$23 million. Relevant titles and agreements were transferred to and/or registered in the name of Panoramic Gold Pty Ltd, currently a subsidiary of Panoramic Resources Ltd. On the successful listing of Horizon Gold Ltd, Panoramic Gold will become a wholly owned subsidiary of Horizon.

The scope of this report is firstly to summarise the relevant aspects of the Project including; the geology and mineralisation, Mineral Resource estimates, historical exploration, historical mining and development activity, recent exploration activity and target generation together with activities planned and budgets proposed by Horizon. Secondly this report is intended to provide an independent opinion as to the prospectivity for exploration and future development of the Project together with identifying key risks and recommendations.

The Independent Technical Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports ("The Valmin Code" 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), the Australian Institute of Geoscientists (AIG), and the rules and guidelines issued by such bodies as the ASIC and Australian Securities Exchange (ASX), which pertain to Independent Expert Reports. The report is also consistent with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 ("The JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia (JORC).

The Independent Technical Report has been prepared on information available up to and including 14 October 2016. All monetary figures included in this report are expressed in Australian dollars (A\$). Other units of measurement and technical terms used in the report are listed in Section 11.

The various agreements covering the assets, and the specific exploration, mining and minerals processing legislation applicable to the Project tenements have not been independently verified by Tuscan. These matters are addressed elsewhere in the Horizon Prospectus.

The interpretations, opinions, conclusions and recommendations made in this report are based on the current technical understanding of the Project and the information available to the authors as at 14th October 2016. Conclusions and recommendations expressed in this report may change as a result of ongoing exploration and development studies as well as changes in commodity prices and other market conditions.

1.2 Qualifications, Experience and Independence

The primary author of this report is Mr Paul Mazzoni, who is a professional geologist with 43 years of experience in the exploration, development and mining of base and precious metal properties and industrial mineral properties internationally. Mr Mazzoni is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), holds Chartered Professional Status (CP-Management) and is a Member of the Society of Economic Geologists (MSEG). The other contributing authors to this report are Mr Paul Payne and Mr Christopher Campbell-Hicks. They were retained as “Specialists” to review and report on the Project Mineral Resources and the metallurgical and processing aspects of the Project respectively.

Mr Payne is a professional geologist with 32 years of experience in the exploration, mining and evaluation of mining projects across a wide range of commodities in Australia and internationally. Mr Payne is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Campbell-Hicks is a Process Engineer with more than 40 years of experience in process engineering including testwork management, conceptual process design, client’s representative for EPCM and extensive process plant management and optimisation. Mr Campbell-Hicks is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM), holds Chartered Professional Status and is a Member of the Mineral Industry Consultants Association.

Each of the authors has the appropriate relevant qualifications, experience, competence and independence to be considered an “Expert” under the definitions provided in the Valmin Code and as “Competent Persons” under the definition provided in the JORC Code.

None of the authors of this report have, or have had previously, any material interest in Horizon or the mineral properties in which Horizon has an interest. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

1.3 Principal Sources of Information

The principal sources of information used to compile this report comprise technical records, along with technical reports and data variously compiled by Horizon and its consultants, previous Project operators and government agencies, along with discussions with Horizon technical and corporate management. In addition, a site visit was undertaken to the Project area on the 16th of August 2016 by Mr Paul Mazzoni. The authors have relied extensively on information provided by Horizon and Panoramic in the production of this report. Notwithstanding this, reasonable enquiries have been made to confirm the authenticity and completeness of the technical data upon which this report is based. A listing of the principal sources of information is included in Section 12 of this report. A final draft of this report was also provided to Horizon, along with a written request to identify any material omissions or errors.

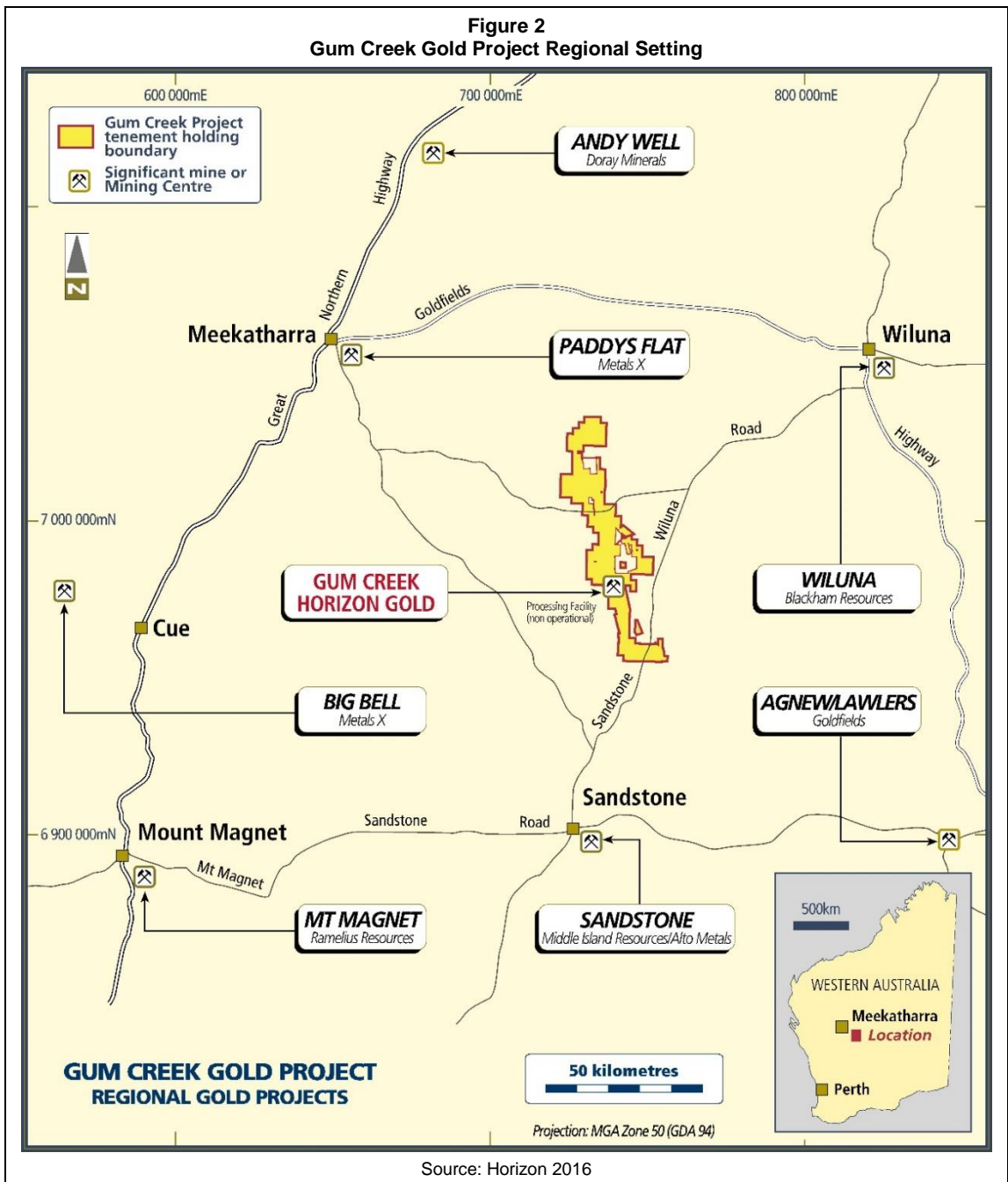
1.4 Reliance on Other Experts and Competent Person Statements

The information in this report that relates to Mineral Resources for the Swan, Swift and Kingfisher deposits is based on work completed by Dr S Carras of Carras Mining Pty Ltd. The information in this report that relates to Mineral Resources for the Wilsons UG and Heron South deposits is based on work completed by Mr B Pollard of BMGS Perth Pty Ltd. The information in this report that relates to Mineral Resources for the Howards, Specimen Well, Toedter and Shiraz deposits is based on work completed by Mr A Bewsher of BMGS Perth Pty Ltd. Messrs Carras, Pollard and Bewsher have the appropriate relevant qualifications, experience, competence and independence to be considered a “Competent Person” under the definition provided in the JORC Code. Messrs Carras, Pollard and Bewsher consent to the inclusion of the Mineral Resource information in this report in the form and context in which it appears.

2 PROJECT BACKGROUND

2.1 Location and Infrastructure

The Gum Creek Gold Project is located 640km north-east of Perth and is centrally located between the towns of Meekatharra, Wiluna and Sandstone as shown in Figure 2. These towns are the local government headquarters for their respective shires and offer limited local services. Access to the Project from Perth is via the Great Northern Highway to Mt Magnet and then by bitumen road to Sandstone and well-formed gravel road to the camp. The closest airports with scheduled commercial services are Meekatharra and Wiluna, located 129km NW and 144km NE respectively from the Project.



The Project area has a semi-arid climate with hot summers and mild winters. Annual rainfall of less than 250mm is irregular and falls mostly in the winter months. Topography in the north and east is characterised by low hills and breakaways separated by gently sloping valleys. The central and southern areas are generally flat and associated with extensive areas of sand and sheet wash cover. A major ephemeral drainage system flows through the centre of the belt and numerous E-W palaeochannels have been identified. There are no material topographic or climatic impediments to exploration and development.

Historical gold mining activities commenced in the area in 1931 with the main period of gold production occurring between 1990 and 2005. The current Project encompasses two main proposed mining areas – the Central Infrastructure Area (“CIA”) and the Wilsons Mine Area (“Wilsons”) plus a variety of other tenements most with existing resources and a recent history of mining by previous owners. The CIA includes an inactive (since 2005) 600,000 tpa processing plant and associated infrastructure, a tailings storage facility, a 110 person accommodation village, an airstrip and the Swan and Swift gold deposits. The Wilsons area is located approximately 15km NNE of the plant site and includes the high grade Wilsons gold deposit.

The existing processing plant and village site are located within the Shire of Sandstone local government area, whilst the Wilsons site falls within the Shire of Wiluna local government area. Underlying land tenure is Pastoral Lease and a Crown Lease, with the processing plant and village located on the Gidgee Pastoral Lease, and Wilsons situated on the Youno Downs Pastoral Lease. Other parts of the Project lie within the Hillview, Murchison Downs and Lake Mason pastoral leases.

2.2 Project Tenements

The Project tenements comprise 46 mining tenements for an area of approximately 724km² covering a significant part of the Gum Creek Greenstone Belt. The tenement schedule is listed in Appendix A and comprises a number of mining leases, prospecting licenses, exploration licenses, and miscellaneous licenses as shown in Figure 3.

Tuscan Geoscience has not independently validated mineral tenure, Native Title claim status, the status of surface access agreements and applicable royalty or Joint Venture agreements. These aspects are dealt with in the relevant section of the Prospectus. The present status of tenements, agreements and legislation described in this report is based on information provided by Horizon and the report has been prepared on the assumption that exploration and future development of the Project will prove to be lawfully allowable.

2.3 Gold Production History

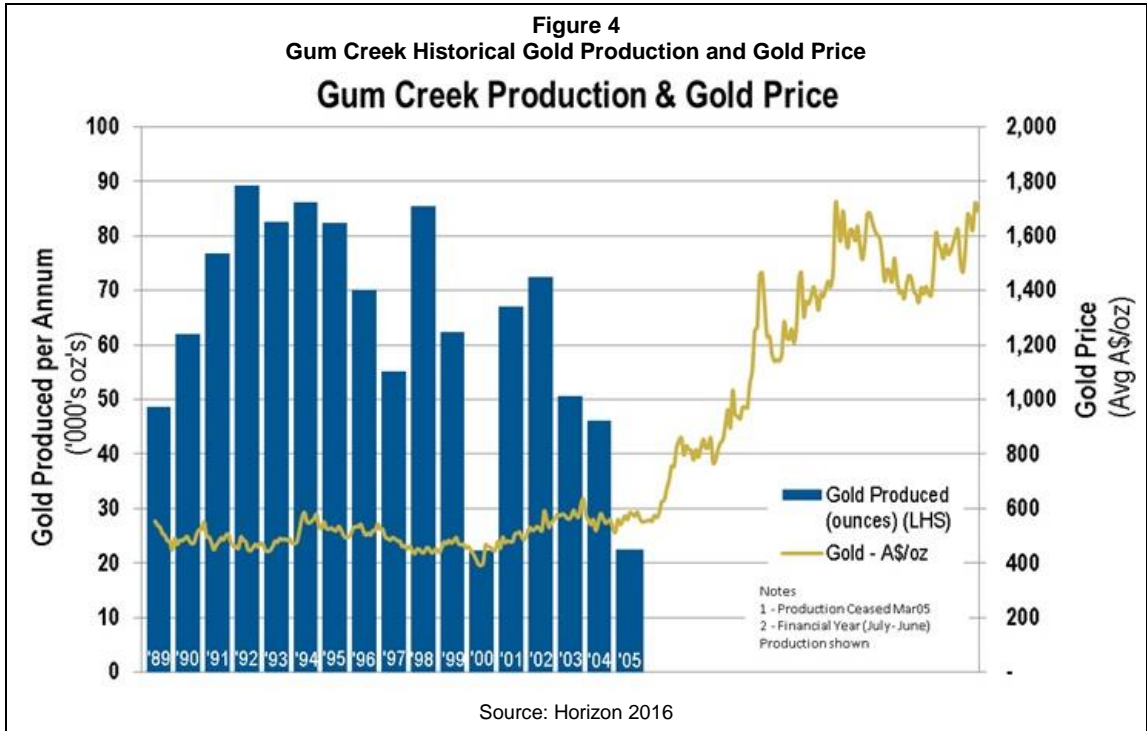
Gold was first discovered near Sandstone in 1895 and not until the 1920s was gold discovered 90km to the north near Gidgee. By 1926 the North End Mine and the mining community of Jonesville had been established. About that time the Swan Bitter deposit was also discovered 300m NE of the North End mine. Recorded gold production was around 21,000oz from 71,000t of ore before closure of the mines (Otterman 1990).

More recent exploration between 1983 and 1987 by Amoco Minerals Australia (later Cyprus Minerals Australia) outlined five deposits; North End, Swan Bitter, Wren, Emu Feather and Eagle. These were reported with combined pre mining Ore Reserves of 2Mt grading 3.38g/t Au (Otterman, 1990). Production recommenced in April 1987 from the North End and Swan Bitter deposits and recorded production in the first 12 months of operation was 44,761oz from 421,900t of ore. An intermittent history of production and ownership changes ensued (Arimco Mining Pty Ltd, Australian Resources Ltd, Abelle Pty Ltd). Up until closure in March 1999, 37 open pits and three underground mines had been developed, of which two open pits and one underground mine were in operation at the time of closure. Over the 12 year period, a total of 7,746,348t of ore were treated at an average grade of 3.6g/t Au for 851,682oz Au recovered (Maynard, 2004).

Abelle Limited (Abelle) took over Gidgee in October 1999 and resumed production in February 2000. Mining was mainly carried out in the South Woodya, Donkey Well and Wahoo open pits and the Swan Bitter underground operation. At the end of 2002, Abelle ceased mining in open pit operations but continued production from the Swan Bitter underground. In February 2003, Harmony Gold Mining Company Limited (Harmony) launched a take-over offer for Abelle focused on acquiring Abelle's mining assets in Papua New Guinea. At the end of April 2003, Gidgee briefly became part of Harmony's Australian operations.

In November 2003, Legend Mining Limited (Legend) announced that it had purchased the Gidgee operation and took over the mine on 17 December 2003. At the time, Gidgee had produced over 1 million ounces of gold during its lifetime (Legend, 2003). Production at Gidgee was reduced, and the company carried out extensive exploration. Legend placed the mine on care and maintenance in March 2005, citing rising operating costs and a static gold price making the operation less viable (Legend, 2005). From January 2004 to closure, the operations produced another 49,157oz of gold for a total recorded gold production of 1.11Moz (Wikipedia, 2016).

In 2007, Apex Minerals Limited purchased the Gidgee Project with a focus of recommencing mining from the Wilsons and Shiraz deposits. Panoramic purchased the Gidgee tenements from Apex in 2011 and the Wilsons Project in 2012. No additional mining or processing has occurred since 2005. The more recent production history is shown in Figure 4 in comparison to the gold price history over the same period. Notable is the approximately 2.5 times increase in the gold price since closure (Figure 4). In the last full year of operation (2004), the operation produced 42,297oz Au at an average grade of 5.68g/t Au and a cost of A\$516/oz (Legend, 2005).



3 GEOLOGY AND MINERALISATION

3.1 Regional Geology and Mineralisation

The Gum Creek Gold Project tenements are located within the northern portion of the Southern Cross Province of the Youanmi Terrane, a part of the Archaean Yilgarn Craton in Western Australia. The Southern Cross Province comprises a series of granite-greenstone belts of which the Gum Creek Greenstone Belt ("Gum Creek Belt") is one. The total known gold endowment of the Southern Cross Province has been estimated at >10Moz. About 20% of this endowment is associated with the Gum Creek Belt. Historical mining has occurred on 37 gold deposits within the Gum Creek Belt with total historical gold production of about 1.1Moz. The main gold-producing areas were Gidgee, Wilsons, Omega and Montague.

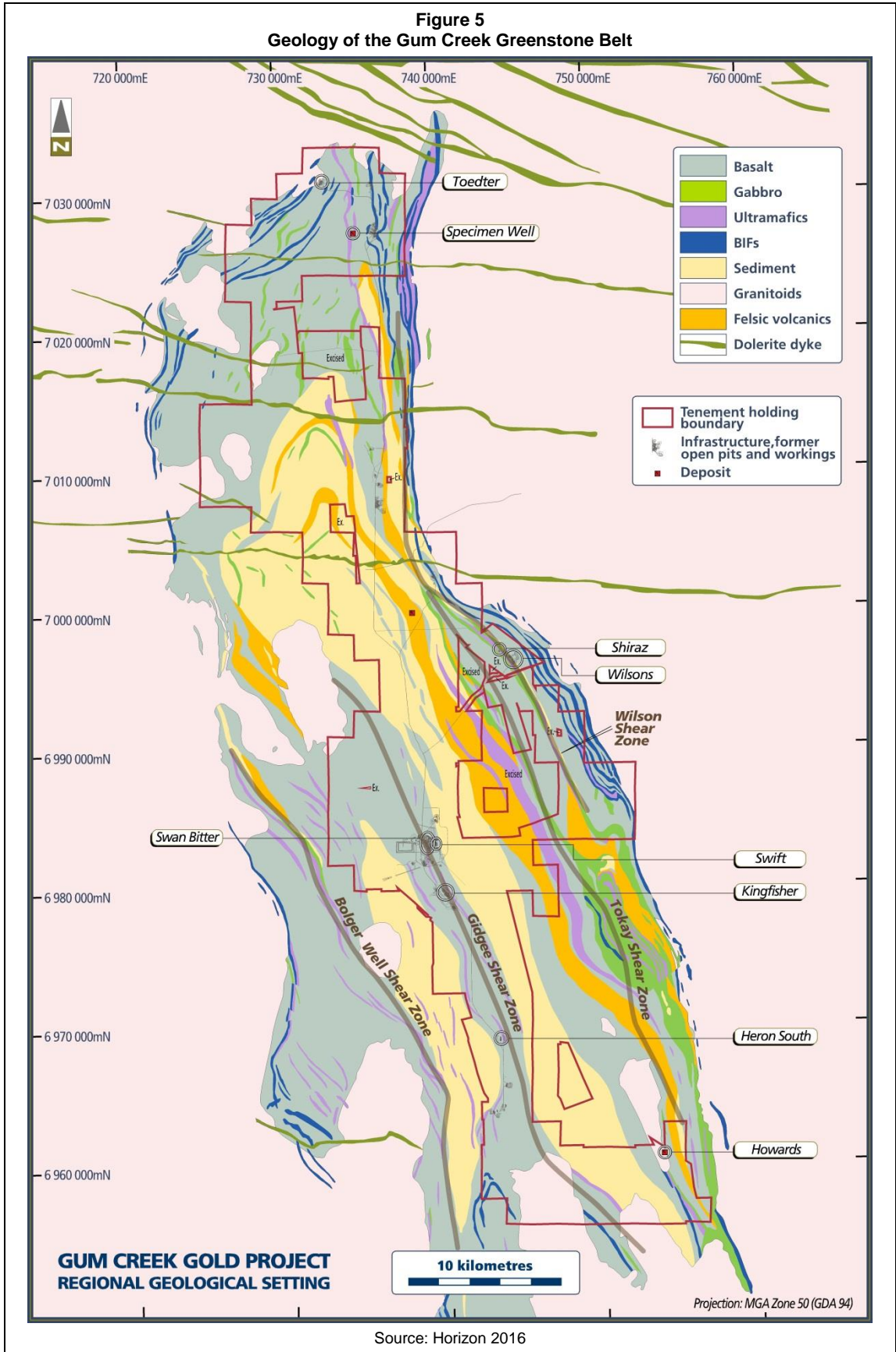
The Project area covers most of the Gum Creek Belt, a volcanic and sedimentary dominated sequence of Archean rocks. The Gum Creek Belt forms a lensoid, broadly sinusoidal structure about 110km long (north-south) and 24km wide (east-west). It is surrounded by intrusive granitoids which contain rafts of greenstones. The margins of the belt are typically dominated by contact-metamorphosed basalts and banded iron formations. A geological map of the belt is shown in Figure 5.

The stratigraphic sequence consists of three broadly continuous major geological units occupying a large north-south synclinorium. The lowest unit consists of a sequence of interbedded banded iron formation and mafic and ultramafic volcanics overlain by ferruginous shales, shales and thin cherts. The central unit consists of a sequence of basalts and felsic volcanics, contemporaneous dolerites, and lesser ultramafic volcanics and interflow sediments. The central unit has been intruded by differentiated gabbroic sills which range in composition from ultrabasic through to pyroxenite to gabbro. The uppermost unit consists of shales, black shales, siltstones and minor cherts, with rare conglomerates and dolostones.

Late stage, generally massive, granitoids, including monzonites, intrude along the length of the belt in generally north-south elongated zones and are subject to late brittle deformation. Silicification of country rock is widespread proximal to the margins of these monzonites. Proterozoic dykes are a prominent feature in the northern portion of the belt and are more or less absent elsewhere.

Several early phases of tight to isoclinal folding have affected rocks of the lower domain. Most fold axes now exhibit a general north-south trend. The whole belt has been folded about tight north-north-west axes, producing two synclines separated by a narrow anticline in the central domain. The western syncline appears to be doubly plunging suggesting late open folding under an east-west stress regime.

Complex faulting is present throughout the Gum Creek Belt, with many lithological units being fault bounded. Prominent deformation also occurs as regional scale north-north-west ductile shear zones. These zones are believed to be sinistral in nature (as interpreted from magnetic data) and exist in close proximity to gold occurrences at Bolger Well, Gidgee, Victory Well, Tokay and Wilsons.



The principal structure in the belt is the Gidgee Shear Zone which has been identified over 50km of strike length in the southern part of the Project. The Wilsons and Victory/Tokay Shears form broad zones on the eastern side of the greenstone belt and coalesce to the north. Mineralisation associated with the Gidgee Shear occurs in two main areas, the Gidgee Mining Area and the Wyooda-Thangoo area which includes the Heron and South Heron deposits. Mineralisation is developed near the southern end of the Wilsons Shear in the Mt Townsend area (Wilsons deposit) and at Toedter, Kearys and Omega deposits near the northern end of the structure.

Four main styles of mineralisation have been exploited in the Gum Creek Greenstone Belt (Abelle, 2003):

- Quartz-carbonate-(pyrite) veining, with or without arsenopyrite, galena and sphalerite, in mafic rocks along or marginal to major, remobilised N-S shear zones. Much of the ore mined to date has been from supergene-enriched zones, and at depth the veins largely occupy brittle structures. The host rocks have been affected by carbonate-sulphide alteration around the mineralised zones, and chlorite, biotite, epidote and diopside are present in places. Cross-faulting is thought to be important in localising higher-grade mineralised shoots along the major structures. The Gidgee (including Swan Bitter and Swift), Kingfisher and Wyooda/Thangoo deposits are examples of this style of mineralisation. They represent the dominant mineralisation type mined to date in the Gum Creek Belt and are generally considered typical of the free milling ore previously produced.
- Quartz-pyrite-arsenopyrite veining in ductile NNW shears in mafic volcanic rocks. Later faulting is thought to control the localisation of high grade shoots (e.g. NE faults at Wilsons). The Wilsons and Snook deposits are of this type and are sulphide-rich in the primary zone (i.e. below the extent of surficial oxidation). This style of mineralisation where not oxidised generally has processing characteristics which can be considered refractory and requiring additional processing steps to achieve adequate gold recovery.
- Quartz veining in and adjacent to granites close to major N-S shears. The Montague deposits represent this form of mineralisation.
- Quartz-pyrrhotite veining and pyrrhotite replacement as steep-plunging shoots with limited length and width, but extending to depth. They occur in fold hinges within banded iron formation marginal to major N-S shear zones. Local shoots may be controlled by NE faulting. This type is very similar to the Hill 50 mineralisation at Mt Magnet. The Omega deposit is typical of this style of mineralisation.

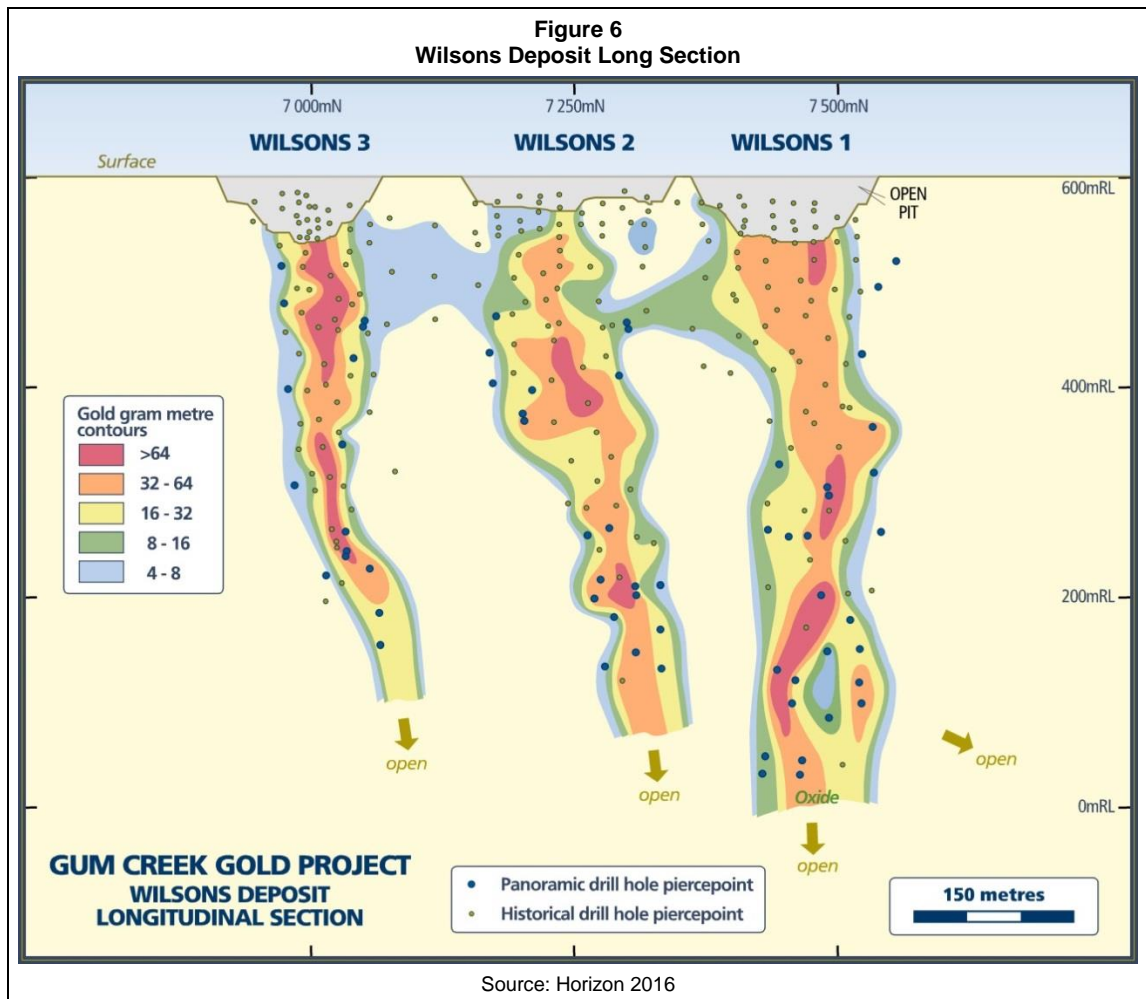
The geology and mineralisation for the more material deposits are described below. These are the Swan-Swift, Wilsons, Howards, Kingfisher, Heron South and Shiraz. Together they contain about 95% of the Project Mineral Resources. About 44% of the total resources, including the high grade Wilsons deposit are of the refractory type.

3.2 Deposit Geology and Mineralisation

3.2.1 Wilsons

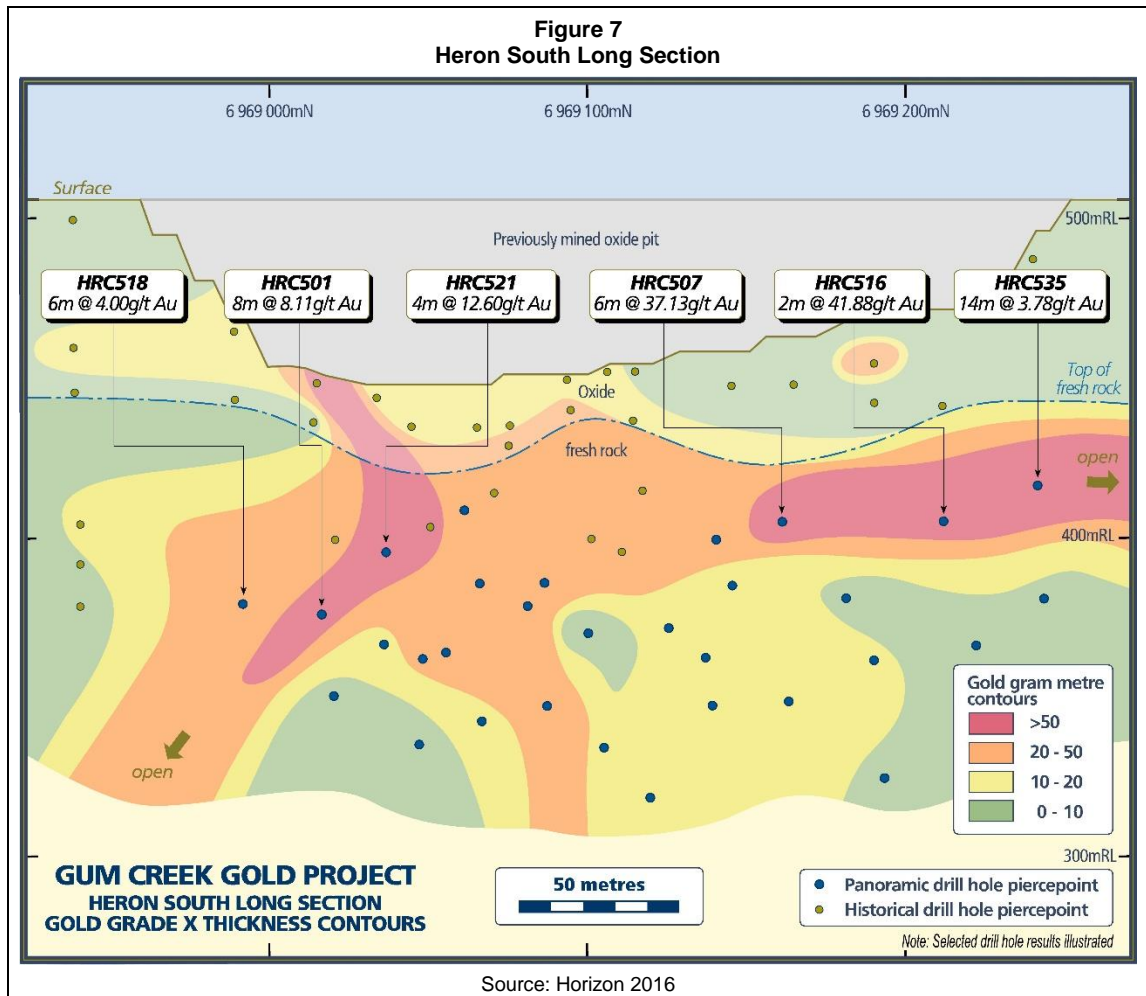
The dominant host rock at Wilsons is a metasedimentary package, comprising mafic conglomerates with clasts of locally sourced quartzite and BIF. Thin intervals of interbedded siltstone and shale and felsic conglomerate occur above the mafic conglomerate but are typically displaced by the Wilsons Dolerite which unconformably overlies the sedimentary units. Gold mineralisation and tenor is related to the presence of disseminated arsenopyrite and pyrrhotite, with strongest mineralisation formed in dilational regimes of the host shear. An alteration assemblage of biotite-sericite-quartz +/- K feldspar and carbonate exists accompanied by strong ductile shearing.

The Wilsons deposit consists of three discrete, tabular, strongly mineralised shoots that dip 50° to 70° to the west and plunge steeply to the north (Figure 6). The shoots are encompassed by weakly mineralised envelopes and are confined within a regionally persistent shear adjacent to the contact with the overlying Wilsons Dolerite. The shear and enclosing mineralised shoots strike approximately 330°. The shoots are generally 100m to 150m in length along strike and range from 1m to 12m in thickness. They have been delineated to a depth of around 600m below surface and are still open down plunge. The deposit geometry is shown in Figure 6.



3.2.2 Heron South

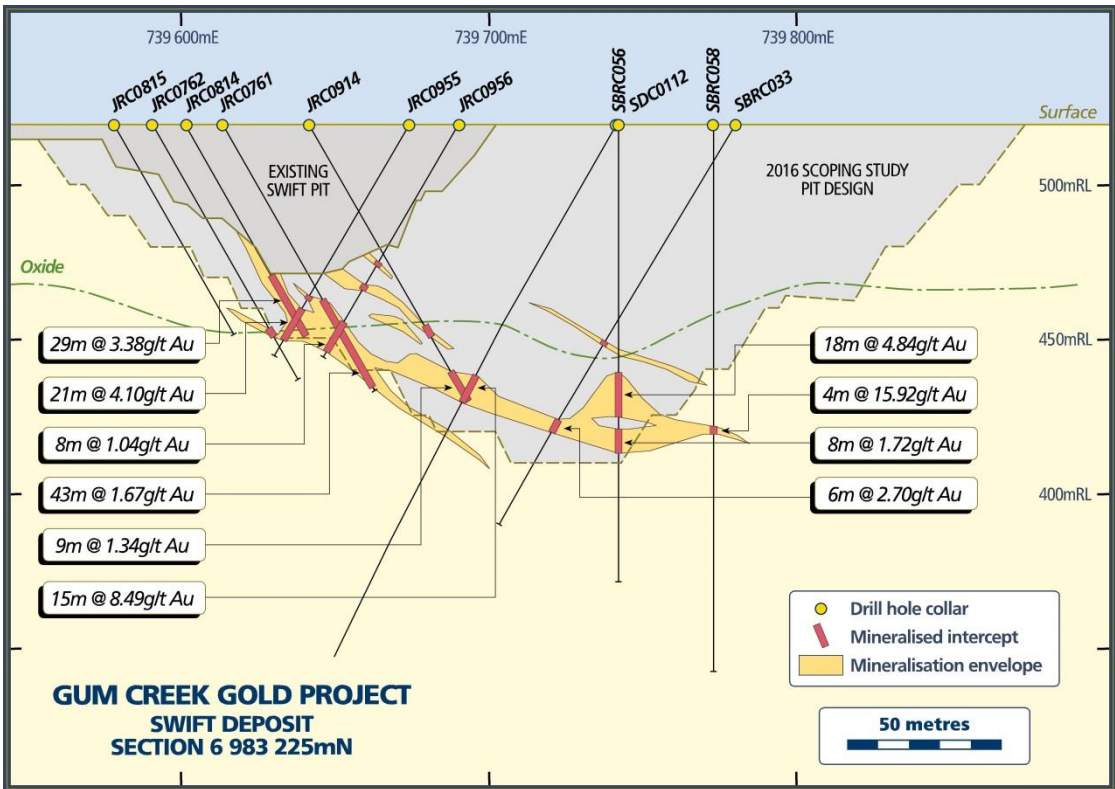
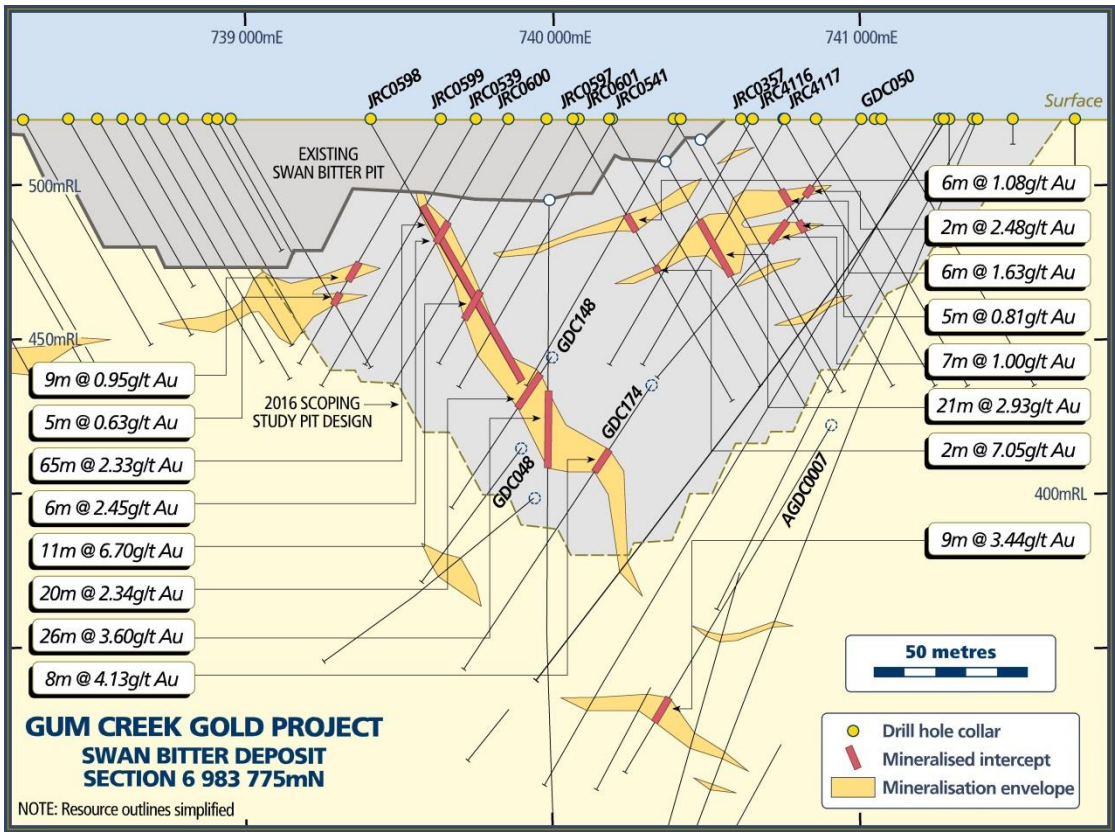
The Heron South deposit is approximately 650m in length and ranges in thickness from 2m to 10m. The majority of mineralisation occurs in a steep east dipping shear although small pods of flat lying supergene mineralisation have also been interpreted. An existing pit was mined to a depth of approximately 60m below surface (Figure 7).



3.2.3 Swan Bitter-Swift

The Swan Bitter gold mineralisation occurs in quartz-carbonate-pyrite+/-galena veined and brecciated dolerite interlayered with pillow basalt. The lodes comprise sheeted and brecciated conjugate vein sets which occupy dilational sites in the dolerite and at the dolerite basalt contacts. They occur in two principal structural orientations. Steep easterly dipping veins are associated with shearing while shallow westerly dipping vein systems are localised within zones of brecciation (Figure 8). The overall plunge direction of the Swan Bitter mineralisation is approximately 355° with the plunge ranging from flat to 30° south. The north-south trending shear systems which host the Swan Bitter underground mineralisation and the NW trending shear system hosting higher grade mineralisation at Kingfisher are interpreted to be part of the same system.

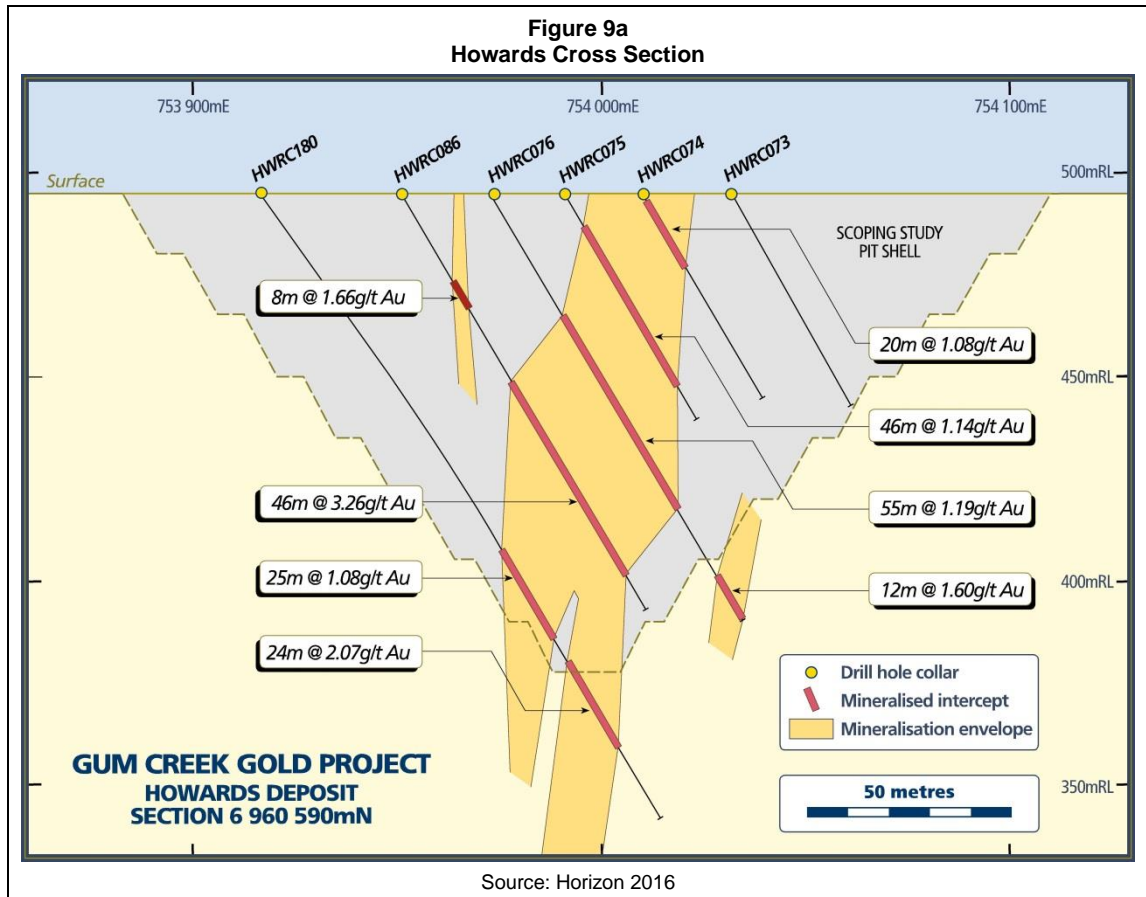
Figure 8
Swan Bitter - Swift



Source: Horizon 2016

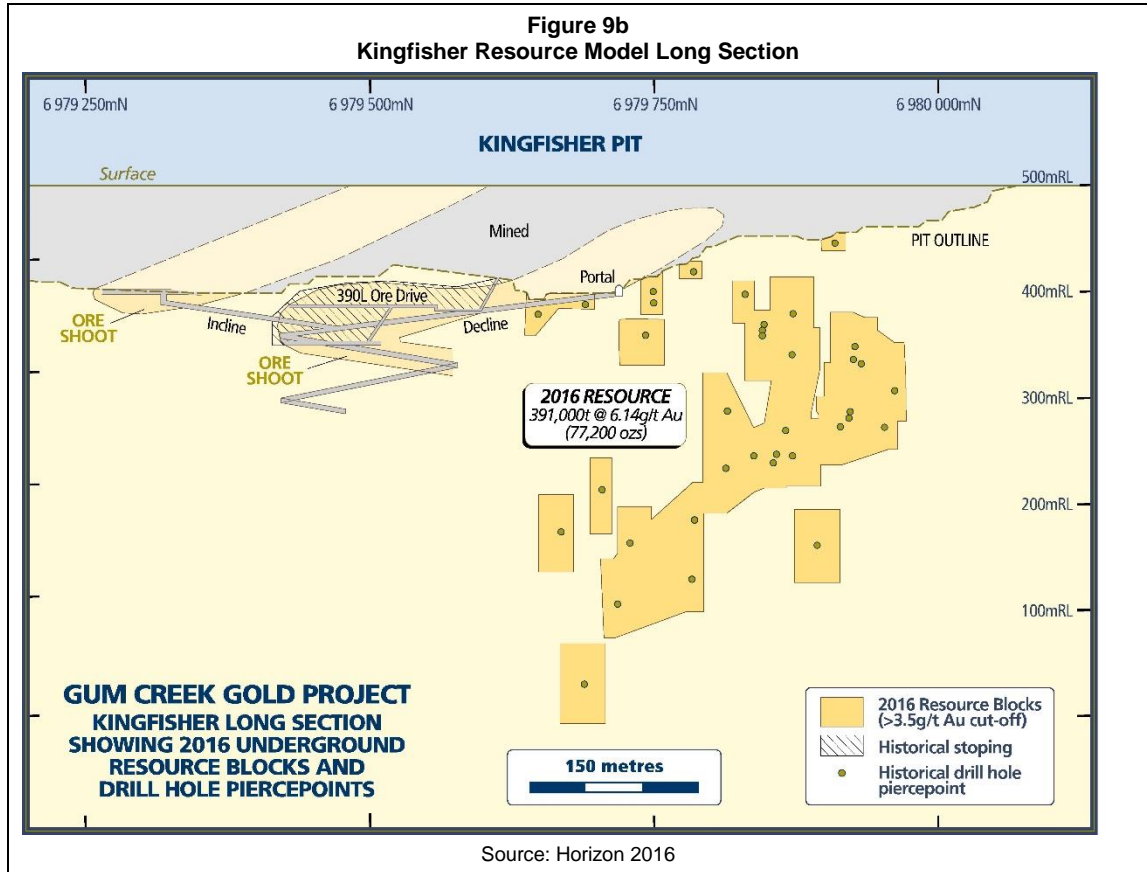
3.2.4 Howards

The Howards mineralisation is hosted in sheared basalt and quartz-feldspar porphyries. Gold mineralisation is associated with thin quartz-carbonate veining and fine grained disseminated sulphides. Alteration assemblages consist of biotite and minor albite. The basalt hosted shear strikes in a north south orientation and has a near vertical dip. The deposit is approximately 1,000m in length and up to 50m wide (Figure 9a).



3.2.5 Kingfisher

The deposit is hosted in sericite-carbonate schist, adjacent to the regional scale north-west trending, 60° south-west dipping, Kingfisher Fault. The Hanging Wall contains amygdaloidal high magnesium basalt. The Footwall is interbedded basaltic flows and tuffs. Pyrite is the main sulphide (generally <1%) as fine disseminations and coarse euhedral crystals, although it may make up nearly 20% of the veins locally. Visible gold is usually associated with the coarse pyrite. Mineralisation is directly related to quartz veining, the most significant of which are 0.3m to 4m thick with the highest gold grades at the hangingwall contact, while a 15m wide zone of quartz-ankerite vein stockwork development is in the footwall. Gold from the primary zone has been remobilised to form a supergene blanket commencing at approximately 30m and extending to the base of extreme weathering at 70m. Below the effects of weathering, high grade mineralisation appears to be controlled by moderate to steeply south plunging shoots (Figure 9b).



3.2.6 Shiraz

The Shiraz deposit is approximately 700m in length and ranges in thickness from 2m to 60m with a typical thickness of around 40m in the main mineralised zone. The majority of mineralisation lies within a moderate to steep west dipping shear zone and occurs as a series of quartz rich shear related zones within the Shiraz Dolerite. The mineralisation is refractory, however a small historic oxide pit was mined to a depth of approximately 25m below surface.

4 EXPLORATION HISTORY

Following acquisition of the project in 2011, Panoramic completed exploration and resource drilling programs to significantly expand the mineral resources. The Company also completed extensive studies including metallurgical testwork, geotechnical investigations, mining studies and various environmental baseline studies to support recommencement of operations at Gidgee.

An extensive drilling database is available for the Project. The majority of drilling surrounds historic and existing resources. The exploration approach was to initially conduct 400m to 800m spaced lines of shallow aircore/RAB drilling along and across the recognised major host shear structures. Typically for much of this drilling gold was the only element analysed. Gold anomalism identified by this drilling was then targeted for closer spaced follow-up drilling. Most of the project area has been covered by a moderate to high level of drilling. However, just over 65 percent of the existing drillholes are less than 50m deep. Much of the regional drilling was to a set depth or to the weathering interface boundary with fresh rock (Figure 10). Panoramic initially adopted this historical exploration drilling approach but with a strong multi-element, litho-geochemical emphasis to identify vectors to mineralisation. In 2015 the Company switched to a more geophysically based exploration approach.

The available belt scale exploration data are summarised below:

- Drilling - A total of 70,125 holes totalling 2,871,000m are recorded in the Project database. Of these, Panoramic drilled 1,220 holes for 124,000 metres. The drilling data contains over 1.1 million sample records, of which less than 3% of the samples were analysed for elements other than gold.
- Mapping - Panoramic contracted Jigsaw Geoscience to complete 1:10,000 scale mapping of the Project area in 2011.
- Geochemical sampling - In addition to drilling, over 81,000 surface samples were collected. The majority of these were soil and rock chip samples (Figure 11). In 2014, Panoramic contracted Outcrop Exploration Services Pty Ltd (“OES”) to assess the prospectivity of the Project through a combination of structural interpretation and litho-geochemical data compilation and interpretation. A total of 10 target areas were defined from this work and are further discussed in Section 8 of this report.
- Project Geophysical data – During 2015 Panoramic completed detailed ground gravity and airborne EM (“SkyTEM”) surveys over the entire Project to produce a fully integrated geophysical database of detailed airborne magnetics and radiometrics, ground gravity and airborne EM. Panoramic employed Newexco Services Pty Ltd (“Newexco”) geophysical consultants to interrogate the data and define exploration targets (Section 8).
- Induced Polarisation (IP) survey – During 2016, Panoramic engaged Newexco to complete an IP programme comprising 10 by 100m spaced profiles over the Wilsons deposit and a further 13 by 400m spaced profiles along the interpreted position of the Wilsons Shear to the south. This work showed the Wilsons mineralisation is clearly detectable using IP and generated two additional targets for testing (Section 8).

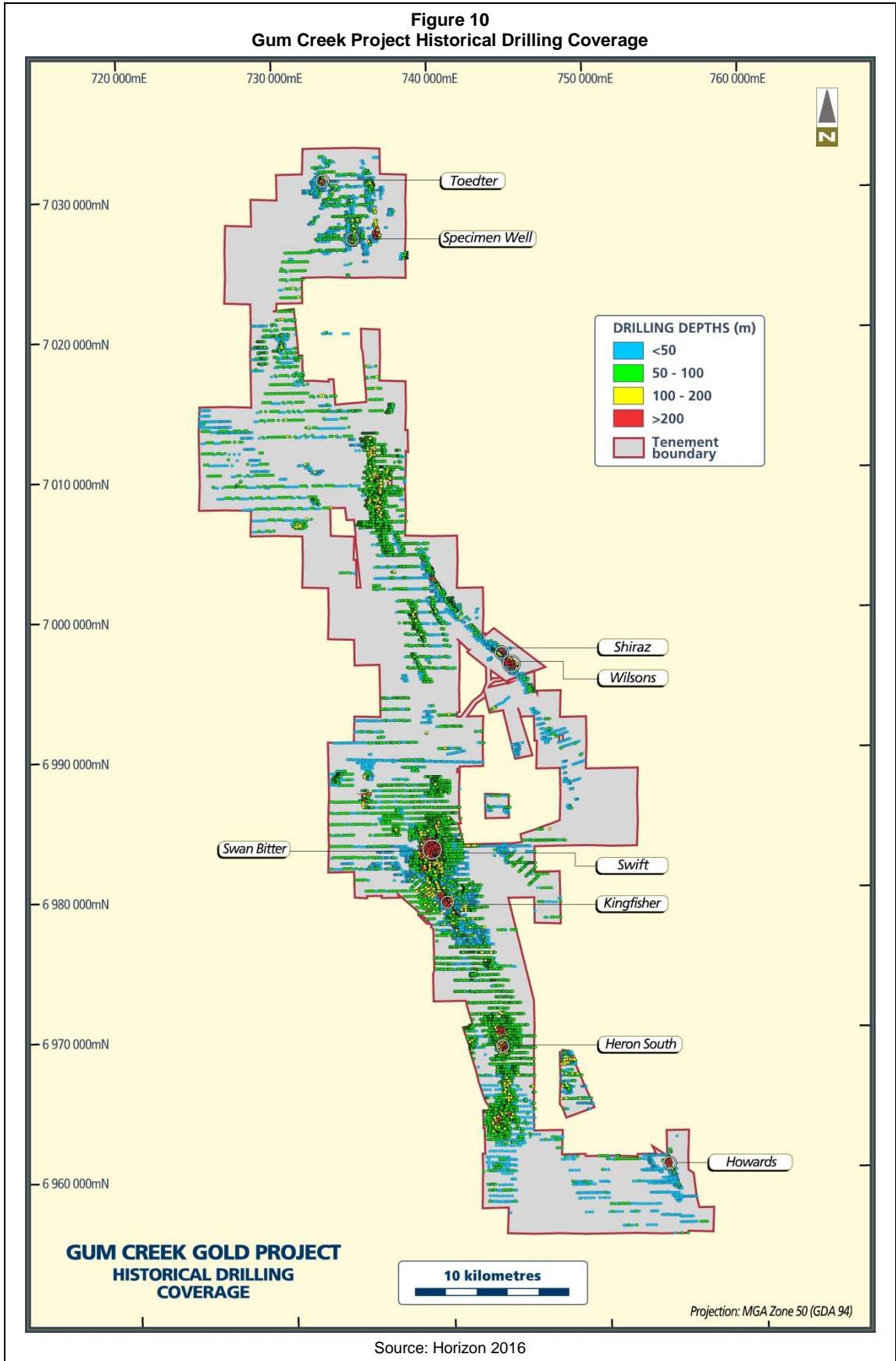
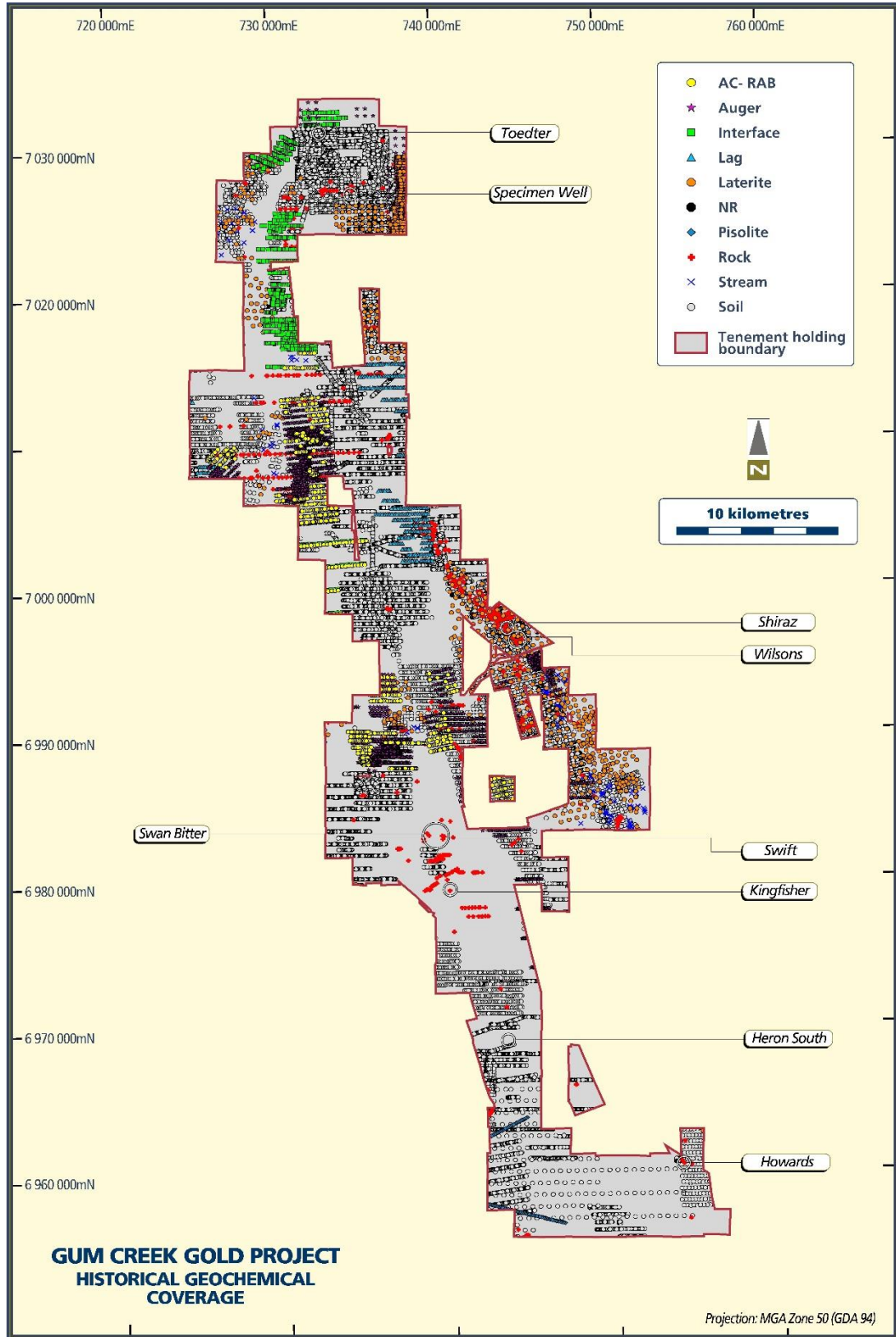


Figure 11
Gum Creek Project Historical Geochemical Coverage



Source: Horizon 2016

5 MINERAL RESOURCES

5.1 Introduction

The current Mineral Resource inventory for the Gum Creek Project contains a total of 1.25Moz of which approximately 56% is considered to be free milling and 44% refractory. The Mineral Resources estimates for the Swan, Swift and Kingfisher deposits were completed by Dr S Carras of Carras Mining Pty Ltd. The Mineral Resources estimates for the Wilsons UG and Heron South deposits were completed by Mr B Pollard of BMGS Perth Pty Ltd. The Mineral Resources estimates for the Howards, Specimen Well, Toedter and Shiraz deposits were completed by Mr A Bewsher of BMGS Perth Pty Ltd. Messrs Carras, Pollard and Bewsher have the appropriate relevant qualifications, experience, competence and independence to be considered a “Competent Person” under the definition provided in the JORC Code. Messrs Carras, Pollard and Bewsher have consented to the inclusion of the Mineral Resource information in this report in the form and context in which it appears.

The individual deposits which make up the inventory are listed in Table 2 (Panoramic, 2016c). In the major deposits, Panoramic conducted resource definition drilling and the Mineral Resources have been re-estimated by independent consultants using the Panoramic and historic drilling data. These deposits include the Wilsons, Howards, Heron South and Shiraz deposits.

Resource	Date	Cutoff g/t	Indicated		Inferred		Total		Metal Au oz
			Tonnes	Au g/t	Tonnes	Au g/t	Tonnes	Au g/t	
Swan OC	Jun-15	0.7	2,250,000	2.57	990,000	2.36	3,240,000	2.51	261,100
Heron South	Oct-12	0.5	1,135,000	2.20	2,000	1.32	1,137,000	2.20	80,400
Howards	Jul-13	0.4	5,255,000	1.07	716,000	1.01	5,971,000	1.06	204,000
Specimen Well	Aug-16	0.5			361,000	2.00	361,000	2.00	23,200
Toedter	Aug-16	0.5			690,000	1.54	690,000	1.54	34,200
Shiraz	Jul-13	0.4	2,476,000	0.84	440,000	0.76	2,916,000	0.83	77,600
Swan UG	Jun-15	4.0/6.0	207,000	8.71	77,000	11.25	284,000	9.40	85,800
Swift UG	Jun-15	6.0			46,000	10.25	46,000	10.25	15,200
Kingfisher UG	Aug-16	3.5			391,000	6.14	391,000	6.14	77,200
Wilsons UG	Jul-13	1.0	2,131,000	5.33	136,000	5.97	2,267,000	5.37	391,500
Total			13,454,000	2.17	3,849,000	2.53	17,303,000	2.25	1,250,100

(Rounding errors may apply)

* UG = underground resource

Estimates for the Toedter and Specimen Well deposits were re-estimated in 2012 using historical drilling data. The Mineral Resources for these deposits were then re-reported in August 2016 using revised parameters to ensure compliance with JORC 2012 guidelines.

Mineral Resources for the Swan Open Cut, Swan and Swift Underground deposits were re-estimated in 2015 using historical drilling data. The reported Mineral Resource estimate for the Kingfisher deposit is also based on historical drilling and was completed in 2016.

Seven deposits make up the majority of the reported Mineral Resources for the Gum Creek project. These include the Wilsons, Swan and Swift, Kingfisher, Howards, Shiraz and Heron South deposits. Summaries of the input data and procedures utilised in the preparation of Mineral Resources for those deposits are included in the following sections. The author completed a high level review of the Mineral Resource information, principally reports dealing with the estimation and the methodology employed. This focused on the Wilsons, Swan-Swift, Kingfisher, Shiraz and Howards deposits since these account for around 95% of the total gold resources.

5.2 Mineral Resource Review

5.2.1 Wilsons

The Wilsons Mineral Resource estimate utilised data from 369 holes for a total length of 71,657m. Of these, 27 Reverse Circulation Percussion (RC) holes and 49 diamond drill core (DD) holes were completed by Panoramic. Drilling and sampling procedures utilised by Panoramic were documented in Pollard 2013a, and are considered be of high quality. Accurate collar and downhole surveys have been employed to ensure spatial accuracy. QAQC protocols used by Panoramic included the use of certified reference material, blanks and field duplicates. Results were satisfactory and confirmed the quality of the assays for use in Mineral Resource estimation.

Limited information was available on the quality of the historic drilling, however the Panoramic drilling has generally supported the location, thickness and tenor of the mineralisation defined by previous drilling.

In 2013, Panoramic commissioned independent consulting company BMGS Perth to prepare a Mineral Resource update for the project which is reported in Pollard, 2013a. BMGS used Surpac mining software to undertake ordinary kriging estimates constrained by 3D mineralisation wireframes. The mineralisation wireframes were prepared to represent the global mineralisation and were based on a 1g/t Au threshold. Within these, high grade domains were created using a cutoff grade of 2g/t Au. Minor zones of footwall mineralisation were also modelled.

Data within the wireframes was composited to 1m intervals. High grade cuts between 25g/t and 37g/t were applied to the main domains. Results were reported at a cutoff grade of 2g/t for the high grade domains, and 1g/t for the low grade domains. Bulk density has been determined from multiple drill core samples. The Indicated and Inferred Mineral Resources totalled 391,500oz Au (Table 3).

Table 3			
Wilsons Deposit 2013 Mineral Resource Estimate			
Category	Tonnes	Au g/t	Au oz
HG Indicated	1,848,000	5.95	353,500
LG Indicated	283,000	1.28	11,700
Total Indicated	2,131,000	5.33	365,200
HG Inferred	136,000	5.97	26,200
Total Resource	2,267,000	5.37	391,500

(Rounding errors may apply)

The Mineral Resource estimate has been based on a substantial number of quality drillholes completed by Panoramic. These have largely validated the previous drilling and the total dataset provides a sufficient basis on which to prepare geological and gold grade interpretations for the purposes of resource estimation. The drilling is at sufficiently close spacing to give confidence to the interpretations and the estimation methodology is appropriate to the style of mineralisation being considered. The Mineral Resource classification is appropriate, with the majority of the deposit classified as Indicated Mineral Resource.

The use of an elevated cutoff grade of 2g/t for wireframe construction appears to be arbitrary and unsupported by geological or geostatistical analysis and should be reviewed for future estimates. However the difference between the 1g/t and 2g/t wireframes is not great and the impact on the estimate is relatively minor.

5.2.2 Howards

The Howards deposit has been defined by 242 holes for a total length of 19,733m. Of these, 52 RC holes and 10 DD holes were completed by Panoramic. Drilling has been carried out on a 20m by 20m and 40m x 40m grid spacing.

Drilling and sampling procedures utilised by Panoramic were documented in Bewsher, 2013a, and are considered to be of high quality. Appropriate collar and downhole surveys have been utilised. The QAQC protocols used by Panoramic included the use of certified reference material, blanks and field duplicates. Results were satisfactory and confirmed the quality of the assays for use in Mineral resource estimation.

Limited information was available on the quality of the historic drilling, however the Panoramic drilling has generally supported the location, thickness and tenor of the mineralisation defined by previous drilling. Panoramic has carried out validation of the database entries against original records for the historic drilling.

In 2013, Panoramic commissioned independent consulting company BMGS Perth to prepare a Mineral Resource update for the project which is documented in Bewsher, 2013a. BMGS used Surpac mining software to undertake ordinary kriging estimates constrained by 3D mineralisation wireframes. A single mineralisation wireframe was prepared by Panoramic geologists using a 0.4g/t Au threshold.

Data within the wireframes was composited to 2m intervals. A high grade cut of 10g/t was applied to the entire resource model. Results were reported at a cutoff grade of 0.4g/t. The Indicated and Inferred Mineral Resources totalled 204,000oz Au (Table 4).

Table 4			
Howards Deposit 2013 Mineral Resource Estimate			
(0.4g/t Au cutoff)			
Category	Tonnes	Au g/t	Au oz
Indicated	5,255,000	1.07	181,000
Inferred	716,000	1.01	23,000
Total Resource	5,971,000	1.06	204,000

(Rounding errors may apply)

The Mineral Resource estimate has been based on a substantial number of quality drillholes completed by Panoramic and previous operators. The dataset provides a sufficient basis on which to prepare reliable mineralisation interpretations for the purposes of resource estimation. The Mineral Resource classification is appropriate, with the entire deposit classified as Indicated Mineral Resource.

The broad, low grade domain interpreted for the Howards deposit includes substantial intervals of low grade or waste material. There is potential to define and exclude internal waste zones which would enhance the grade of the Mineral Resource. This would need to be confirmed with portions of close spaced drilling.

5.2.3 Heron South

The Heron South deposit was drilled using RC, Air core (AC) and DD techniques. A total of 277 RC holes for 23,197m, 74 AC holes for 5,536m and 3 DD holes for 564m were completed. Of these, 36RC and 47 AC holes were drilled by Panoramic. The drill spacing was nominally 25m by 10m spacing over the extent of the mineralisation. RC and AC holes were sampled by collecting 1m samples. DD core was sampled to geological boundaries.

Drilling completed by Panoramic was of a consistently high standard and drilling and sampling procedures utilised by Panoramic were documented in Pollard, 2012. Appropriate collar and downhole surveys have been utilised. The QAQC protocols used by Panoramic included the use of certified reference material, blanks and field duplicates. Results were satisfactory and confirmed the quality of the assays for use in Mineral resource estimation.

The majority of holes at Heron South were completed by previous operators. Historical drill data was compared with recent drilling to confirm continuity and orientation of mineralisation. In 2012, Panoramic commissioned independent consulting company BMGS Perth to prepare a Mineral Resource update for the project which is documented in Pollard, 2012. BMGS used Surpac mining software to undertake ordinary kriging estimates constrained by 3D mineralisation wireframes based on a 0.5g/t Au interpretation cutoff grade. BMGS was engaged in 2016 to upgrade the resource estimate to JORC 2012 reporting standard (Bewsher, 2016a and 2016b).

Data within the wireframes was composited to 1m intervals and a high grade cut of 37.4g/t was applied to the main domain. Minor domains used high grade cuts ranging from 5.16g/t to 8.73g/t. Results were reported at a cutoff grade of 0.5g/t. The Indicated and Inferred Mineral Resources totalled 80,400oz Au (Table 5).

Table 5			
Heron South Deposit 2012 Mineral Resource Estimate			
(0.5g/t Au cutoff)			
Category	Tonnes	Au g/t	Au oz
Indicated	1,135,000	2.20	80,300
Inferred	2,000	1.32	100
Total Resource	1,176,000	2.20	80,400

(Rounding errors may apply)

The Mineral Resource estimate has been based on close spaced, quality drillholes completed by Panoramic and previous operators. The dataset coupled with excellent geological and grade continuity has allowed reliable mineralisation interpretations to be prepared and estimated. The Mineral Resource classification is appropriate, with the majority of the deposit classified as Indicated Mineral Resource.

5.2.4 Swan Bitter - Swift

The Swan Bitter deposit has been previously mined by open pit and underground methods, and a very extensive database of historic drilling was used to prepare the Mineral Resource estimate. As a result of limited access due to the location of the existing open pits and dumps, Panoramic did not carry out any drilling at the Swan Bitter and was limited to a small amount of drilling at Swift. Data quality from historic drilling is reported to be good and is documented in Abelle, 2002. Open pit estimates were based largely on surface RC drilling, whilst the underground deposits are based on surface and underground diamond drilling.

In 2015, Panoramic commissioned independent consulting company Carras Mining Pty Ltd (Carras) to prepare a Mineral Resource update for the Swan Bitter and Swift deposits (Carras, 2015). Separate wireframe models were generated for areas with open cut potential (Swan OC generally above 100m depth) and areas with underground mining potential (Swan UG, Swift UG generally below 100m depth). Open cut resources were interpreted using a 0.7g/t Au cutoff for wireframe construction. The underground resources were interpreted using a 2g/t Au cutoff for wireframe construction. In the Swan deposit, high grade cuts of 60g/t in the Premium zone, 200g/t in the Bitter zone were applied. In the Swift deposit, a high grade cut of 30g/t was applied. Weathering surfaces generated by previous operators were used to define Oxide, Transition and Fresh mineralisation. The parameters for each estimate are shown in Table 6.

Table 6		
Interpretation Parameters Used for Swan-Swift Resource Interpretation		
Parameter	Open Cut	Underground
Cutoff Grade	0.7g/t	2g/t
Minimum Mining Width	4m downhole	3m downhole
Internal Dilution	2m downhole	2m downhole
Edge Dilution	1m either side downhole	1m either side downhole

Due to the complexity of the mineralisation and the clustered drilling data, the wireframes were constructed as a large number of small, discontinuous pods. Carras used Surpac mining software to undertake Inverse distance to power 3 (ID3) estimates constrained by the respective underground and open cut wireframes. Any areas previously mined were excluded from the model. The open cut Mineral Resource is that portion of the model constrained by a Whittle optimisation shell generated at A\$2,000/oz and reported above a 0.7g/t Au cutoff grade. The underground resources were those lying below the Whittle shell, below 420mRL and reported above a 4g/t Au cutoff for Indicated, and above a 6g/t Au cutoff grade for Inferred Mineral Resource. The various Mineral Resources are summarised in Table 7 and Table 8.

The Mineral Resource estimate has been based on a substantial number of surface and underground drillholes completed by previous operators. The large dataset, coupled with the knowledge gained from an extensive history of mining at the deposits provides a sufficient basis on which to report the Mineral Resources for Swan and Swift and to report Indicated Mineral Resources for much of the deposit even where continuity is difficult to confirm from the drilling. It is important to obtain additional drilling data in key areas of the deposit prior to committing to major development at the deposits.

Table 7				
Swan Deposit Open Cut 2015 Mineral Resource Estimate (0.7g/t Au cutoff)				
Material	Classification	Tonnes	Au g/t	Au oz
Oxide	Indicated	500,000	1.94	31,000
Transition	Indicated	850,000	2.07	57,000
Fresh	Indicated	900,000	3.41	98,000
Total Indicated		2,250,000	2.57	186,000
Oxide	Inferred	300,000	1.65	15,000
Transition	Inferred	310,000	2.10	21,000
Fresh	Inferred	380,000	3.15	39,000
Total Inferred		990,000	2.36	75,100
Total Deposit		3,240,000	2.51	261,100

(Rounding errors may apply)

Table 8			
Swan-Swift Underground 2015 Mineral Resource Estimate (Indicated 4g/t Au cutoff, Inferred 6g/t Au cutoff)			
Category	Tonnes	Au g/t	Au oz
Swan Indicated	207,000	8.71	58,000
Swan Inferred	77,000	11.25	27,800
Swan Total	284,000	9.4	85,800
Swift (All Inferred)	46,000	10.25	15,200

(Rounding errors may apply)

5.2.5 Shiraz

The Shiraz Mineral Resource estimate was based on 141 RC holes and 2 DD holes. Of these, 19 RC holes and 1 water bore were completed by Panoramic during 2013. The total dataset available for estimation comprises 340 drillholes totalling 18,332 metres. The drill spacing was nominally 20m by 10m spacing in the main zone of the deposit and up to 40m by 20m in the peripheral parts of the deposit.

Drilling completed by Panoramic was of a consistently high standard and drilling and sampling procedures utilised by Panoramic were documented in Bewsher 2013b. Appropriate collar and downhole surveys have been utilised. RC and AC holes were sampled by collecting 1m samples. DD core was sampled to geological boundaries. The QAQC protocols used by Panoramic included the use of certified reference material, blanks and field duplicates. Results were satisfactory and confirmed the quality of the assays for use in Mineral resource estimation.

The majority of drillholes at Shiraz were completed by previous operators. Historical drill data was compared with recent drilling to confirm continuity and orientation of mineralisation.

In 2013, Panoramic commissioned independent consulting company BMGS Perth to prepare a Mineral Resource update for the project and the estimate is documented in Bewsher 2013b. BMGS used Surpac mining software to undertake ordinary kriging estimates constrained by 3D mineralisation wireframes based on a 0.4g/t Au interpretation cutoff grade.

Data within the wireframes was composited to 2m intervals and no high grade cuts were applied. The maximum gold value in the composite data was 13.5g/t. The Indicated and Inferred Mineral Resources totalled 77,600oz Au (Table 9).

Table 9			
Shiraz Deposit 2013 Mineral Resource Estimate (0.4g/t Au cutoff)			
Category	Tonnes	Au g/t	Au oz
Indicated	2,476,000	0.84	66,900
Inferred	440,000	0.76	10,700
Total Resource	2,916,000	0.83	77,600

(Rounding errors may apply)

The Mineral Resource estimate has been based on close spaced, quality drillholes completed by Panoramic and previous operators. The dataset coupled with excellent geological and grade continuity has allowed reliable mineralisation interpretations to be prepared and estimated. A substantial amount of Indicated Mineral resource is based on extrapolation of grades into undrilled parts of the deposit. The broad, low grade domain interpreted for the Shiraz deposit includes substantial intervals of low grade or waste material. There is potential to define and exclude internal waste zones which would enhance the grade of the Mineral Resource. This would need to be confirmed with portions of close spaced drilling.

5.2.6 Kingfisher

In August 2016, Panoramic commissioned Carras to prepare a Mineral Resource update for the Kingfisher deposit (Carras, 2016). The Kingfisher deposit has been previously mined by open pit and underground methods, and an extensive database of historic drilling was used to prepare the Mineral Resource estimate. Panoramic had not carried out any resource drilling at Kingfisher. The underground resources were interpreted using a 3g/t Au cutoff and had external dilution applied to reflect its potential for underground mining. The interpretation parameters included the 3g/t Au cutoff for wire framing, a minimum mining width (3m downhole), internal dilution (2m downhole) and edge dilution of 0.5m either side downhole. Carras used Surpac mining software to undertake Inverse distance to power 2 (ID2) estimates constrained by the wireframes. The model was reported at a 3.5g/t Au cutoff grade. Any areas previously mined were excluded from the model.

The Mineral Resource estimate has been based on a substantial number of surface drillholes completed by previous operators. The large dataset, coupled with the knowledge gained from open pit and underground mining at the deposit, provides a sufficient basis on which to report the Mineral Resource for Kingfisher as Inferred Mineral Resource (Table 10).

The high grade nature of the mineralisation, and previous successful underground mining at the deposit highlight the potential of the Kingfisher underground resource. Extensive drilling will be required to increase the confidence in the interpretation to allow detailed evaluation of the deposit to be carried out.

Table 10 Kingfisher Deposit 2016 Mineral Resource Estimate (3.5g/t Au cutoff)			
Category	Tonnes	Au g/t	Au oz
Indicated			
Inferred	391,000	6.14	77,200
Total Resource	391,000	6.14	77,200

(Rounding errors may apply)

5.2.7 Conclusions and Recommendations

The Mineral Resources have been reported in accordance with the JORC 2012 guidelines and are considered by the author to provide a reasonable representation of the current gold endowment at the project. The Mineral Resource classification applied to the deposits reflects the relative confidence in both the input data and the geological and grade continuity of the various estimates.

The Swan, Swift and Kingfisher deposits are largely based on historic drilling. Whilst access is difficult due to the extensive mine workings at the deposits, it is recommended that additional drilling be carried out prior to making a decision to mine to improve confidence in the estimates.

In the areas of previous underground mining (Swan, Swift, Kingfisher) very little drilling occurs below 400m depth and in well mineralised systems such as these, good potential remains to define further lodes with additional drilling. Carefully targeted deep drilling should be considered to test this potential.

The Wilsons and Shiraz deposits have refractory processing characteristics. Preliminary metallurgical testwork suggests that a viable process flowsheet exists for the high grade Wilsons deposit. Further testwork is required to confirm that the lower grade Shiraz deposit can also be viably processed.

6 METALLURGY AND PROCESSING

6.1 Introduction

The Gum Creek Gold Project contains Minerals Resources with varying metallurgical processing characteristics which impact on overall gold recoveries. Free milling mineralisation from which the gold is more readily extracted comprises about 56% of the gold in current Mineral Resources. The processing characteristics of this material are reasonably well demonstrated by historical metallurgical recoveries from processing Swan and Swift ore and confirmed by additional testwork completed by Panoramic. Overall processing recoveries of between 90% at Howards (ALS, 2014) and 90.6% to 97.6% at Swan Bitter (Weston, 2015) are considered to be reasonably supported by testwork and historical mill production records for this style of mineralisation.

6.2 Refractory Mineral Resources

Refractory gold mineralisation comprises around 44% of the total gold in the current Mineral Resources. This includes 391,500oz contained gold in the high grade Wilsons Resource, 80,400oz in the Heron South Resource and 77,600oz in the low grade Shiraz Resource. Development of a viable cost effective process is important to unlock the approximately 549,000oz gold in refractory Mineral Resources. There are also numerous exploration targets for Wilsons style mineralisation including the high priority IP anomalies on the Wilsons Shear.

Development of the refractory mineralisation has previously been impacted by the poor gold recoveries and or high capital and operating costs of the processing options such as Bacterial Oxidation, Roasting or Albion. All have been demonstrated to work on the Gum Creek refractory mineralisation but at costs or recoveries which could not support their implementation.

In June 2016, the results of metallurgical testwork completed on Wilsons mineralisation were reported by Panoramic (Panoramic, 2016c). The work identified a potential processing route designated LOPOX by Panoramic. The process consisted of producing a sulphide flotation concentrate and low intensity magnetic separation (LIMS) on this to remove low grade pyrrhotite and produce a high grade gold in sulphide concentrate. This concentrate was then finely ground (UFG to 10 micron) and pre-conditioned under acidic conditions at moderate pressure (1000kPa) and temperature (100°C) prior to Carbon in Leach (CIL) gold extraction.

The flotation step with a recovery of 90 – 93% followed by a LOPOX recovery of 94 – 96% gave an indicated overall recovery of approximately 85% for this process pathway.

In comparison with the previously considered bacterial oxidation method, this process has the potential to reduce operating risk due to the nature of the oxidation process. It can also reduce operating and capital costs due to the small volume of concentrate produced requiring smaller equipment sizes, combined with a relatively fast process time.

6.3 Conclusions and Recommendations

Based on testwork carried out to date, the addition of a simple flotation circuit followed by ultra-fine grinding, LOPOX oxygen assisted oxidation, neutralisation and conventional CIL leaching is considered a suitable processing pathway for the Wilsons refractory mineralisation.

Additional LOPOX testwork should be carried out on flotation concentrates to investigate variability between different refractory mineralisation sources. Additional testwork should cover a range of gold grades representative of the feed sources from high grade Wilsons to low grade Shiraz. Caution and careful costing should also be exercised in considering CIL leaching of the flotation tails. In the authors view flotation tailings leaching seldom generates significant revenue and is usually, at best, break even and usually discontinued by most operations. The low intensity magnetic separation (LIMS) beneficiation step is possibly not required and LOPOX testing of non-magnetically treated concentrate should be carried out to determine if this will produce similar results to those achieved on the non-magnetic concentrate test.

Free milling gold recoveries have been established by additional testwork completed by Panoramic at Howards and Swan Bitter and by review of historical performance of the Gidgee Mill. Testwork recoveries varied from 90.56% to 97.56% while historical mill recoveries varied from 90.8% to 96.5%. Variability in recovery appears to be partly related to feed grade. Additional testwork on samples at grades representative of individual proposed feed sources is recommended as part of ongoing project development studies.

7 DEVELOPMENT STUDIES

7.1 Introduction

Following acquisition of the Gidgee Gold Project in February 2011, Panoramic conducted extensive resource definition and exploration drilling programs along with a number of technical-economic studies to evaluate different paths to resume gold production.

In May 2012 Panoramic acquired the Wilsons Gold Project and incorporated this into the Gidgee Gold Project. Additional drilling and Mineral Resource modelling ensued. Subsequently, in August 2012, Panoramic released the Gidgee Gold Project Scoping Study. The results of the study were based on the mining of open pit resources from Swan Bitter, Swift, Howards, Toedter, Specimen Well and the mining of underground resources from Wilsons.

In December 2012, Panoramic commenced an extensive drilling program to:

- upgrade Inferred Resources to an Indicated Resource category and to improve confidence in the Mineral Resource base;
- gather geotechnical and metallurgical information for mine planning, plant design and flowsheet optimisation; and
- complete groundwater investigations and preliminary water balances.

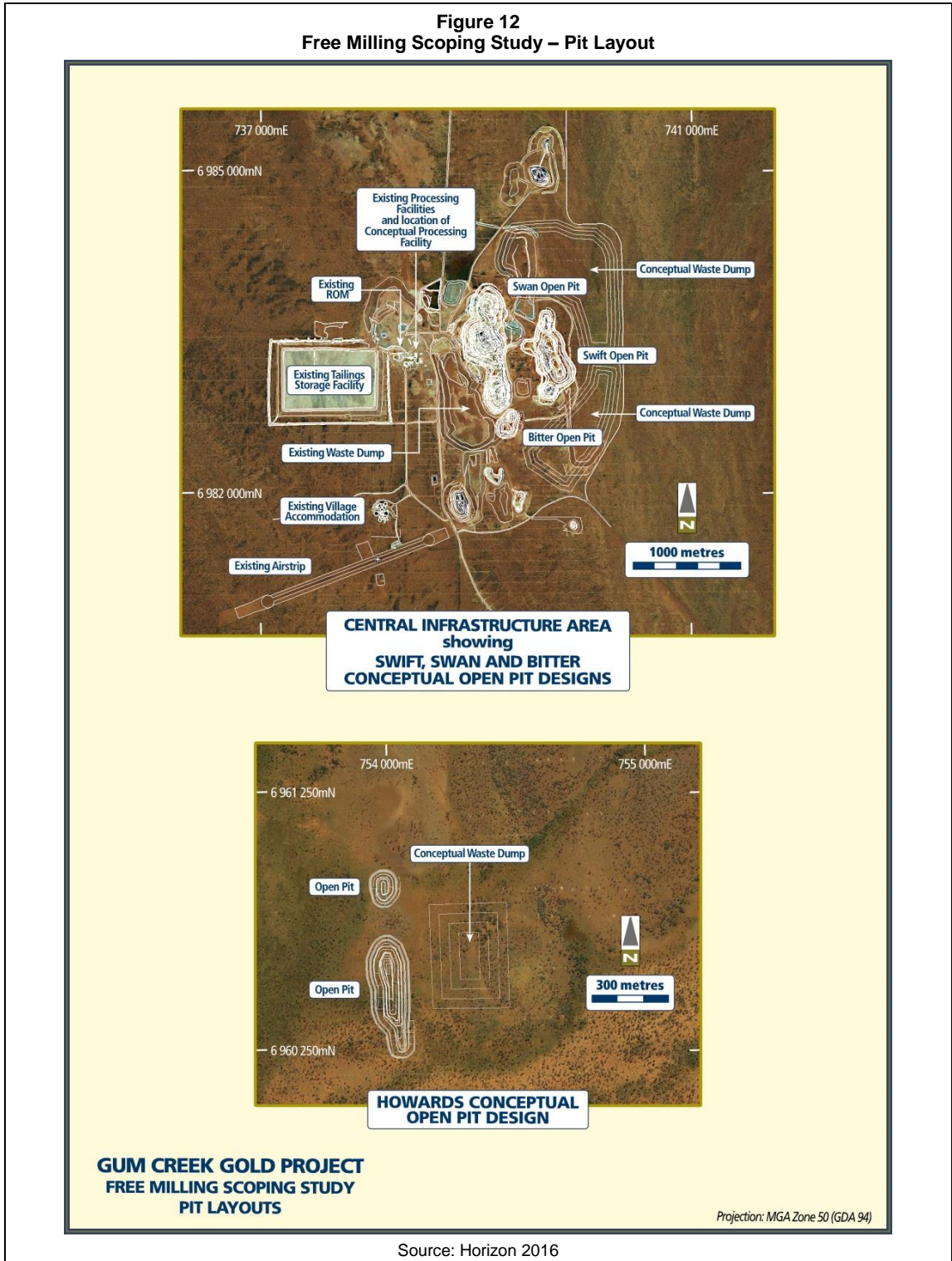
Following the drill program, new resource models were completed for the Wilsons, Howards and Shiraz deposits. Parallel work streams included resource modelling, mine planning, plant design and flowsheet optimisation, financial modelling, and project financing enquiries.

From December 2013 through to September 2014, Panoramic investigated a “Wilsons Only” option as a fast track to production with minimal capital input. This considered mining and processing the refractory Wilsons Mineral Resources to produce a gold rich sulphide concentrate for direct sale. A conceptual process flowsheet was designed based on modifications to the existing plant and open pit and underground mine design work was completed. In the September quarter of 2014, it was decided to include the free milling Swan and Swift open pit Mineral Resources in the study. Subsequently, with a rising gold price, additional resource definition drilling and the addition of the Howards Mineral Resource, the emphasis changed to initially developing the free milling open pit mineralisation.

7.2 2016 Free Milling Scoping Study

Panoramic released the results of a scoping study through ASX announcements on the 18th of March and the 22nd of March 2016. The “*Gum Creek Gold Project Free Milling Scoping Study*”, was based on mining open pit resources from the Swan, Swift and Howards deposits and processing them through a new Carbon in Leach (“CIL”) processing plant (Panoramic 2016a). The aim of the Study was to focus on early production from free milling resources, while reducing the initial construction capital and retaining the option of completing subsequent additions to the process plant allowing production from the refractory deposits.

Pit optimisations and designs based on a A\$1,700/oz Au price together with geotechnical studies by external consultants were completed for Swan and Swift cut backs and a new pit design was completed for Howards (Figure 12). Given the lower level of accuracy of the Study, no Ore Reserves were declared.



Comminution and metallurgical flowsheet design for a completely new processing facility were completed by external consultants and included three stage crushing, a single ball mill, gravity circuit, cyanide leach, elution circuit and gold room. Gold recoveries were based on historical processing characteristics of Swan-Swift mineralisation as well as additional testwork completed on these by Panoramic and new testwork for Howards mineralisation. A wall lift for the Tailings Storage Facility was also designed by external consultants to accommodate processing tailings.

At the level of accuracy of the Study, it suggested a positive economic outcome was possible at a gold price of A\$1,700/oz. (Panoramic 2016b). The main risks to a positive financial outcome were identified by Panoramic as; gold price fluctuation, capital and operating costs estimates, Resource to Reserve conversion rates, metallurgical recoveries, availability of project financing and obtaining regulatory approvals to recommence mining and processing (not all of which are in place).

Validation of the Scoping Study, or of the financial evaluation contained therein, were not undertaken by Tuscan Geoscience. This work is part of the public record and is here described for completeness in the context of the recent historical record of Project exploration activities and development studies.

8 EXPLORATION POTENTIAL

8.1 Introduction

The gold exploration potential of the Gum Creek Project comprises discovery of additional gold mineralisation on the extensions of known deposits and the potential for discovery of new deposits throughout the greenstone belt.

8.2 Mine Areas

A review of the resource model data supports the view that good potential exists for the definition of additional resources through extensional drilling at several of the known deposits which have previously been mined.

Each of the three main shoots of the Wilsons deposit remain open at depth with good potential for extensions. High grade mineralisation has also been intersected in several holes to the north of the Mineral Resource and may represent at least one additional shoot. These warrant further drilling to better assess the potential of the area.

The Heron South drilling beneath the existing pit suggests the deposit is open at depth in at least one steep south plunging shoot and along strike. While the average resource grade at a 0.5g/t Au cutoff is 2.2g/t Au, there are distinctly higher grade zones within the deposit. These appear open along strike and at depth and could be interpreted as a combination of steep to moderately plunging high grade shoots and flatter lying supergene sulphide mineralisation. There is good potential to define additional high grade resources with extensional drilling.

The Howards deposit remains open at depth with good potential for extensions however the low grade nature of the mineralisation has limited economic potential below the existing Mineral Resource. Extensions to the mineralisation offset by faulting have been identified by numerous drillholes north and south of the Mineral Resource. There is good potential to add to the resources with additional drilling of these extensions.

It is likely that additional mineralisation will be defined in the Swan Bitter - Swift system if additional drilling allows the separate pods of mineralisation to be joined into larger lodes. Very little drilling occurs below 400m depth and in a well mineralised gold system such as this, good potential remains to define further lodes with additional drilling.

The Shiraz deposit, while low grade, is near surface and remains open at depth for the full extent of the mineralisation. Additional drilling could not only increase the resource but may also define higher grade shoots.

8.3 Project Tenements

8.3.1 Structural-Lithogeochemical Targets

Outcrop Exploration Services Pty Ltd ("OES") completed a prospectivity analysis of the Gum Creek Belt for Panoramic Gold Pty Ltd during 2014. The work included development of a new structural and stratigraphic model together with compilation of existing surface geochemical and drilling data.

The structural interpretation of the greenstone belt, together with analysis of historical surface geochemical sampling and drilling data, highlighted 10 prospective areas within the Panoramic tenements (Figure 13). Three of these were recommended for high priority follow up, three were assigned a moderate priority and four were assigned a moderate to low follow up priority. The three highest priority OES structural targets contained significant inadequately tested geochemical anomalism (Targets 1, 7 and 9). The moderate priority targets (3, 4 and 10) had associated geochemical anomalism and the remaining targets were conceptual. Target 1 comprises a deflected segment of the Wilsons Shear extending north and south from the Wilsons deposit and may represent a significant dilation zone localising gold mineralisation.

8.3.2 Geophysical Targets

With the completion of comprehensive airborne and ground geophysical surveys, Panoramic assembled detailed airborne EM, radiometric, and magnetic field data together with detailed gravity survey data. This was the first time such a comprehensive dataset was available for the complete Project.

Geophysical consultants Newexco Services Pty Ltd (“Newexco”) were engaged to complete geophysical data compilation and interpretation. In January 2016 they identified 14 high priority targets. The Wilsons Shear was one of the 14 target zones identified and along it, 14 discrete targets were identified (Figure 14). Four of these discrete targets comprise EM anomalies coincident with the Wilsons Shear (WS) in areas largely devoid of historical drilling (Targets 6.08, 6.09, 6.10 and 6.12). These were considered to have potential for sulphidised BIF hosted (Hill 50 style) gold mineralisation. Targets 6.08 and 6.09 lie within the OES Target 1 and should be considered higher priority.

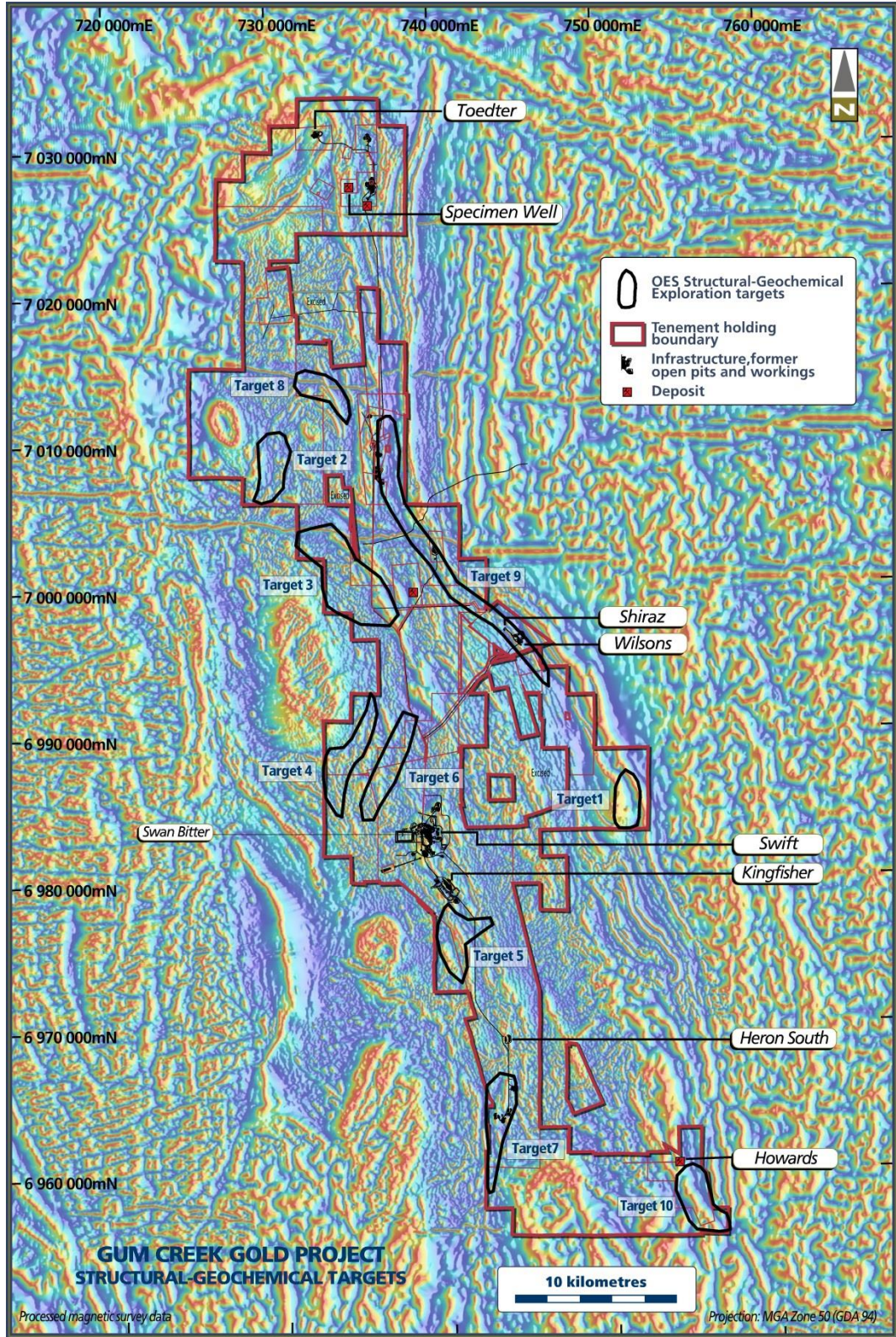
A number of other Newexco targets are coincident with or partly contained within targets defined by OES. Newexco T7 and T6.03 are coincident with OES Target 1. Newexco T5, T6, and T6.06 are enclosed by OES Target 9. These should also be considered higher priority. The target parameters and suggested initial prioritised follow up for 10 of the 27 targets are shown in Table 11.

An initial IP orientation survey completed in 2016 identified a clear chargeable source coincident with the known Wilsons mineralisation and this supported the extension of the survey to the south of Wilsons for 6km along strike of the WS.

The survey extension identified two discrete IP anomalies along strike and having similar responses to that over the Wilsons deposit (Figure 15). A third anomaly to the east of the WS (“Eastern Anomaly”) is associated with a distinct magnetic unit and is interpreted by Newexco to be a stratigraphic marker and not prospective for Au (Ebner and Amann, 2016).

A discrete chargeability anomaly on IP Line 4000 lies between Wilsons to the north and the “Main Anomaly” to the south. The discrete chargeability high has a coincident resistivity low and the small chargeability volume is considered analogous to the Wilsons Pit anomaly. From Line 3200 to Line 1200 (the end of the survey) a clear chargeability anomaly with low resistivity was evident on all sections. A 3D inversion generated a cylindrical source extending over that distance. Two specific targets were selected from within the Main Anomaly. The first is at Line 2800 where the inversion surface is broadest, and adjacent to a low amplitude magnetic anomaly located just north of Newexco target T6.05. The second area on Line 2000 was on the WS and coincident with previously picked target T6.01. This area has associated strong Au, Cu, and Ni geochemical anomalism.

Figure 13
Gum Creek – OES Structural-Geochemical Exploration Targets



Targets shown on processed magnetic survey data image
 Duggan, 2014

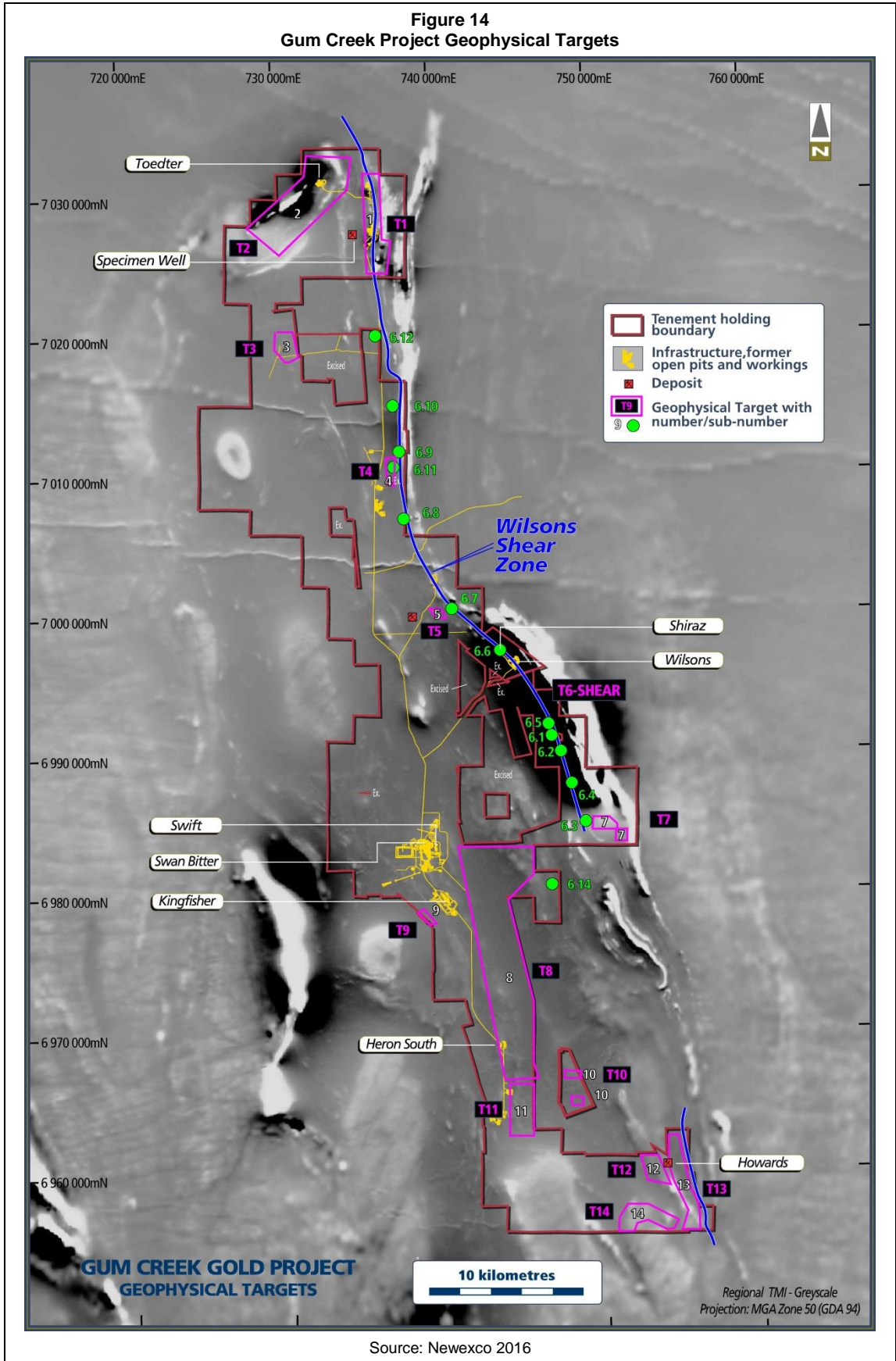


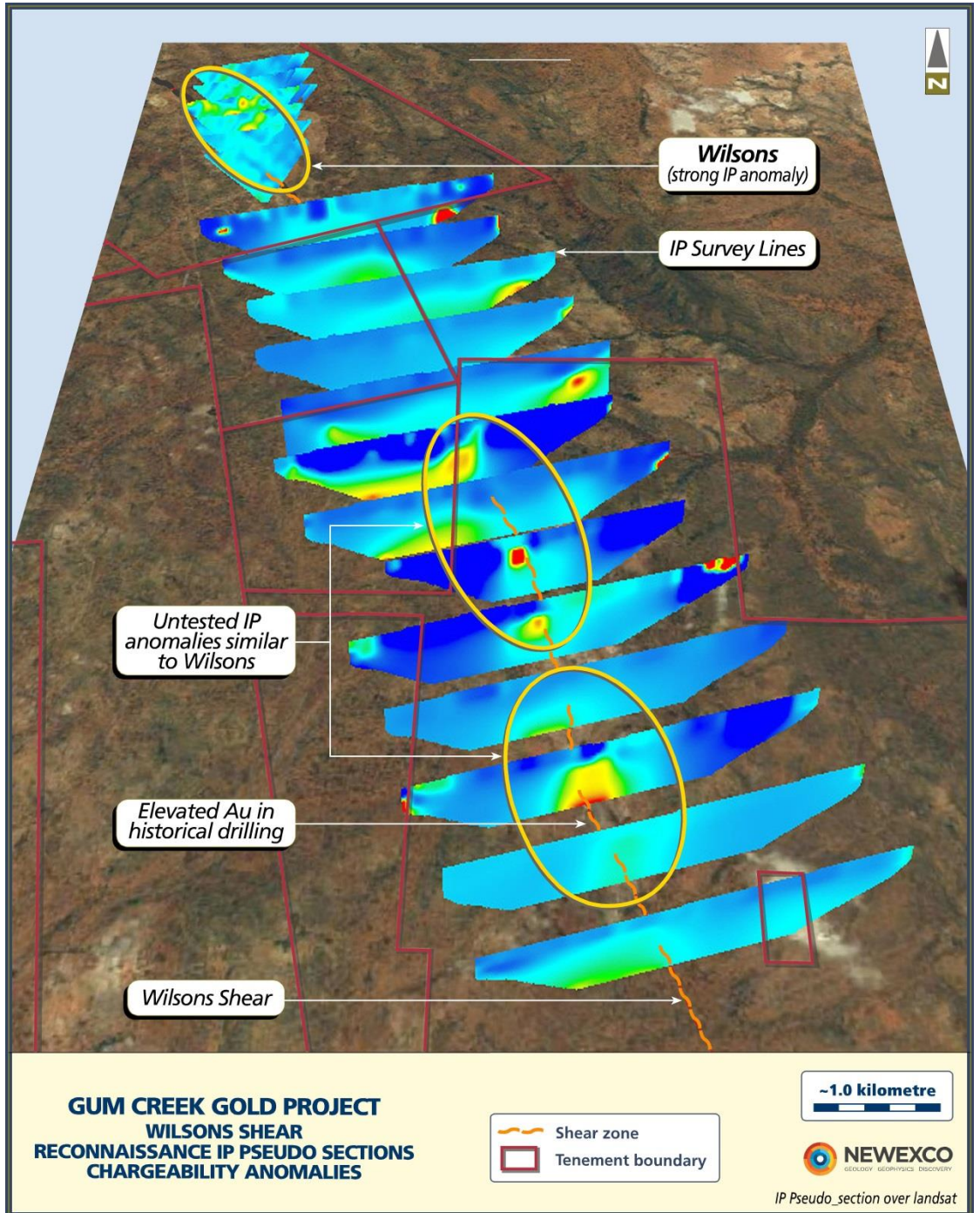
Table 11
Newexco Target Summary

T	Comments
1	BIF hosted gold targets. Strong Au association with pyrrhotite. Use magnetics and ground TEM to explore BIF for pyrrhotite rich zones.
2	BIF hosted gold targets. Strong Au association with pyrrhotite. Use magnetics and ground TEM to explore BIF for pyrrhotite rich zones.
3	Anomalous gold in shallow drilling that has not been followed up. Magnetics shows a NE structure that has not been drill tested.
4	Strong regolith conductor (not bedrock) possibly associated with thicker weathering reflecting alteration. Part of the area has strongly anomalous Au (>6g/t) intersected in drilling with much of the area undrilled. This target is also co-incident with the Wilsons Shear target 6.1.
5	Isolated gold in drilling anomaly in a jog in a magnetic rock unit. Limited existing drilling. Part of the Wilsons Shear (T6).
6	Interpreted position of the Wilsons Shear (WS). Coincident with OES Target 9. Fourteen specific targets have been picked along this shear zone as follows:
6.01	High Au, Ni, Cu geochemistry on WS. Associated IP anomaly.
6.02	Break in gravity gradient interpreted as cross structure. Possible dilation zone.
6.03	Bedrock conductor. This is northern most point and possibly where WS becomes narrow. Soil geochemistry + TEM proposed.
6.04	Dilation of shear suggested by SkyTEM. Soil geochemistry and IP recommended.
6.05	Area of deeper weathering. Soil high priority geochemistry recommended. Associated IP anomaly.
6.06	Area of deeper weathering on interpreted shear medium priority on cross cutting gravity feature.
6.07	Area of low resistivity/ deeper weathering in interpreted shear.
6.08	Bedrock conductor with Au.
6.09	Bedrock conductor with Au.
6.10	Bedrock conductor short strike no Au or Ni minor Cu Zn. Possible Ni target.
6.11	Zone of deeper weathering and low resistivity. Soil geochemistry recommended.
6.12	Bedrock conductor no geochemistry available here. Soil geochemistry recommended.
6.13	High gold on shear. Soil geochemistry and IP recommended.
6.14	High gold on minor deeper weathering. Soil geochemistry and IP recommended.
7	Untested and discrete airborne EM anomalies in an interesting structural location. Probably associated with banded iron formation. Close to interpreted position of the WS. Coincident with OES Target 1.
8	Large, underexplored target. A known mineralised trend extends into the western half of the target area. Target is covered with transported sediments meaning previous surface geochemical surveying & prospecting would have been ineffective.
9	Isolated gold anomaly in drilling. Limited existing drilling. The target is close to the edge of Panoramic's tenement package.
10	Two small areas with anomalous gold in drilling. Lies in an interesting structural location and has limited existing drilling.
11	A known mineralised trend extends into the western half of the target area. Target is covered with transported sediments meaning previous surface geochemical surveying and prospecting would have been ineffective. NE of OES Target 7
12	Potential extension of known gold occurrences mapped by magnetics and gravity. Much of target T12 lies beneath transported cover. Limited drilling.
13	Potential extension of known gold occurrences mapped by a strong gravity gradient. Much of target T13 lies beneath transported cover. Most of the target is undrilled. Coincident with OES Target 10.
14	Potential extension of known gold occurrences mapped by a strong gravity gradient. Much of target T14 lies beneath alluvial cover. Most of the target is undrilled.

Adapted from Webb, 2016.

[Highlighted targets are coincident with OES targets (green) and IP anomalous response (red)]

Figure 15
Wilson's Shear – IP Anomalies



From Ebner and Amann July 2016

The two anomalies have not previously been tested by drilling and both are compelling exploration targets for additional Wilsons style gold mineralisation. Only an estimated ten percent of the strike length of the WS within the Project has been tested by IP. Positive results from drill testing of the two existing anomalies will make completion of IP coverage along the Wilsons Shear a high priority.

8.4 Conclusions and Recommendations

There are currently about 1.25Moz of gold in JORC 2012 compliant Mineral Resources in nine deposits over a distance of approximately 100km within the Project area.

Some clear opportunities exist to increase the known resources through extensional drilling such as down plunge at the higher grade Wilsons deposit and beneath the existing pit at Heron South. Exploration in and around the underground lodes in the Swan-Swift system also offers potential to increase the high grade underground resources but requires additional data compilation and planning.

Considerable emphasis is warranted on compiling geological data from the historical production areas to assist with targeting new high grade shoots and or extensions to known shoots in these deposits. This should include review of geological and structural mine plans, grade control data from pits and underground together with extraction and re logging of core from selected historical diamond drillholes as required. The significant increase in the gold price over the 11 years since production ceased suggests potentially economic mineralisation remains to be delineated in open pit cutback and underground development positions.

The main issues facing development of any high grade underground resources will be de-watering, mine geotechnics and the re-establishment of the underground infrastructure. Development studies going forward will need to include a component of hydrogeology and geotechnical review and testing.

In addition to the opportunity to increase resources at the existing deposits, the Gum Creek Gold Project contains a significant exploration package of some 724km² which is prospective for new gold deposit discoveries. Within the Project area, past production and current Mineral Resources total more than two million ounces of gold. The multiple styles of mineralisation and the variety of lithologies hosting mineralisation are characteristic of the significant gold camps throughout the Yilgarn.

The Gum Creek Greenstone Belt has been extensively explored since the early gold discoveries and during the most recent production period of 1990 to 2005 and a significant drilling database exists. Notwithstanding this, exploration drilling on mineralised structures away from the known resources is largely confined to less than 100m vertical depth with significant areas only tested to 50m whereas typical mesothermal lode gold deposits can have vertical extents >1,000m. Previously mined deposits are concentrated in the outcrop and subcrop areas where prospecting, surface geochemical sampling and shallow geochemical drilling have been effective exploration tools.

Panoramic, for the first time assembled a comprehensive dataset comprising detailed geophysical and geochemical data. These data together with the structural and stratigraphic models developed from geological and geophysical interpretation have allowed the generation of a number of high priority exploration targets for free milling and refractory gold deposits. Careful interpretation of surface geochemistry and shallow geochemical drilling results has been employed to define these previously untested or poorly tested targets. Weak untested anomalies in structurally favourable areas should not be discounted as the regolith may not be geochemically well coupled to the bedrock (as in transported cover) or significant mineralisation may not extend vertically to near surface (<50m) positions. The latter case could still represent open pit mining opportunities dependent on grade, size and geometry.

A number of larger targets defined by OES and Newexco are in areas of thicker transported cover and have not previously been effectively tested by surface geochemistry or drill geochemistry. These provide a good opportunity for the discovery of new gold systems within the Project area.

The successful application of IP over the Wilsons deposit and the subsequent definition of additional untested IP anomalies along strike, suggest this technique could be quite effective in direct detection of additional Wilsons style refractory mineralisation. The promising initial metallurgical test results for the Wilsons style mineralisation and the gold grades at Wilsons, support the pursuit of these targets.

The opportunity for additional high grade mineralisation at Heron South and along the Heron South shear structure should be followed up with an orientation IP survey over the deposit and if successful with additional IP coverage along the mineralised structure to the north and south to define new drilling targets.

The exploration activities focused on increasing resources associated with the higher grade refractory style of mineralisation should be supported by additional metallurgical testwork for Wilsons and Heron South (and as lower priority for Shiraz). Samples for this testwork could be composited from diamond drill core collected during infill and extensional drilling.

The exploration targets outlined by OES and Newexco should be prioritised for follow up, initially with bedrock geochemical drilling and subsequently by deeper RC (>50m) drilling.

9 EXPLORATION AND DEVELOPMENT STUDY PROGRAM AND BUDGETS

9.1 Strategy and Proposed Program

9.1.1 Strategy

A proposed exploration and development study program for the Project has been provided by Horizon. The strategy is focused primarily on exploration to delineate additional (high grade) free milling resources to facilitate a decision to proceed to development. A significant additional aspect of the strategy is to increase confidence in gold recoveries and processing costs for the refractory mineralisation. This will allow the existing high grade refractory resources and future discoveries of this mineralisation style to be successfully exploited. In conjunction with this, ongoing project development studies will allow more accurate financial modelling to minimise risk associated with Project development.

9.1.2 Exploration Program

The two-year exploration strategy proposed by Horizon targets increasing the total gold resources and improving confidence (classification) in those resources. Extensional and infill drilling respectively are aimed at increasing the size of the known resources and increasing the confidence in those resource estimates. Drilling of high priority exploration targets away from the known deposits is aimed at adding gold resources through the discovery and delineation of new deposits.

Extensional and Infill Resource Drilling

Horizon has planned initial extensional drilling at Heron South and Kingfisher. At Heron South, additional RC drilling is proposed below the Heron South pit to delineate potential high-grade shoots and drilling along strike from the pit is required to assess the strike extent of the mineralisation. Additional RC and diamond drilling is proposed to define extensions to the Kingfisher North underground Resource. At Swan North, shallow resources are targeted for early production and drilling is aimed at upgrading the Inferred Resources here to at least Indicated status. Similarly at Swift where existing resources remain below the current Swift and Gannet pit floors, infill drilling is planned to upgrade the resource classification from Inferred to Indicated classification. A total of 7,000m of RC and diamond drilling is proposed at the four deposits.

Regional Exploration

The proposed regional exploration program for new deposits comprises drill testing of the high priority targets identified during 2016 and continued ground geophysical programs to define new drill targets. Proposed regional exploration includes staged programs of ground EM surveys, IP surveys and air-core drilling, to better define geophysical, geochemical and structural targets, followed by RC and core drilling of prospects that warrant follow-up. Approximately 200 line kilometres of EM, 400 line kilometres of IP, and 13,000m of air-core drilling is planned in the initial exploration phase, with approximately 13,000m of RC and diamond drilling. Planned Work programs include:

- Systematic drill testing of the 14 priority geophysical targets identified by Newexco. In Year 1 this will involve additional IP and ground EM surveys to better constrain drill targets, followed by drill testing of priority targets;
- Drill test two existing IP anomalies on the Wilsons Shear;

- Resume IP surveying along the Wilsons Shear, north and south from Wilsons and systematically test other IP anomalies as they are identified;
- Review and, where warranted, prioritise follow-up drill testing of historical drill intercepts away from known deposits.

9.1.3 Development Studies Program

The most recent project development study was the March 2016 Free Milling Scoping Study. Horizon plans to build on this with a two year program of project development studies which if successful may enable Ore Reserves to be reported. The development studies will be based on production from the free milling deposits. Subject to additional metallurgical testwork on refractory mineralisation, development of these higher grade resources will also be included in the development studies.

In Year 1, Horizon proposes to complete optimisation studies on free milling mineralisation to identify potential for reductions in capital and operating costs for mining and processing. Horizon will continue metallurgical studies on refractory mineralisation from Wilsons. Independent consultants will be employed to optimise testwork, ensure repeatability and scalability and prepare detailed design and costing suitable for inclusion in the development studies. Testwork will include collection of a one tonne bulk sample from new metallurgical diamond drillholes with the objective of producing about 100kg of sulphide flotation concentrate. This concentrate is required to undertake a higher volume continuous autoclave test (or similar) to give confidence in scalability of the flowsheet to commercial operational size.

Also in Year 1, Horizon proposes to dewater the Swift and Gannet pits to allow additional resource drilling below the pit floors, detailed aerial surveys of the Swan-Swift pits and updating of the free milling resources will follow.

During Year 2, Work completed in Year 2 will be dependent on results from Year 1. Horizon currently proposes to commence a development study, subject to market conditions and the prevailing gold price. The scope of this may include refractory mineralisation dependent on successful outcomes from the additional testwork and costing work in Year 1. The work proposed includes the following:

- **Mining:** Geotechnical assessment, detailed mine design and mine scheduling.
- **Processing:** Process selection, plant optimisation, design and tender pricing.
- **Engineering:** Tails Disposal - reconfirm previous design reports, Infrastructure Design - design and quote infrastructure (camp, electrical retic, buildings, workshops, etc.), and water management.
- **Contract** procurement and logistics, Information management and technology.
- **Environmental and Heritage:** (Require finalising prior to mining approvals). Base line soils, Flora assessment, Fauna assessment and waste classification. Completion of archaeological surveys.
- **Permitting:** Mining proposal – preparation and lodgement of a mining proposal.
- **Project execution:** capital and operating cost estimates, economic evaluation, risk assessment and planning.

9.2 Project Budget

An exploration and development studies budget for the first two years following listing has been prepared by Horizon. The total proposed budget is A\$13.09M and the main components are shown in Table 12 below. A total of A\$1.95M is allocated to Project development studies and A\$9.59M to Exploration (including leasing costs and site care and maintenance). Together these two budget allocations comprise 77% of the planned capital raising.

Table 12				
Gum Creek Gold Project - Proposed Exploration and Development Studies Budget (A\$)				
Program	Activity	Year 1	Year 2	Total
Development Studies	Metallurgical Testwork	\$520,000	\$60,000	\$580,000
	Project Development Studies	\$290,000	\$1,080,000	\$1,370,000
	Subtotal	\$810,000	\$1,140,000	\$1,950,000
Exploration	Geology (staff costs and misc.)	\$860,000	\$720,000	\$1,580,000
	Geophysics	\$850,000	\$310,000	\$1,160,000
	Aircore Drilling, sampling and analytical	\$310,000	\$90,000	\$400,000
	RC and Diamond drilling sampling and analytical	\$1,070,000	\$520,000	\$1,590,000
	Follow up (resource delineation)	\$500,000	\$500,000	\$1,000,000
	Resource Extension / Infill	\$720,000	\$0	\$720,000
	Subtotal	\$4,310,000	\$2,140,000	\$6,450,000
Tenement Rents, Rates and MRF		\$1,020,000	\$1,020,000	\$2,040,000
Site Care and Maintenance		\$550,000	\$550,000	\$1,100,000
General and Administration		\$750,000	\$800,000	\$1,550,000
Total		\$7,440,000	\$5,100,000	\$13,090,000

The author considers that the proposed exploration programs and development studies are appropriate for the opportunity at Gum Creek and that they are designed to achieve the stated objectives. Exploration and development studies budgets appear sufficient to meet those objectives and are consistent with the physical activity planned. The on-ground expenditure is sufficient to satisfy the statutory annual expenditure commitments for the project.

The Horizon strategy and budget are appropriately weighted towards the two areas likely to make a significant contribution to the financial outcomes for the Project. Increasing the resource base, particularly high grade free milling resources will make a significant contribution to de-risking project development. Confirmation of a commercially viable process route to treat the refractory gold mineralisation will unlock a significant amount of value from existing higher grade resources at Wilsons and future discoveries of this style found through geophysical (IP) exploration.

10 CONCLUSIONS AND RECOMMENDATIONS

10.1 Key Conclusions

The Gum Creek Gold Project covers around 724km² of the prospective Gum Creek Greenstone Belt in the Archean Yilgarn Province of Western Australia. Current (JORC 2012) Mineral Resources total around 1.25Moz of gold. A review of the available documentation, associated with the current Mineral Resources at the Gum Creek Gold Project suggests that they are appropriately classified and represent a reasonable estimate of the global resources present at each deposit.

The current Gum Creek Mineral Resources and the historical production up until cessation of mining in early 2005 make up a significant known gold endowment of 2.35Moz. Historical mining in the Gum Creek Project area produced around 1.1Moz of gold from open pit and underground mining of a variety of mineralisation styles characteristic of mesothermal lode gold deposits. Similar deposits elsewhere in the Yilgarn have contributed to making the Yilgarn a globally important gold province with a total endowment of around 324Moz (Witt et al, 2014). These factors support ongoing gold exploration in the Gum Creek Belt and enhance the prospectivity of the belt for new gold discoveries.

Recent exploration and development work on the Gum Creek Gold Project by Panoramic indicated potential for positive economic outcomes from project development, as illustrated by the March 2016 Free Milling Scoping Study, but at low levels of accuracy.

Horizon is appropriately focused on de-risking project development by increasing the resource base (particularly higher grade mineralisation) to support development. Addition of new quality resources will significantly support capital expenditure decisions and reduce project development risk. While primarily focused on exploration in the first two years, Horizon has also recognised the importance of confirming a commercially viable process route for the refractory mineralisation. This currently forms the bulk of the gold ounces in higher grade Mineral Resources and this style also represents some of the higher priority exploration targets on the Wilsons Shear.

Notwithstanding the significant exploration history which resulted in the discovery and development of numerous gold deposits, significant exploration potential exists to increase the Mineral Resources through extensions to existing deposits and the discovery of new deposits within the belt.

The potential for new deposit discoveries is in part enhanced by the ineffective past exploration and or fragmented ownership history. Multiple ownership over the last 30 years has been less than conducive to effective exploration. Large portions of the Project area are concealed by transported cover making surface prospecting and or surface geochemistry ineffective. Exploration drilling on mineralised structures away from the known resources is largely confined to less than 100m vertical depth with significant areas only tested to 50m, whereas typical mesothermal lode gold deposits can have vertical extents >1,000m.

For the first time in the exploration history of the area, fully integrated high quality belt scale geological, geophysical and geochemical datasets have been assembled. These have been compiled and interpreted to produce high priority gold targets which warrant a significant exploration program by Horizon.

Potential also exists to add to the existing Gum Creek Mineral Resources through extensional exploration drilling around the existing deposits and along the mineralised structures hosting these deposits. Some clear examples of this are the Wilsons and Heron South deposits and the Swan Bitter-Swift underground lode system. In part it appears that the chequered mine ownership history and much lower gold prices at the time are factors which contributed to this near mine potential not being adequately pursued.

An exploration program and budget prepared by Horizon is appropriately focused primarily on delineation of additional (high grade) resources to facilitate a decision to proceed to development. The author considers that the proposed exploration programs and development studies are appropriate for the opportunity at Gum Creek and that they are designed to achieve the stated objectives. Exploration and development studies budgets appear sufficient to meet those objectives and are consistent with the physical activity planned. The on-ground expenditure is sufficient to satisfy the statutory annual expenditure commitments for the project.

Additional development studies have been planned and budgeted for by Horizon. Appropriately, foremost of these is confirmation of the LOPOX processing route as a commercially viable processing option for the high grade refractory mineralisation currently representing 44% of gold in Resources.

10.2 Key Risks and Recommendations

Risks

Typical development risks for the Project have previously been identified by Panoramic in the 2016 Free Milling Scoping Study. These included; inclusion of low confidence resources in the production schedule, inaccurate cost and revenue estimates, geotechnical and hydrogeological problems associated with mining restart, permitting-environmental-heritage-native title issues, and availability of financing for project development. Additional development risks identified included lack of a commercially viable processing route for the refractory sulphide mineralisation, and a modest grade resource base on which to commit to development.

The author considers that failure of the planned exploration programs to discover additional mineable resources (preferably free milling) and failure to demonstrate a commercially viable process route for the refractory mineralisation are the two key project risks.

The two year work program and budget formulated by Horizon is designed to ameliorate and or mitigate these risks.

Recommendations

Near mine data compilation and interpretation requires an elevated priority to guide extensional exploration. A significant historical database associated with previous mining operations remains to be fully utilised and may provide quick wins for definition of new lodes or lode extensions accessible from (refurbished) existing underground mine workings and/or pit cutbacks.

The exploration focus on higher grade refractory mineralisation should be in concert with developing a viable processing solution for this style of mineralisation. Sequencing of the budget should allow for the bulk scale metallurgical testwork to confirm the process route early in the program.

Additional LOPOX metallurgical testwork should be completed to characterise gold recovery variability within the Wilsons deposit and to provide information on potential recoveries from the Heron South and Shiraz deposits.

An orientation IP survey over the Heron South deposit is recommended and if successful, IP coverage should be extended along the controlling structure to identify additional drilling targets for potentially high grade mineralisation.

As well as the geophysical targets on which the bulk of the exploration has been planned, the OES structural-geochemical targets not coincident with geophysical targets (OES 2, 3, 4, 5, 7 8) should also be reviewed for potential inclusion in the exploration drilling program. These are associated with NNE trending structures which appear to influence the distribution of the more significant deposits in the Gum Creek Greenstone Belt.

There should be an ongoing interpretation of the extensive regional database and refinement and re-prioritisation of exploration targets as new information comes to hand. The extensive regional geochemical database needs to be reviewed in concert with a detailed regolith reinterpretation. This aimed at confirming previously untested areas warranting follow up and increasing the priority of weak anomalous responses in areas poorly coupled or uncoupled with bedrock or insitu regolith profiles.

11 GLOSSARY OF TECHNICAL TERMS

\$	Australian dollars.
Ag	The chemical symbol for silver.
<i>aircore</i>	A drilling method commonly employed for shallow geochemical drilling.
<i>Albion</i>	A patented processing method for extracting gold from refractory ores.
<i>arsenopyrite</i>	A mineral made up of iron, arsenic and sulphur, FeAsS
As	The chemical symbol for arsenic
Au	The chemical symbol for gold.
<i>basalt</i>	A fine grained volcanic rock composed of feldspars and mafic minerals including olivine, pyroxene and amphibole.
<i>BIF</i>	Banded iron formation.
<i>biotite</i>	A dark iron rich mica.
<i>BIOX</i>	A bacterial oxidation process for extracting gold from refractory sulphide ores.
<i>chalcopyrite</i>	A copper iron sulphide, CuFeS ₂ .
<i>chargeability</i>	An electrical property of disseminated sulphides determined from Induced Polarisation (IP) surveys.
<i>chert</i>	A fine grained silica dominant sedimentary rock.
<i>CIL</i>	Carbon in leach. A common processing method for extracting gold from oxidised and non-refractory gold ores.
Cu	The chemical symbol for copper.
<i>cyanidation</i>	The process of gold dissolution in sodium cyanide solution.
<i>diorite</i>	A coarse-grained igneous rock of mafic to intermediate composition.
<i>elution</i>	The process in which loaded carbon is removed from the CIL circuit and the gold stripped from the carbon using a number of treatment steps.
<i>EM</i>	A geophysical method for detecting electrically conductive materials (often massive sulphide mineralisation) in the subsurface. Can be ground based or airborne.
Fe	The chemical symbol for iron.
<i>feasibility study</i>	An advanced study undertaken to determine the economic viability of a mineral deposit to a high degree of accuracy.
<i>ferruginous</i>	Containing or rich in iron.
<i>free milling</i>	A term, generally applied to gold ores, in which the gold is readily extractable during normal processing and size reduction techniques.
<i>gabbro</i>	A coarse grained intrusive rock composed of feldspar and mafic minerals
<i>galena</i>	A mineral composed of lead and sulphur, PbS ₂ .
<i>geotechnical study</i>	A study of the mechanical properties of a rock mass to determine its likely behaviour on mining.
<i>granite</i>	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
<i>granitoid</i>	General term for rocks similar to granites.
<i>greenstone</i>	General term used to describe metamorphosed sequences of volcanic, sedimentary, ultramafic volcanic and ultramafic -mafic to felsic igneous rocks.

<i>g/t</i>	Grams per tonne.
<i>hematite</i>	An iron oxide mineral with the formula Fe_2O_3 .
<i>Indicated Mineral Resource</i>	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence.
<i>Inferred Mineral Resource</i>	That part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence.
<i>Inversion (3D Inversion)</i>	A method of processing geophysical data to simulate the subsurface distribution of anomalous responses. Often referred to as pseudo sections.
<i>IP</i>	Induced polarisation. A geophysical method for detecting disseminated sulphide minerals in the sub surface.
<i>JORC</i>	Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
<i>koz</i>	Thousand ounces.
<i>ktpa</i>	Thousand tonnes per annum.
<i>Measured Mineral Resource</i>	That part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence.
<i>mesothermal</i>	General classification for mineral deposits formed at moderate depths (1 - 5km) and temperatures (200 - 300°C).
<i>metabasalt</i>	Metamorphosed basalt.
<i>Modifying Factors</i>	Considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
<i>monzonite</i>	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase with subordinate mafic minerals (usually amphiboles) and thus, intermediate between syenite and diorite.
<i>Moz</i>	Million ounces.
<i>Mt</i>	Million tonnes.
<i>Mtpa</i>	Million tonnes per annum.
<i>Ni</i>	The chemical symbol for nickel.
<i>ordinary kriging</i>	A grade estimation technique using geostatistical methods which reproduces modelled spatial variability for a given block size.
<i>Ore Reserve</i>	That portion of a resource that can be economically extracted and processed.
<i>oz</i>	Ounces.
<i>P₈₀</i>	Particle size for which 80% of the material is finer than that size.
<i>porphyry</i>	A rock (usually felsic intrusive or subvolcanic) with conspicuous larger crystals in a fine grained ground mass.
<i>pyrite</i>	An iron sulphide mineral with the chemical formula FeS_2 .
<i>pyroxenite</i>	An ultramafic rock composed principally of the mineral species pyroxene.
<i>pyrrhotite</i>	An iron sulphide mineral with the chemical formula $Fe_{(1-x)}S$.
<i>quartz</i>	A mineral composed of silicon dioxide, SiO_2 .
<i>QAQC</i>	Quality assurance and quality control.

<i>RAB</i>	Rotary air blast drilling.
<i>refractory</i>	Referring to mineralisation where gold is locked in other mineral phases (usually sulphides) and requiring special processing to liberate.
<i>Roasting</i>	The process of conversion of a sulphide ore into its oxide by heating it below its melting point in the presence of oxygen.
<i>S</i>	The chemical symbol for sulphur.
<i>Scoping Study</i>	A preliminary study to determine the likely viability of a project to a relatively low (+ _ 50%) degree of accuracy.
<i>sericite</i>	A pale potassium rich mica common in alteration zones around mineralisation and in metasedimentary rocks.
<i>shale</i>	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
<i>shear zone</i>	A zone in which shearing has occurred on a large scale, such that the rock is deformed in a dominantly ductile manner.
<i>silicification</i>	Replacement by, or introduction of, appreciable quantities of silica, via hydrothermal alteration.
<i>strike</i>	Horizontal direction or trend of a geological structure.
<i>strike length</i>	The horizontal distance along the long axis of a structural surface, mineral deposit or geochemical anomaly.
<i>syncline</i>	A fold in rocks in which the strata dip inward from both sides towards the axis.
<i>synclinorium</i>	A syncline like fold for which the upwards sequence of rocks has not been determined.
<i>syenite</i>	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
<i>tpa</i>	Tonnes per annum.
<i>Tertiary</i>	Subdivision of geological time covering the period from 65 million years to 1.8 million years ago.
<i>µm</i>	Micrometres, 10 ⁻⁶ m.
<i>ultramafic</i>	Igneous rocks containing less than 45% silica and consisting essentially of ferromagnesium minerals with trace quartz and feldspar. Synonymous with ultrabasic.
<i>waste</i>	The portion of material in an open pit which has to be removed during normal mining operations but which contains no elements of economic interest, or which are below the economic cutoff grade.
<i>Weathering</i>	The effect on rocks and minerals of prolonged exposure to atmospheric elements such as water and oxygen.

12 PRINCIPAL SOURCES OF INFORMATION

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Appendix A

**Gum Creek Gold Project
Tenement Schedule**



Tenement	Status	Holder	Date Lodged	Grant Date	Expiry Date	Area	Units
E51/1144	Live	Panoramic Gold Pty Ltd	21-Feb-06	28-Aug-06	27-Aug-16	23	BL
E51/1538	Live	Panoramic Gold Pty Ltd	16-Aug-12	04-Feb-14	03-Feb-19	35	BL
E53/1215	Live	Panoramic Gold Pty Ltd	21-Feb-06	28-Aug-06	27-Aug-16	34	BL
E53/1273	Live	Panoramic Gold Pty Ltd	06-Nov-06	08-Jan-08	07-Jan-18	10	BL
E53/1725	Live	Panoramic Gold Pty Ltd	06-Nov-12	04-Jul-13	03-Jul-18	30	BL
E57/633	Live	Panoramic Gold Pty Ltd	30-Mar-06	13-Dec-07	12-Dec-17	22	BL
E57/676	Live	Panoramic Gold Pty Ltd	06-Nov-06	14-Jan-08	13-Jan-18	15	BL
E57/678	Live	Panoramic Gold Pty Ltd	24-Nov-06	12-Feb-08	11-Feb-18	13	BL
E57/705	Live	Panoramic Gold Pty Ltd	02-Feb-07	07-Jan-08	06-Jan-18	6	BL
L51/93	Live	Panoramic Gold Pty Ltd	14-Feb-13	25-Nov-13	24-Nov-34	5.82	HA
L53/116	Live	Panoramic Gold Pty Ltd	18-Feb-02	31-Jul-02	30-Jul-23	8.90	HA
L53/199	Live	Panoramic Gold Pty Ltd	27-Mar-15	30-Jul-15	29-Jul-36	23.75	HA
L53/46	Live	Panoramic Gold Pty Ltd	13-Dec-89	01-Mar-90	28-Feb-20	60.00	HA
L53/47	Live	Panoramic Gold Pty Ltd	06-Jul-90	27-Sep-90	26-Sep-20	24.00	HA
L53/95	Live	Panoramic Gold Pty Ltd	02-Jun-98	14-Dec-98	13-Dec-18	71.00	HA
L53/96	Live	Panoramic Gold Pty Ltd	02-Jun-98	14-Dec-98	13-Dec-18	237.00	HA
L57/20	Live	Panoramic Gold Pty Ltd	18-Feb-02	21-Jun-02	20-Jun-23	6.67	HA
L57/44	Live	Panoramic Gold Pty Ltd	12-Dec-11	13-Jun-12	12-Jun-33	31.70	HA
L57/47	Live	Panoramic Gold Pty Ltd	25-Oct-12	14-Aug-13	13-Aug-34	36.00	HA
M51/104	Live	Panoramic Gold Pty Ltd	23-Sep-86	12-May-87	11-May-29	36.81	HA
M51/105	Live	Panoramic Gold Pty Ltd	23-Sep-86	10-May-89	09-May-31	117.35	HA
M51/157	Live	Panoramic Gold Pty Ltd	21-Jul-87	10-Mar-88	09-Mar-30	93.32	HA
M51/185	Live	Panoramic Gold Pty Ltd	20-Oct-87	19-Feb-88	18-Feb-30	247.55	HA
M51/186	Live	Panoramic Gold Pty Ltd	20-Oct-87	19-Feb-88	18-Feb-30	364.90	HA
M51/290	Live	Panoramic Gold Pty Ltd	04-Nov-88	10-May-89	09-May-31	4.86	HA
M51/410	Live	Panoramic Gold Pty Ltd	09-Sep-91	11-Mar-92	10-Mar-34	353.75	HA
M51/458	Live	Panoramic Gold Pty Ltd	26-Nov-92	10-Feb-93	09-Feb-35	619.95	HA
M53/10	Live	Panoramic Gold Pty Ltd	07-Jul-83	25-Nov-83	24-Nov-25	9.69	HA
M53/105	Live	Panoramic Gold Pty Ltd	24-Feb-88	30-Aug-88	29-Aug-30	566.25	HA
M53/11	Live	Panoramic Gold Pty Ltd	07-Jul-83	25-Nov-83	24-Nov-25	9.69	HA
M53/153	Live	Panoramic Gold Pty Ltd	06-Mar-90	29-Jun-90	28-Jun-32	916.50	HA
M53/251	Live	Panoramic Gold Pty Ltd	21-May-92	03-Sep-92	02-Sep-34	170.45	HA
M53/252	Live	Panoramic Gold Pty Ltd	27-May-92	03-Sep-92	02-Sep-34	705.00	HA
M53/500	Live	Panoramic Gold Pty Ltd	02-Aug-96	22-May-00	21-May-21	390.15	HA
M53/716	Live	Panoramic Gold Pty Ltd	04-Nov-97	08-Sep-98	07-Sep-19	254.10	HA
M53/904	Live	Panoramic Gold Pty Ltd	04-Jul-00	29-Sep-00	28-Sep-21	8.32	HA
M53/988	Live	Panoramic Gold Pty Ltd	14-Aug-02	13-Mar-03	12-Mar-24	511.55	HA
M57/633	Live	Panoramic Gold Pty Ltd	22-Aug-11	29-Oct-12	28-Oct-33	651.00	HA
M57/634	Live	Panoramic Gold Pty Ltd	29-Nov-13	15-Jul-14	14-Jul-35	13,705.00	HA
M57/635	Live	Panoramic Gold Pty Ltd	29-Nov-13	02-Sep-14	01-Sep-35	1,443.00	HA
P53/1577	Live	Panoramic Gold Pty Ltd	08-Dec-11	23-Aug-12	22-Aug-16	5.03	HA
P53/1581	Live	Panoramic Gold Pty Ltd	24-Feb-12	05-Oct-12	04-Oct-16	71.82	HA
P53/1582	Live	Panoramic Gold Pty Ltd	06-Mar-12	05-Oct-12	04-Oct-16	60.15	HA
P53/1640	Pending	Panoramic Gold Pty Ltd	18-May-16			159.00	HA
P53/1641	Pending	Panoramic Gold Pty Ltd	18-May-16			31.00	HA
P57/1304	Live	Panoramic Gold Pty Ltd	08-Dec-11	24-Aug-12	23-Aug-16	47.69	HA

6. FINANCIAL INFORMATION

6.1 Introduction

The Company was incorporated on 10 August 2016 with \$2 in issued capital (5 shares issued at \$0.40 per Share). The Company has agreed, on the terms and conditions as set out in the Acquisition Agreement, to acquire Panoramic Gold which owns the Gum Creek Gold Project from Panoramic Resources and will, upon settlement of the Acquisition Agreement, become the holding company of Panoramic Gold.

The financial information includes:

- The historical financial information for Panoramic Gold comprising:
 - the historical statements of comprehensive income for Panoramic Gold for the financial years ended 30 June 2014 (FY14), 30 June 2015 (FY15) and 30 June 2016 (FY16) and for the interim period from 1 July 2016 to 30 September 2016 (IP17) (Historical Statements of Comprehensive Income);
 - the historical statements of cash flows for Panoramic Gold for FY14, FY15 and FY16 and for IP17 (Historical Statements of Cash Flows); and
 - the historical balance sheets for Panoramic Gold as at 30 June 2014, 30 June 2015, 30 June 2016 and 30 September 2016 (Historical Balance Sheets),(together, the **Historical Financial Information**).
- The pro forma historical consolidated balance sheet for the Company as at 30 September 2016 (**Pro Forma Historical Balance Sheet**).

(Collectively, the **Financial Information**)

The Financial Information presented in this Section 6 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

Amounts in this Section have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016.

The Financial Information has been prepared by the Company in connection with the Offers. The Financial Information as defined above has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2 Basis of preparation and presentation of the Financial Information

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Financial Information included in this Prospectus is intended to present potential investors with information to assist

them in understanding the historical financial performance, cash flows and financial position of Panoramic Gold together with the Pro-Forma Historical Balance Sheet for the Company (Panoramic Gold and the Company together form the **Group**).

The Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements and comparative information as required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

6.2.1 Preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards (**AAS**) issued by the Australian Accounting Standards Board (**AASB**), which is consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

In preparing the Historical Financial Information, the accounting policies of Panoramic Gold have been applied consistently throughout the periods presented. Significant accounting policies of Panoramic Gold and the Company relevant to the Financial Information are detailed in Section 6.4 (b) below.

The Historical Financial Information of Panoramic Gold as at and for FY14, FY15 and FY16 has been derived from the respective general purpose financial statements of Panoramic Gold for FY14, FY15 and FY16 as appropriate and for IP17 from the unaudited trial balance for IP17.

The general purpose financial statements of Panoramic Gold have been audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements, which included an emphasis of matter paragraph about Panoramic Gold's ability to continue as a going concern.

The Historical Financial Information of Panoramic Gold as at 30 September 2016 and for IP17 has been derived from its unaudited trial balance and on which no audit opinion or limited assurance conclusion has been issued

The general purpose historical financial statements of Panoramic Gold referred to in this Section above have been lodged with ASIC on 21 October 2016 and are incorporated by reference in this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of the general purpose historical financial statements of Panoramic Gold to any person who requests a copy of these during the offer period, free of charge.

6.2.2 Preparation of Pro Forma Historical Balance Sheet

The acquisition of Panoramic Gold by the Company (the **Group Reorganisation**) is not considered to be a business combination and does not result in any change of economic substance. Accordingly, following the Group Reorganisation, the consolidated financial statements of the Company will represent a continuation of the operations of Panoramic Gold.

The Pro Forma Historical Balance Sheet for the Company has been prepared solely for inclusion in this Prospectus.

The Pro Forma Historical Balance Sheet for the Company has been derived from the historical balance sheet for Panoramic Gold as at 30 September 2016 (per the 30 September 2016 historical balance sheet included at Section 6.3.3) and includes adjustments for the effects of the following group of proforma transactions:

- (a) The acquisition by the Company of Panoramic Gold from Panoramic Resources being pro forma transactions (i) to (iv) outlined below; and
- (b) The Offers to raise net proceeds of \$13,650,000 being pro forma transactions (v) to (vi) outlined below.

The Pro Forma Historical Balance Sheet for the Company has been prepared in accordance with the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 30 September 2016.

Details of the individual pro-forma transactions that have been applied to the historical balance sheet as at 30 September 2016 of Panoramic Gold are as follows:

- (i) The Company's acquisition of all the shares (being one Share) in Panoramic Gold from Panoramic for the consideration of \$1 in accordance with the Acquisition Agreement;
- (ii) The Company's assumption and acquisition of the \$15,612,000 unsecured, interest free loan from Panoramic to Panoramic Gold for the consideration to Panoramic of 39,030,612 new ordinary shares in the Company at \$0.40 per Share in accordance with the Acquisition Agreement;
- (iii) A reduction of \$26,028,000 and \$627,000 to contributed equity and share based payments reserve respectively with a corresponding credit to accumulated losses of \$26,655,000 to account for effect of the group restructure as discussed above;
- (iv) The derecognition of the deferred tax liability of Panoramic Gold on exiting the Panoramic tax consolidated group. No current tax or deferred tax will arise on the acquisition of Panoramic Gold by the Company; and
- (v) The issue of 37,500,000 Shares in the Company in accordance with the Offers to raise gross proceeds of \$15,000,000 for the advancement of Gum Creek, working capital and costs of the Offers (refer to Section 12.6);
- (vi) The costs associated with the Offers and the listing of the Shares issued by Company as part of the Group Reorganisation estimated to be \$1,350,000. Of the total, \$1,070,000 has been deducted from contributed equity as these costs are directly attributable to the Offers. The remaining balance of \$280,000 has been expensed.

6.3 Historical Financial Information

6.3.1 Historical Statements of Comprehensive Income

The table below sets out the Historical Statements of Comprehensive Income of Panoramic Gold for FY14, FY15, FY16 and IP17.

Table 6.3.1		Notes	FY14	FY15	FY16	3 month period ended 30 Sept 2016
			\$'000	\$'000	\$'000	\$'000
Other income			1	-	-	-
Employee benefits expenses			(268)	(233)	(213)	(42)
Finance expense			(24)	(11)	(753)	-
Share based payment expense			(58)	(65)	(10)	-
Other expenses			(717)	(672)	(735)	(334)
Impairment loss	6.3.4(a)		-	-	(41,655)	-
Reversal of Impairment loss	6.3.4(b)		-	-	-	8,995
Loss before income tax			(1,066)	(981)	(43,366)	8,619
Income tax benefit/(expense)	6.3.4(c)		94	211	12,979	(2,694)
Loss for the period			(972)	(770)	(30,387)	5,925
Other comprehensive income/(loss)			-	-	-	-
Total comprehensive income/(loss)			(972)	(770)	(30,387)	5,925

6.3.2 Historical Statement of Cash Flows

The table below sets out the Historical Statements of Cash Flows of Panoramic Gold for FY14, FY15, FY16 and IP17.

Table 6.3.2	FY14	FY15	FY16	3 month period ended 30 Sept 2016
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Payments to suppliers and employees	(1,357)	(947)	(1,011)	(322)
Net cash outflow used in operating activities	(1,357)	(947)	(1,011)	(322)
Cash flows from investing activities				
Interest received	1	-	-	-
Payments for exploration and evaluation	(2,564)	(1,573)	(1,497)	(583)
Payments for Property, plant and equipment	(5)	(12)	-	-
Net cash outflow used in investing activities	(2,568)	(1,585)	(1,497)	(583)
Cash flows from financing activities				
Proceeds from borrowings from related parties	4,095	2,562	2,473	905
Net cash inflow from financing activities	4,095	2,562	2,473	905
Net increase (decrease) in cash and cash equivalents	170	30	(35)	-
Cash and cash equivalents at the beginning of the financial year	(165)	5	35	-
Cash and cash equivalents at the end of the financial year	5	35	-	-

6.3.3 Historical Balance Sheets

The table below sets out the Historical Balance Sheets of Panoramic Gold as at 30 June 2014, 30 June 2015, 30 June 2016 and 30 September 2016.

Table 6.3.3		30 June 2014	30 June 2015	30 June 2016	30 Sep 2016
	Notes	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash and cash equivalents		5	35	-	-
Receivables		30	37	47	-
Loans advanced to related entities		109	176	82	-
Prepayments		17	17	-	-
Inventories		23	23	-	-
Total Current Assets		184	288	129	-
Non-Current assets					
Exploration and evaluation assets	6.3.4(a),(b)	51,132	52,706	14,286	20,779
Property, plant and equipment	6.3.4(a),(b)	4,251	4,263	1,179	4,263
Total Non-Current Assets		55,383	56,969	15,465	25,042
Total Assets		55,567	57,257	15,594	25,042
Current Liabilities					
Trade and other payables		179	142	66	-
Provision – employee benefits		34	69	54	34
Loans from holding company and related entities	6.3.4(d)	37,654	39,606	41,013	15,612
Total Current Liabilities		37,867	39,817	41,133	15,646
Non-Current Liabilities					
Deferred tax liabilities	6.3.4(c)	13,255	13,723	1,714	4,696
Provision – employee benefits		23	-	-	-
Provision - rehabilitation		9,989	9,989	9,396	9,396
Total Non-Current Liabilities		23,267	23,712	11,110	14,092
Total Liabilities		61,134	63,529	52,243	29,738
Net Liabilities		(5,567)	(6,272)	(36,649)	(4,696)
Equity					
Contributed equity	6.3.4(d)	-	-	-	26,028
Share based payments reserve		552	617	627	627
Accumulated losses		(6,119)	(6,889)	(37,276)	(31,351)
Total Shareholders Deficit		(5,567)	(6,272)	(36,649)	(4,696)

6.3.4 Management Discussion and Analysis on the Historical Statements of Comprehensive Income, Statements of Cash Flows and Balance Sheets

(a) Impairment loss

On 3 August 2015, Panoramic announced the decision by its directors to divest the Gum Creek Gold Project. Accordingly, the Project was classified as an asset held for sale under AASB 5: *Non-Current Assets Held for Sale and Discontinued Operations* ("AASB 5").

In accordance with AASB 5, immediately before the classification of Gum Creek as assets held for sale, the carrying value of Gum Creek was assessed to ensure that it was being carried at the lower of its carrying value and "fair value less cost to dispose" (**FVLCD**). Accordingly, an impairment loss of \$41,665,000 was recognised in the statement of comprehensive income to reduce the carrying values of Gum Creek to its FVLCD. Of the total impairment loss of \$41,655,000, \$3,084,000 of the impairment loss was recorded against property, plant and equipment with the balance of \$38,571,000 against exploration and evaluation assets.

On 30 May 2016, Panoramic announced that the directors were considering a partial divestment of Gum Creek by way of an initial public offering on the ASX. As a result, at 30 June 2016, the Project (which was previously classified as asset held for sale) was re-classified into the respective asset categories.

Prior to reclassification out of the held for sale category, the carrying value of Gum Creek was assessed to ensure that it was being carried at the lower of its carrying value (adjusted for depreciation and amortisation) and fair value. It was determined that the fair value less cost of disposal (FVLCD) value of the Project approximated its carrying value.

The fair value of Gum Creek at 30 June 2016 was determined based on comparable market transactions. The fair value methodology adopted at 30 June 2016 was categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resources/reserves and the valuation multiples.

(b) Reversal of Impairment loss

In accordance with AASB 136: *Impairment of Assets* ("AASB 136"), in preparing the unaudited balance sheet at 30 September 2016, the carrying value of the Gum Creek Project was reviewed for indicators of impairment reversal to determine whether impairment loss recognised during the year ended 30 June 2016 may no longer exist or may have decreased. As indicators of impairment reversal were identified, management determined the recoverable amount of the Project at 30 September 2016. The FVLCD of Gum Creek was determined to be \$25,042,000 and accordingly an impairment loss of \$8,995,000 was reversed during the IP17.

The FVLCD of the Gum Creek Gold Project at 30 September 2016 has been determined based on comparable market transactions. The fair value methodology adopted at 30 September 2016 was categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resources/reserves and the valuation multiple. Any change in these estimates could impact the FVLCD of the underlying "cash generating unit" (CGU).

(c) **Income tax benefit/(expense) and deferred tax liability**

The increase in income tax benefit in FY15 and the corresponding reduction in deferred tax liability on the balance sheet was a result of the impairment loss of \$41,665,000 recorded in FY15 (see note 6.3.4 (a) above).

The increase in income tax expense in IP17 and the corresponding increase in deferred tax liability on the balance sheet was a result of the impairment loss reversal of \$8,995,000 recorded in IP17 (see note 6.3.4 (b) above).

(d) **Forgiveness of debt by related entities**

In accordance with the Deed of Forgiveness and Release dated 31 August 2016, all inter-company loans payable to related entities, being entities controlled by Panoramic were forgiven, except for the loan payable to Panoramic by Panoramic Gold, which was forgiven of up to \$15,612,000.

As a result, the amounts forgiven by these related parties of \$26,028,000 were credited to contributed equity. The forgiveness of the loans was credited to equity as it was considered to be "contributions from shareholders".

6.4 Historical and Pro Forma Historical Balance Sheet

The table below sets out the Historical Balance Sheet of Panoramic Gold as at 30 September 2016 and the Pro Forma Historical Balance Sheet for the Company as at 30 September 2016.

Table 6.4	Notes	Historical Balance Sheet 30 Sep 2016	Pro Forma Adjustments	Pro Forma Historical Balance Sheet
		\$'000	\$'000	\$'000
Current Assets				
Cash and cash equivalents	6.4(c)	-	13,650	13,650
Total Current Assets		-	13,650	13,650
Non-Current assets				
Exploration and evaluation assets		20,779		20,779
Property, plant and equipment		4,263		4,263
Total Non-Current Assets		25,042	-	25,042
Total Assets		25,042	13,650	38,692
Current Liabilities				
Provision – employee benefits		34	-	34
Loan from holding company	6.4(d)	15,612	(15,612)	-
Total Current Liabilities		15,646	(15,612)	34
Non-Current Liabilities				
Deferred tax liabilities	6.4(e)	4,696	(4,696)	-
Provision - rehabilitation		9,396	-	9,396
Total Non-Current Liabilities		14,092	(4,696)	9,396
Total Liabilities		29,738	(20,308)	9,430
Net Assets		(4,696)	33,958	29,262
Equity				
Contributed equity	6.4(f)	26,028	3,514	29,542
Share based payments reserve	6.4(g)	627	(627)	-
Accumulated losses	6.4(h)	(31,351)	31,071	(280)
Total Equity		(4,696)	33,958	29,262

Notes to the Financial Information

The significant accounting policies adopted by the Company in the preparation of the Historical Financial Information and the Pro Forma Historical Balance Sheet. The accounting policies have been consistently applied to periods presented unless otherwise stated.

(a) **Basis of Preparation**

(i) Going concern

The Financial Information has been prepared on a going concern basis which assumes the continuity of the Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Panoramic Gold had a net current liability position of \$15,646,000 and a net liability position of \$4,696,000 as at 30 September 2016. Cash used in operating activities for IP17 amounted to \$322,000. Following completion of the Offers, the Group expects to be in a pro forma historical net current assets position of \$13,616,000 with net assets of \$29,262,000 and with a pro forma cash balance of \$13,650,000 as reflected in the Pro Forma Historical Balance Sheet as at 30 September 2016.

The Directors believe that the ability of the Company to complete the acquisition of Panoramic Gold and for the Group to undertake its planned exploration program and to meet its working capital requirements so as to settle its liabilities as and when they fall due is dependent upon the completion of the capital raising under the Prospectus. The Directors expect that the proposed capital raising will be sufficient to allow for the planned exploration program to be undertaken and to provide the necessary working capital for a period in excess of 12 months from the date of this Prospectus.

Should the Company be unable to complete the capital raising under this Prospectus, as set out above, there is significant uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Historical and Pro Forma Historical Balance Sheets. The Financial Information does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(ii) Reporting basis and conventions

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain assets measured at fair value.

(b) **Accounting Policies**

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in the bank's short term deposits with an original maturity not exceeding three months and if greater than three months, principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank, net of bank overdrafts.

(ii) Exploration and evaluation assets

Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area or, alternatively, by its sale.

Exploration and evaluation in the area of interest that have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are expensed as incurred.

Impairment

The carrying value of capitalised exploration expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The recoverable amount of capitalised exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(iii) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost of property, plant and equipment constructed for and by the Group, where applicable, includes the cost of materials and direct labour. The proportion of overheads and other

incidental costs directly attributable to its construction are also capitalised to the cost of property, plant and equipment.

Depreciation and amortisation

Depreciation and amortisation is calculated on a straight line basis over the estimated useful lives of the asset. The estimated useful lives used for each class of asset are as follows:

Asset	Estimated useful life
Process plant and buildings	Unit of production basis over the estimated life of mine of 7 years

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Property, plant and equipment that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(iv) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when the Group becomes obliged to make payments resulting from the purchase of goods and services. The amounts are non-interest-bearing, unsecured and are usually paid within 30 days of recognition.

(v) Provision - employee benefits

(A) *Short term leave benefits*

Liabilities for short term leave benefits expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(B) *Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date of corporate bond rate with terms of maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(vi) Provision - rehabilitation

The Group is required to rehabilitate a mine and processing site at the end of their producing lives to a condition acceptable to the relevant authorities. Rehabilitation includes any decommissioning costs together with other rehabilitation activities.

The expected cost of any approved rehabilitation program, discounted to its net present value, is provided in the period in which its obligation arise. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. Over time, the liability is increased for the change in net present value based on a risk adjusted pre-tax discount rate appropriate to the risk inherent in the liability. The unwinding of the discount is included in financing cost. Expected rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected rehabilitation costs, the value of the provision and any related asset are adjusted and the effect is recognised in the income statement on a prospective basis over the remaining life of the operation.

(vii) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

(viii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position.

(ix) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets and liabilities are reassessed at each balance sheet date and reduced to the extent that it is no longer probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority

(x) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the Financial Information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained internally and externally.

(A) *Determination of mineral resources and ore reserves*

The Company estimates its mineral resources and ore reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') as a minimum standard. The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the Mineral Resources and Ore Reserves determined either under the 2012 or 2004 editions of the JORC Code.

There are numerous uncertainties inherent in estimating Mineral Resources and Ore Reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Significant judgement is required in assessing the available reserves. Factors that must be considered in determining reserves and resources are the Company's history of converting resources to reserves and the relevant time frame, market and future developments.

Changes in the forecast prices of commodities, foreign currency exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for decommissioning and restoration.

(B) *Impairment of capitalised exploration and evaluation expenditure*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable reserves and mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Capitalised exploration and evaluation expenditure that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(C) *Impairment of property, plant and equipment*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash-generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on:

- Estimates of the quantities of Ore Reserves and Mineral Resources for which there is a high degree of confidence of economic extraction;
- Future production levels;
- Future commodity prices; and
- Future cash costs of production and capital expenditure.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

(D) *Provision for decommissioning and rehabilitation*

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques, discount rates or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

The carrying amount of the provision as at 30 September 2016 was \$9.396 million (based on the Historical and Pro Forma Historical Balance Sheets). The Company estimates that the costs would be realised towards the end of the mine life and calculates the provision using the DCF method based on expected costs to be incurred to rehabilitate the disturbed area. These costs are discounted at 3.5%.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

(c) **Cash and Cash Equivalents**

	Reference	\$'000
Historical cash and cash equivalents for Panoramic Gold as at 30 September 2016		
<i>Pro forma transactions:</i>		
Proceeds from the issue of shares under the Offers	6.2.2(v)	15,000
Transaction costs relating to the Offers	6.2.2(vi)	(1,350)
Pro forma historical cash and cash equivalents for the Company as at 30 September 2016		13,650

(d) **Loan from Holding Company**

	Reference	\$'000
Historical loan from holding company in Panoramic Gold as at 30 September 2016		15,612
<i>Pro forma transaction:</i>		
Company's assumption and acquisition of the \$15,612,245 unsecured, interest free loan from Panoramic to Panoramic Gold for the consideration to Panoramic of 39,030,612 new ordinary shares in the Company	6.2.2(ii)	(15,612)
Pro forma historical loan from holding company as at 30 September 2016		-

(e) **Deferred tax liability**

	Reference	\$'000
Historical deferred tax liability for Panoramic Gold as at 30 September 2016		4,696
<i>Pro forma transaction:</i>		
Derecognition of deferred tax liability of Panoramic Gold on exiting the Panoramic Resources tax consolidated group (<i>note 6.4 h</i>)	6.2.2(iv)	(4,696)
Pro forma historical deferred tax liability for the Company as at 30 September 2016		-

(f) **Contributed Equity**

	Reference	\$'000
Historical contributed equity for Panoramic Gold as at 30 September 2016		26,028
<i>Pro forma transactions:</i>		
Issue of 39,030,612 new ordinary shares in the Company to Panoramic for the Company's assumption and acquisition of the \$15,612,245 unsecured, interest free loan from Panoramic to Panoramic Gold	6.2.2(ii)	15,612
Elimination of Panoramic Gold's equity on consolidation (<i>note 6.4 h</i>)	6.2.2(iii)	(26,028)
Proceeds from the issue of shares pursuant to this Prospectus	6.2.2(v)	15,000
Transaction costs relating to the Offers charged to equity	6.2.2(vi)	(1,070)
Pro forma historical contributed equity of the Company as at 30 September 2016		29,542

(g) **Share Based Payment Reserve**

	Reference	\$'000
Historical share based payment reserve for Panoramic Gold as at 30 September 2016		627
Elimination of Panoramic Gold equity on consolidation (<i>note 6.4 h</i>)	6.2.2(iii)	(627)
Pro forma historical share based payment reserve of the Company as at 30 September 2016		-

(h) **Accumulated Losses**

	Reference	\$'000
Historical accumulated losses for Panoramic Gold as at 30 September 2016		31,351
Elimination of Panoramic Gold pre-acquisition accumulated losses on consolidation	6.2.2(iii)	(26,655)
Derecognition of deferred tax liability of Panoramic Gold on exiting the Panoramic Resources tax consolidated group (<i>note 6.4 h</i>)	6.2.2(iv)	(4,696)
Transaction costs related to the Offers expensed	6.2.2(vi)	280
Pro forma historical accumulated losses of the Company as at 30 September 2016		280

(i) **Commitments**

There are commitments in respect to mineral property and tenement licences held by Panoramic Gold. The commitments include both annual rental amounts and minimum expenditure commitments prescribed in license conditions and legislation. To keep the tenement licences in good standing, work programs should meet minimum expenditure requirements. If the requirements are not met, the Company, through its wholly owned entity Panoramic Gold, has the option to negotiate new terms or relinquish some or all the licences. The Directors believe that the Company will have the ability to meet expenditure requirements through the planned equity raising as outlined in this Prospectus.

	Reference	\$'000
Less than 12 months		2,759
Between 12 months and 5 years		9,543
Greater than 5 years		28,183
Total commitments		40,485

(j) **Contingent assets and liabilities**

There were no contingent assets or liabilities as at 30 September 2016.

(k) **Subsequent events**

The Directors are not aware of any other significant changes in the state of affairs of the Company or events subsequent to 30 September 2016 that would have a material impact on the Financial Information.

(l) **New standards and interpretations issued but not yet effective**

The following standards and interpretations have been issued or amended but are not yet effective. These standards have not been early adopted by the Company and Panoramic Gold. The Company has not yet determined the impact of these standards on the financial information presented.

Title	Summary	Application date for the Company and Panoramic Gold
AASB 15 <i>Revenue from Contracts with Customers</i>	AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.	1 July 2018
AASB 16 <i>Leases</i>	AASB 16 provides a new lessee accounting model which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 contains disclosure requirements for lessees.	1 July 2019

Title	Summary	Application date for the Company and Panoramic Gold
AASB 9 <i>Financial Instruments</i>	A finalised version of AASB 9 which contains accounting requirements for financial instruments, replacing AASB 139 Financial Instruments: Recognition and Measurement. The standard contains requirements in the areas of classification and measurement, impairment, hedge accounting and derecognition.	1 July 2018

7. INDEPENDENT LIMITED ASSURANCE REPORT

21 October 2016

The Board of Directors
Horizon Gold Limited
Level 9
553 Hay Street
PERTH WA 6000

Dear Directors

Independent limited assurance report on historical financial information and pro forma historical consolidated balance sheet

1. Introduction

We have been engaged by Horizon Gold Limited (“Horizon Gold” or “the Company”) to report on the historical financial information of Panoramic Gold Pty Ltd (“Panoramic Gold”) and pro forma historical consolidated balance sheet of Horizon Gold for inclusion in the prospectus (“Prospectus”) to be dated on or about 21 October 2016, and to be issued by Horizon Gold, in respect of its offer of 37,500,000 shares at an issue price of \$0.40 per share to raise \$15,000,000 with a priority offer to eligible Panoramic Resources Limited shareholders and a public offer to the public (“the Offers”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

2. Scope

Historical financial information

You have requested Ernst & Young to review the following historical financial information:

- ▶ the historical statements of comprehensive income of Panoramic Gold for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the interim period from 1 July 2016 to 30 September 2016 as set out in table 6.3.1 in Section 6.3.1 of the Prospectus
- ▶ the historical statements of cash flows of Panoramic Gold for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the interim period from 1 July 2016 to 30 September 2016 as set out in table 6.3.2 in Section 6.3.2 of the Prospectus
- ▶ the historical balance sheets of Panoramic Gold as at 30 June 2014, 30 June 2015, 30 June 2016 and 30 September 2016 as set out in table 6.3.3 in Section 6.3.3 of the Prospectus.

(hereafter “the Historical Financial Information”)

The Historical Financial Information of Panoramic Gold as at and for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 has been derived from the respective general purpose financial statements of Panoramic Gold for the years ended 30 June 2014, 2015 and 2016, as appropriate. These financial statements were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued unqualified audit opinions on these financial statements, which included an emphasis of matter with respect to going concern. The Historical Financial Information of Panoramic Gold as at and for the interim period from 1 July 2016 to 30 September 2016 has been derived from its unaudited trial balance and on which no audit opinion or limited assurance conclusion has been issued.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles prescribed in Australian Accounting Standards (“AAS”), as issued by the Australian Accounting Standards Board, which is consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Pro forma historical consolidated balance sheet

You have requested Ernst & Young to review the pro forma historical consolidated balance sheet of Horizon Gold as at 30 September 2016 as set out in table 6.4 in Section 6.4 of the Prospectus (hereafter the “Pro Forma Historical Balance Sheet”).

The Historical Financial Information and Pro Forma Historical Balance Sheet are collectively referred to as the Financial Information.

The Pro Forma Historical Balance Sheet has been derived from the historical balance sheet of Panoramic Gold as at 30 September 2016, and adjusted for the effects of pro forma adjustments described in Section 6.2.2 of the Prospectus.

The stated basis of preparation used in the preparation of the Pro Forma Historical Balance Sheet is in accordance with the recognition and measurement requirements of AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 30 September 2016.

Due to its nature, the Pro Forma Historical Balance Sheet does not represent the Company’s actual or prospective financial position.

The Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors’ responsibility

The directors of Horizon Gold are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Balance Sheet, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Balance Sheet. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Balance Sheet that are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Balance Sheet based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- ▶ the historical statements of comprehensive income of Panoramic Gold for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the interim period from 1 July 2016 to 30 September 2016 as set out in table 6.3.1 in Section 6.3.1 of the Prospectus
- ▶ the historical statements of cash flows of Panoramic Gold for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the interim period from 1 July 2016 to 30 September 2016 as set out in table 6.3.2 in Section 6.3.2 of the Prospectus
- ▶ the historical balance sheets of Panoramic Gold as at 30 June 2014, 30 June 2015, 30 June 2016 and 30 September 2016 as set out in table 6.3.3 in Section 6.3.3 of the Prospectus

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2.1 of the Prospectus.

Pro forma historical consolidated balance sheet

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical consolidated balance sheet of Horizon Gold as at 30 September 2016 as set out in table 6.4 in Section 6.4 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2.2 of the Prospectus.

Inherent uncertainty regarding continuation as a going concern

Without qualification to the limited assurance conclusion expressed above, attention is drawn to the following matter. As disclosed in Section 6.4 to the Prospectus, if the capital raising under the prospectus is unsuccessful, there is significant uncertainty whether the Company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they become due and payable and realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the historical and pro forma historical balance sheets. The historical balance sheets as at 30 June 2014, 30 June 2015, 30 June 2016 and 30 September 2016 and the pro forma historical balance sheet as at 30 September 2016 does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

6. Restriction on use

Without modifying our conclusions, we draw attention to Section 6.2 of the Prospectus, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

8. Independence or disclosure of interest

Ernst & Young does not have any interests in the outcome of the Offers other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully



Ernst & Young

8. SOLICITOR'S REPORT ON TENEMENTS

The Company has commissioned and received a Solicitor's Report on Tenements from Steinepreis Paganin dated 21 October 2016 (**Solicitor's Report**).

The Company lodged a copy of the Solicitor's Report with the ASIC on 21 October 2016. The lodged Solicitor's Report is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of the Solicitor's Report to any person who requests a copy of it during the offer period, free of charge.

The Solicitor's Report is a review of publicly available information obtained from searches conducted at the Western Australian Department of Mines and Petroleum (**DMP**), quick appraisal user searches of Tengraph which is maintained by the DMP and searches of the National Native Title Tribunal and the Department of Aboriginal Affairs (**DAA**). The searches were conducted on 23 August 2016 and 17 October 2016 and the results of the searches are set out in the Solicitor's Report.

The Solicitor's Report:

- (a) Contains summaries of material agreements relating to the Tenements provided to Steinepreis Paganin. These material agreements consist of a heritage agreement, deeds of access and native title agreements, all of which are considered to be on standard terms. Summaries of the royalty agreements effecting the Tenements are also contained in the Solicitor's Report.
- (b) Describes obligations and limitations on any rights with respect to the Tenements. In particular, all of the Tenements are subject to various conditions, some of the Tenements are subject to native title claims and a number of the tenements are subject to royalty agreements. Those tenements subject to royalty arrangements are set out in Schedule 2 of this Section 8.
- (c) Includes details on Pastoral Lease N49747 and Crown Lease M1965. Panoramic Gold is registered as the sole interest holder of both of these leases.
- (d) Contains a schedule setting out information about the Tenements. Please refer to Schedule 1 of this Section 8.

Schedule 1 identifies that Panoramic Gold:

- (a) is the 100% holder of 4 granted prospecting licences, all of which are the subjects of extensions / renewals of term lodged by Panoramic Gold in August 2016;
- (b) has lodged 2 applications for prospecting licences;
- (c) is the 100% holder of 9 granted exploration licences, 2 of which are the subjects of extensions / renewals of term lodged by Panoramic Gold in August 2016;
- (d) is the 100% holder of 21 granted mining leases; and
- (e) is the 100% holder of 10 granted miscellaneous licences.

The information provided in the Solicitor's Report is subject to specified assumptions and qualifications as to the accuracy and completeness of information relating to the Tenements obtained during searches of records. Investors and their advisers who wish to review detailed information about the Tenements may obtain a copy of the Solicitor's Report by contacting the Company.

SCHEDULE 1: TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks/ Hectares)	ANNUAL RENT (2016/2017)	MINIMUM ANNUAL EXPENDITURE (CURRENT TENEMENT YEAR)	REGISTERED DEALINGS/ ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
E51/1144	Panoramic Gold Pty Ltd	100/100	28/08/06	27/08/16	23BL	\$11,904.80 (paid for year ended 27/08/2017)	Current Tenement Year to 27/08/2016 (Year 11) \$70,000 Commitment	Extension / Renewal of Term 492423 Lodged and recorded on 17/08/2016	Native Title and Aboriginal Heritage sites identified
E51/1538	Panoramic Gold Pty Ltd	100/100	4/02/14	3/02/19	35BL	\$7,050.75 (paid for year ended 03/02/2017)	Current Tenement Year to 03/02/2017 (Year 3) \$35,000 Commitment	No material registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
E53/1215	Panoramic Gold Pty Ltd	100/100	28/08/06	27/08/16	34BL	\$17,598.40 (paid for year ended 27/08/2017)	Current Tenement Year to 27/08/2017 (Year 11) \$102,000 Commitment	Extension / Renewal of Term 492424 Lodged and recorded on 17/08/2016	No Native Title identified No Aboriginal Heritage sites identified
E53/1273	Panoramic Gold Pty Ltd	100/100	8/01/08	7/01/18	10BL	\$5,006 (paid for year ended 07/01/2017)	Current Tenement Year to 07/01/2017 (Year 9) \$70,000 Commitment	No material registered dealings or encumbrances	Native Title and Aboriginal Heritage sites identified
E53/1725	Panoramic Gold Pty Ltd	100/100	4/07/13	3/07/18	30BL	\$6,043.50 (paid for the ended 03/07/2017)	Current Tenement Year to 03/07/2017 (Year 4) \$45,000 Commitment	No material registered dealings or encumbrances	No Native Title identified Aboriginal Heritage site identified
E57/633	Panoramic Gold Pty Ltd	100/100	13/12/07	12/12/17	22BL	\$11,013.20 (paid for year ended 12/12/2016)	Current Tenement Year to 12/12/2016 (Year 9) \$70,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
E57/676	Panoramic Gold Pty Ltd	100/100	14/01/08	13/01/18	15BL	\$7,509.00 (paid for year ended 13/01/2017)	Current Tenement Year to 13/01/2017 (Year 9) \$70,000 Commitment	No material registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
E57/678	Panoramic Gold Pty Ltd	100/100	12/02/18	11/02/18	13BL	\$6,507.80 (paid for year ended 11/02/2017)	Current Tenement Year to 11/02/2017 (Year 9) \$70,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
E57/705	Panoramic Gold Pty Ltd	100/100	7/01/08	6/01/18	6BL	\$3,003.60 (paid for year ended 06/01/2017)	Current Tenement Year to 06/01/2017 (Year 9) \$70,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L51/93	Panoramic Gold Pty Ltd	100/100	25/11/13	24/11/34	5.82HA	\$87.60 (paid for year ended 24/11/2016)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified Aboriginal Heritage sites identified
L53/116	Panoramic Gold Pty Ltd	100/100	31/07/02	30/07/23	8.9025HA	\$135.90 (paid for year ended 30/07/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks/ Hectares)	ANNUAL RENT (2016/2017)	MINIMUM ANNUAL EXPENDITURE (CURRENT TENEMENT YEAR)	REGISTERED DEALINGS/ ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
L53/199	Panoramic Gold Pty Ltd	100/100	30/07/15	29/07/36	23.75HA	\$362.40 (paid for year ended 29/07/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L53/46	Panoramic Gold Pty Ltd	100/100	01/03/90	28/02/20	60HA	\$876.00 (paid for year ended 28/02/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L53/47	Panoramic Gold Pty Ltd	100/100	27/09/90	26/09/20	24HA	\$362.40 (paid for year ended 26/09/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L53/95	Panoramic Gold Pty Ltd	100/100	14/12/98	13/12/18	71HA	\$1,036.60 (paid for year ended 13/12/2016)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L53/96	Panoramic Gold Pty Ltd	100/100	14/12/98	13/12/18	237HA	\$3,460.20 (paid for year ended 13/12/2016)	No expenditure required	No material registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
L57/20	Panoramic Gold Pty Ltd	100/100	21/06/02	20/06/23	6.67HA	\$102.20 (paid for year ended 20/06/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L57/44	Panoramic Gold Pty Ltd	100/100	13/06/12	12/06/33	31.7HA	\$467.20 (paid for year ended 12/06/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
L57/47	Panoramic Gold Pty Ltd	100/100	14/08/13	13/08/34	36HA	\$543.60 (paid for year ended 13/08/2017)	No expenditure required	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M51/104	Panoramic Gold Pty Ltd	96/96	12/05/87	11/05/29	36.805HA	\$610.50 (paid for year ended 11/05/2017)	Current Tenement Year to 11/05/2017 (Year 30) \$10,000 Commitment	No material registered dealings or encumbrances	Native Title and Aboriginal Heritage sites identified
M51/105	Panoramic Gold Pty Ltd	96/96	10/05/89	9/05/31	117.35HA	\$1,947 (paid for year ended 09/05/2017)	Current Tenement Year to 09/05/2017 (Year 29) \$11,800 Commitment	No material registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
M51/157	Panoramic Gold Pty Ltd	100/100	10/03/88	9/03/30	93.315HA	\$1,551 (paid for the ended 09/03/2017)	Current Tenement Year to 09/03/2017 (Year 29) \$10,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M51/185	Panoramic Gold Pty Ltd	100/100	19/02/88	18/02/30	247.55HA	\$4,092 (paid for year ended 18/02/2016)	Current Tenement Year to 18/02/2017 (Year 29) \$24,800 Commitment	No material registered dealings or encumbrances	Native Title and Aboriginal Heritage sites identified
M51/186	Panoramic Gold Pty Ltd	100/100	19/02/98	18/02/30	364.9HA	\$6,022.50 (paid for year ended 18/02/2017)	Current Tenement Year to 18/02/2017 (Year 29) \$36,500 Commitment	No material registered dealings or encumbrances	No Native Title identified Aboriginal Heritage sites identified
M51/290	Panoramic Gold Pty Ltd	100/100	10/05/89	9/05/31	4.8595HA	\$82.50 (paid for year ended 09/05/2017)	Current Tenement Year to 09/05/2017 (Year 28) \$5,000 Commitment	No material registered dealings or encumbrances	No Native Title identified Aboriginal Heritage sites identified

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks/ Hectares)	ANNUAL RENT (2016/2017)	MINIMUM ANNUAL EXPENDITURE (CURRENT TENEMENT YEAR)	REGISTERED DEALINGS/ ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
M51/410	Panoramic Gold Pty Ltd	96/96	11/03/92	10/03/34	353.75HA	\$5,841 (paid for year ended 10/03/2017)	Current Tenement Year to 10/03/2017 (Year 25) \$35,400 Commitment	No material registered dealings or encumbrances	Native Title and Aboriginal Heritage site identified
M51/458	Panoramic Gold Pty Ltd	100/100	10/02/93	9/02/35	619.95HA	\$10,230 (paid for year ended 09/02/2017)	Current Tenement Year to 09/02/2017 (Year 24) \$62,000 Commitment	No material registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
M53/10	Panoramic Gold Pty Ltd	100/100	25/11/83	24/11/25	9.6865HA	\$165 (paid for year ended 24/11/2016)	Current Tenement Year to 24/11/2016 (Year 33) \$10,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/105	Panoramic Gold Pty Ltd	100/100	30/08/98	29/08/30	566.25HA	\$9,667.35 (paid for year ended 29/08/2017)	Current Tenement Year to 29/08/2017 (Year 29) \$56,700 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/11	Panoramic Gold Pty Ltd	100/100	25/11/83	24/11/25	9.6875HA	\$165 (paid for year ended 24/11/2016)	Current Tenement Year to 24/11/2016 (Year 33) \$10,000 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/153	Panoramic Gold Pty Ltd	100/100	29/06/90	28/06/32	916.5HA	\$15,130.50 (paid for year ended 28/06/2017)	Current Tenement Year to 28/06/2017 (Year 26) \$91,700 Commitment	No material registered dealings or encumbrances	Native Title identified Aboriginal Heritage site identified
M53/251	Panoramic Gold Pty Ltd	100/100	3/09/92	2/09/34	170.45HA	\$2,915.55 (paid for year ended 02/09/2017)	Current Tenement Year to 02/09/2017 (Year 25) \$17,100 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/252	Panoramic Gold Pty Ltd	100/100	3/09/92	2/09/34	705HA	\$12,020.25 (paid for year ended 02/09/2017)	Current Tenement Year to 02/09/2017 (Year 25) \$70,500 Commitment	No material registered dealings or encumbrances	Native Title and Aboriginal Heritage sites identified
M53/500	Panoramic Gold Pty Ltd	100/100	22/05/00	21/05/21	390.15HA	\$6,451.50 (paid for year ended 21/05/2017)	Current Tenement Year to 21/05/2017 (Year 17) \$39,100 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/716	Panoramic Gold Pty Ltd	100/100	08/09/98	07/09/19	254.1HA	\$4,347.75 (paid for year ended 07/09/2017)	Current Tenement Year to 07/09/2017 (Year 19) \$25,500 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/904	Panoramic Gold Pty Ltd	100/100	29/09/00	28/09/21	8.3215HA	\$53.45 (paid for year ended 28/09/2017)	Current Tenement Year to 28/09/2017 (Year 17) \$10,000 Commitment Previous Tenement Year to 28/09/2016 (Year 16) No expenditure lodged	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M53/988	Panoramic Gold Pty Ltd	100/100	13/03/03	12/03/24	511.55HA	\$8,448 (paid for year ended 12/03/2017)	Current Tenement Year to 12/03/2017 (Year 14) \$51,200 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
M57/633	Panoramic Gold Pty Ltd	100/100	29/10/12	28/10/33	651HA	\$10,741.50 (paid for year ended 28/10/2016)	Current Tenement Year to 28/10/2016 (Year 4) \$65,100 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE / APPLICATION DATE	EXPIRY DATE	AREA SIZE (Blocks/ Hectares)	ANNUAL RENT (2016/2017)	MINIMUM ANNUAL EXPENDITURE (CURRENT TENEMENT YEAR)	REGISTERED DEALINGS/ ENCUMBRANCES	NATIVE TITLE AND ABORIGINAL HERITAGE
M57/634	Panoramic Gold Pty Ltd	100/100	15/07/14	14/07/35	13,705HA	\$233,670.25 (paid for year ended 14/07/2017)	Current Tenement Year to 14/07/2017 (Year 3) \$1,370,500 Commitment	No material registered dealings or encumbrances	No Native Title identified Aboriginal Heritage sites identified
M57/635	Panoramic Gold Pty Ltd	100/100	02/09/14	1/09/35	1,443HA	\$24,603.15 (paid for year ended 01/09/2017)	Current Tenement Year to 01/09/2017 (Year 3) \$144,300 Commitment	No material registered dealings or encumbrances	No Native Title identified No Aboriginal Heritage sites identified
P53/1577	Panoramic Gold Pty Ltd	100/100	23/08/12	22/08/16	5.0317HA	\$25.00 (paid for year ended 22/08/2017)	Current Tenement Year to 22/08/2017 (Year 5) \$2,000 Commitment	Extension / Renewal of Term 492421 – lodged and recorded on 17 August 2016	No Native Title identified No Aboriginal Heritage sites identified
P53/1581	Panoramic Gold Pty Ltd	100/100	5/10/12	4/10/16	71.82HA	\$180 (paid for year ended 04/10/2017)	Current Tenement Year to 04/10/2017 (Year 5) \$2,880 Commitment Previous Tenement Year to 04/10/2016 (Year 4) No expenditure lodged	Extension / Renewal of Term 492425 – lodged and recorded on 17 August 2016	No Native Title identified Aboriginal Heritage site identified
P53/1582	Panoramic Gold Pty Ltd	100/100	5/10/12	4/10/16	60.15HA	\$152.50 (paid for year ended 04/10/2017)	Current Tenement Year to 04/10/2017 (Year 5) \$2,440 Commitment Previous Tenement Year to 04/10/2016 (Year 4) No expenditure lodged	Extension / Renewal of Term 492426 – lodged and recorded on 17 August 2016	No Native Title identified Aboriginal Heritage site identified
P53/1640	Panoramic Gold Pty Ltd	100/100	Pending	Pending	159HA	\$381.60 (paid 18/05/2016)	Not applicable	No registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
P53/1641	Panoramic Gold Pty Ltd	100/100	Pending	Pending	31HA	\$74.40 (paid 18/05/2016)	Not applicable	No registered dealings or encumbrances	Native Title identified No Aboriginal Heritage sites identified
P57/1304	Panoramic Gold Pty Ltd	100/100	24/08/12	23/08/16	47.6852HA	\$120.00 (paid 08/08/2016 for the year ended 23/08/2017)	Current Tenement Year to 23/08/2017 (Year 5) \$2,000 Commitment	Extension / Renewal of Term 492422 – lodged and recorded on 17 August 2016	No Native Title identified No Aboriginal Heritage sites identified

SCHEDULE 2: SUMMARY OF ROYALTY AGREEMENTS

Royalty agreement	Royalty holder	Affected tenements	Key royalty terms
Buttercup Bore	Royal Gold Inc.	M53/716 M53/500 E53/1215 (pt) E53/1144 (pt)	2% interest on all gold produced from the Buttercup Bore Tenements
Mount Townsend	Barrick (PD) Australia Pty Limited and Kundana Gold Pty Ltd	M53/153 M53/252 P53/1582 L53/95 (pt) E53/1215 (pt) E53/1725 (pt) E53/1273 (pt)	Base rate of \$2.25/t ore treated up to the first 500,000 tonnes, thereafter \$2.75 per tonne treated, multiplied by ratio of gold price divided by \$470/oz
Andrewartha	John Andrewartha	M57/634 (pt)	4% net profit interest royalty
Twin Hills	Twin Hills Operations Pty Ltd	M57/634 (pt)	Royalty per tonne calculated by the formula: $R = \frac{P}{500} \times \frac{G}{3} \times \frac{19.6}{49}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ G = average head grade in g/t Payable quarterly in arrears
Franco-Nevada	Franco-Nevada Australia Pty Ltd	M57/634 (pt) E57/633 (pt) P57/1304 (pt)	Royalty per tonne calculated by the formula: $R = \frac{P}{500} \times \frac{G}{3} \times \frac{29.4}{49}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ G = average head grade in g/t Payable quarterly in arrears
Murchison Downs	Newsat Limited	M51/104 M51/105 M51/410 E51/1144 E53/1215	Royalty per tonne calculated by the formula: $R = \$2.00 \times \frac{P}{500}$ Where: R = royalty rate per tonne of ore treated P = Perth Mint gold price in A\$ Payable quarterly in arrears
Howards	Sandstorm Gold Limited	E57/633 (pt) M57/635	\$10 per ounce of gold mined and processed after the first 30,000 ounces
Orion	Sandstorm Gold Limited	M51/458 E51/1538 (pt) E53/1215 (pt)	\$10 per ounce of gold mined and processed after the first 30,000 ounces

**Note: (pt) means royalty applies to part of the tenement*

9. BOARD, MANAGEMENT AND DISCLOSURE OF INTERESTS

9.1 Directors

Peter Harold B.AppSc (Chem), AFAICD

Non-Executive Chairman

Peter Harold is a process engineer with 30 years of corporate experience in the minerals industry, specialising in financing, marketing, business development and general corporate activities. Peter is the Managing Director of Panoramic Resources Limited and has led Panoramic's executive team since listing on the ASX in March 2001. During this time, Peter has overseen the development of the Savannah Nickel Project, recommencement of mining at the Lanfranchi Nickel Project and the purchase of the Gum Creek Gold Project. Prior to founding Panoramic Resources, Peter held various senior management positions with Shell Australia, Australian Consolidated Minerals Limited, Normandy Mining Limited, MPI Mines Limited and the Gutnick network of companies. Having been responsible for metals marketing and various corporate functions, Peter was involved in the following projects; Scuddles / Golden Grove (Copper, Lead and Zinc), Cawse Nickel Laterite, Silver Swan and Mt Keith Nickel Sulphide Projects.

In addition Peter is currently the Chairman on the Youth Focus Board. This is an independent not for profit charity that focusses on the prevention of youth suicide and depression. Peter's other current directorships include:

- Peak Resources Limited (Non-Executive Chairman from 1 December 2015); and
- Pacifico Minerals Limited (Non-Executive Director from 19 August 2013).

The Directors do not consider that Mr Harold's other directorships will affect his ability to act as Non-Executive Chairman of the Company.

Peter Venn B.Sc (Geo) (Hons) MAIG, MAICD

Non-Executive Director

Peter Venn is a Geologist with over 30 years of experience and achievement in the global resources sector. After commencing his career in the WA Goldfields as a consultant he held senior and executive roles with Resolute Mining Limited in Africa and Australia for more than 20 years. Peter has established and led highly successful teams and has been closely involved in the exploration, acquisition, evaluation and development of more than ten gold mines, including; Syama, Golden Pride, Obotan in Africa and Ravenswood, Chalice, Higginsville, Marymia and Mertondale in Australia. Peter is a Member of the Australian Institute of Geoscientists and Australian Institute of Company Directors.

Paul Bennett B Eng (Mining), MBA, MAusIMM, MAICD

Non-Executive Director

Paul Bennett is a Mining Engineer with an MBA who has extensive experience in the operation, development and financing of resource companies and projects over a 20 year period. Paul has worked in technical, management and business development roles for Newcrest, Western Metals and Panoramic Resources and holds a WA First Class Mine Manager's Certificate. For nine years, Paul was a senior executive at RMB Resources, the resources investment banking business of Rand Merchant Bank (RMB). During Paul's time at RMB, he specialised in the provision of equity, quasi-equity/mezzanine and debt financing for small to mid-sized resource companies across a wide variety of commodities and jurisdictions.

9.2 Key Personnel

Key personnel are to be provided by Panoramic under the Management Agreement, and include the following individuals.

John Hicks BSc (Geo)

Exploration Manager

John Hicks is a Geologist with over 30 years of experience in the Australian mining and exploration industry. John is the General Manager Exploration at Panoramic Resources and commenced his association with Panoramic in 2001. During his time at Panoramic, John has been instrumental in the discovery nickel at Panoramic's Lanfranchi and Savannah Projects, in particular the discovery of Savannah North in 2014. John has also overseen the geology program at Gum Greek since its purchase by Panoramic in 2011. John has previously held various geological positions with several Australian resource companies, including Hamersley Iron, Australian Consolidated Minerals, WMC and Mining Project Investors.

Mr Tim Mason B.Eng (Geo) (Hons), MBA, GAICD

Manager Special Projects

Tim Mason is a Mining Engineer with 15 years of experience in geotechnical engineering, mining operations and business development. Tim holds a degree in Engineering and a MBA from Murdoch University. Tim commenced his position with Panoramic Resources in 2008 as a Mining Engineer and subsequently as an Analyst in business development. Tim was intimately involved in Panoramic Resources diversification into gold and PGMs, including the participation of the Magma Metals takeover. In early 2013, Tim accepted the position of General Manager for the Lanfranchi Project which he held until December 2015 when he was transferred to Panoramic's Perth Office as Manager Special Projects. Tim previously held positions of Mining Engineer with Newmont's Tanami operations and Geotechnical Engineer for GHD consultants. Tim has relevant experience in operations, mine planning, project evaluation, due diligence, strategy and business improvement.

Mr Trevor Eton B.A (Hons) (Econ), Postgrad Dip (Man), AFAIM

Chief Financial Officer and Company Secretary

Trevor Eton is an Accountant with over 30 years of experience in corporate finance within the minerals industry. Trevor commenced his associated with Panoramic Resources Limited in 2003 as Chief Financial Officer and Company Secretary following 10 years with MPI Mines Limited as Group Financial Officer and Company Secretary. Trevor also worked for North Kalgurli Mines Limited, Metals Exploration Limited and Australian Consolidated Minerals Limited in various corporate finance roles from the mid 1980's.

Mr Tim Shervington BBus (Fin,Acc), MICS

Commercial Manager and Company Secretary (Alternate)

Tim Shervington is a Commercial Executive and commenced his time at Panoramic Resources in 2004 following a previous career in communications and electronics. During his time at Panoramic, Tim has managed; treasury, concentrate sales and exports to Jinchuan (China), insurance and material contracts for both the Savannah and Lanfranchi Nickel Projects. Tim is a Member

of the Institute of Chartered Shipbrokers and has previously held positions with Imation, the Royal Australian Air Force and the Commonwealth Bank.

9.3 Disclosure of Interests

The Company has entered into a consultancy services agreement with each of Peter Venn and Paul Bennett to act as consultants to the Company commencing from 31 August 2016 and expiring on admission of the Company to the Official List of ASX Limited. Messrs Venn and Bennett have or will be paid approximately \$9,000 each for consulting services provided during the period from 31 August 2016 until admission of the Company to the Official List of ASX.

The Company has also entered into:

- (a) a letter of appointment with Peter Harold under which he has been appointed Chairman of the Company; and
- (b) letters of appointment with each of Peter Venn and Paul Bennett for their appointments as Non-Executive Directors of the Company.

For each of the Directors, the proposed annual remuneration for the financial year following the Company being admitted to the Official List of ASX Limited together with the relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Remuneration	Shares	Options
Peter Harold	Nil	Nil	Nil
Peter Venn	\$35,000	Nil	Nil
Paul Bennett	\$35,000	Nil	Nil

Peter Venn and Paul Bennett are not presently shareholders in Panoramic. In the event that they are not shareholders in Panoramic on the Priority Offer Record Date they intend to apply for Shares under the Public Offer. They have not made final decisions on the number of Shares they intend to apply for.

Peter Harold and entities associated with him is a shareholder in Panoramic. Mr Harold has not made a decision on the extent to which he will participate in the Offers.

9.4 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Further details of the agreements the Company has entered into with each Director are set out in Section 11.4.

A summary of the key terms and conditions of the Management Agreement between the Company and Panoramic Resources Limited is set out in Section 11.3.

10. CORPORATE GOVERNANCE

10.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

In establishing its corporate governance framework and the policies and practices that comprise the Company's Corporate Governance Plan (**Plan**), as described in this Section, the Company has referred to ASX Corporate Governance Council's (**CGC**) 3rd Edition (March 2014) of the "Corporate Governance Principles and Recommendations (the **Recommendations**). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations, unless otherwise stated.

The Company will review on an annual basis all of its corporate governance policies and practices under the Plan to ensure they are appropriate for the Company's current stage of development.

The Company's Corporate Governance Statement as at September 2016 is provided on the Company's website under the Corporate Governance section (at www.horizongold.com.au).

10.2 Board of directors

The Board's primary role is to provide overall strategic guidance and effective oversight of management. The Board is responsible to shareholders for the long-term performance of the Company. To ensure the Board is well equipped to discharge its responsibilities, the Board has adopted a formal Board Charter (**Charter**).

The Board is responsible for the overall corporate governance of the Company, including:

- (a) the strategic direction;
- (b) establishing goals for management; and
- (c) monitoring the achievement of these goals.

10.3 Composition of the Board

The composition and independence of the Board is considered to be appropriate for a Company that has recently acquired an advanced exploration and development project.

The Board will review its composition as required against the Company's Board skill matrix to ensure that the Board has the appropriate mix of qualifications, experience and expertise for which the Board is looking to achieve in its membership.

Due to the size of the Board, the Board has determined there are no efficiencies, at this time, of establishing separate committees of the Board. The functions of the nomination, remuneration, audit and risk committees are performed by the

Board as a whole, when required, using the principles for each committee as set-out in the Charter.

The name, position, independence classification, qualification, skills and length of service of each director of the Company in office at the date of this Prospectus is:

Name	Position	Independence Classification	Qualification/Skills	Service (years)
Peter J Harold#	Non-Executive Chairman#	Non Independent	Process Engineer, corporate and project development	Less than 1
Peter J Venn	Non-Executive Director	Independent	Geologist, corporate, exploration assessment, project development and construction	Less than 1
Paul W Bennett	Non-Executive Director	Independent	Engineer, corporate and project development	Less than 1

Peter J Harold is an executive director of a substantial shareholder which holds more than 50% of the Shares and as a consequence has been assessed as not being independent under the independence criteria detailed in Recommendation 2.3 of the Recommendations.

The Chair of the Board is Peter Harold, who has been assessed as not being independent under the independence criteria detailed in Recommendation 2.3 of the Recommendations. The Board believes that Peter Harold is the most appropriate person for the position of Chair because of his industry experience and knowledge of the Gum Creek Gold Project. Mr Harold will not be present in Board meetings or discussion for any matters concerning the Management Agreement, unless approved by the independent directors, or eligible to vote on any matters concerned with the Management Agreement.

The management team to be provided by Panoramic under the Management Agreement (**Management Team**) will be responsible and accountable for the day to day running of the Company and for implementing the strategic objectives and operating within the risk appetite set by the Board. The services and remuneration of the Management Team are provided under the Management Agreement between the Company and Panoramic. The services specified in the Management Agreement include technical, commercial, managerial and administrative expertise and services (**Services**). The material terms of the Management Agreement are summarised in Section 11.3.

It is the ultimate responsibility of the Board to regularly review the performance of the Services being provided to the Company by members of the Management Team under the Management Agreement and to ensure that individuals of the Management Team have the appropriate mix of skills and resources to implement and achieve the Board's corporate and strategic objectives.

10.4 Identification and management of risk

The Company will engage an insurance broking firm as part of the Board's annual assessment of the coverage of insured assets and risks. Risk management workshops will not be held, but business risks will be continually assessed (at least annually) by the Board in accordance with the Company's Risk Management Policy.

10.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

10.6 Independent professional advice

Each Director has the right of access to all relevant Company information and to the Company's management and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense.

10.7 Board Remuneration arrangements

The total annual remuneration paid to non-executive Directors may not exceed the limit set by the shareholders at a general meeting (currently \$250,000). The remuneration of the non-executive Directors is fixed rather than variable. In accordance with Clause 14.7 of the Company's Constitution, remuneration may be provided in such manner that the Directors decide (including by way of contribution to a superannuation fund on behalf of a Director) and if any of the fees of any director is to be provided other than in cash, the Directors may determine the manner in which the non-cash component of the fees is to be valued.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

10.8 Executive Remuneration

Currently, the Board has determined that the day to day running of the Company is best served by engaging the Services of the Management Team under the Management Agreement. The material terms of the Management Agreement are disclosed in Section 11.3.

Should the Company appoint a Managing Director/Chief Executive Officer and other senior executives, their terms and conditions including remuneration and termination, having regard to market conditions and the performance of individuals and the Company shall be determined by the Board. The Board also ensures that there is no discrimination on remuneration in respect to gender.

10.9 Share Trading policy

The Company has in place a fit-for-purpose Share Trading Policy for the trading in Company securities by directors, officers and employees as required under ASX Listing Rule 12.12. The Policy is worded to ensure compliance with Section 1043A of the Corporations Act (on insider trading), Part 2D.1 of the Corporations Act 2001 (on the proper duties in relation to the use of inside information), and ASX Listing Rules 3.19A and 12.9 and updated Guidance Note 27 (January 2015). The Chairman (in the absence of a Managing Director) and the Company Secretary have been appointed to ensure that the rules for the trading in Company's securities are strictly adhered to.

10.10 Diversity Policy

The Company has in place a Diversity Policy which provides the written framework and objectives for achieving a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences, and perspectives, irrespective of gender, age, ethnicity and cultural background. The Board is responsible for developing, where possible, measurable objectives and strategies to support the framework and objectives of the Diversity Policy.

10.11 Privacy Policy

The Company has in place a Privacy Policy which deals with the collection, use, storage and disclosure of information of personal information about an individual who can be identified or who may be reasonably identified by the information.

10.12 Continuous Disclosure

The Company is committed to providing relevant up to date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act.

The Company has a Continuous Disclosure Policy that states that all shareholders and investors will have equal and timely access to the information about the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities and that this information will be immediately disclosed to ASX.

10.13 External audit

The Board reviews all final draft external financial reports with the external auditor and makes recommendations on their adequacy prior to their release to shareholders, investors and other public forums.

10.14 Audit committee

Due to the size of the Board, the Board has determined there are no efficiencies, at this time, of establishing a separate audit committee. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

10.15 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to report any departures from the Recommendations in its annual financial report and/or on its website.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for departure
1.5 Diversity Policy	While the Company is committed to workforce diversity, the Board believes that with its scale of activities and relatively small number of employees, it is not appropriate in the Company's current circumstances that the Board set and disclose measurable objectives for achieving gender diversity; and annually assesses objectives and the entity's progress in achieving them.
2.1 Nomination Committee	The Company will not have a separate nomination committee until such time as the Board is of sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the

	full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.
2.5 Chair of the Board should be independent	The Chair of the Board, Peter Harold, has been assessed as not being independent under the independence criteria detailed in Recommendation 2.3 of the Recommendations. The Board believes that Peter Harold is the most appropriate person for the position of Chair because of his industry experience and knowledge of the Gum Creek Gold Project. Mr Harold will not be present in Board meetings or discussion for any matters concerning the Management Agreement, unless approved by the independent directors, or eligible to vote on any matters concerned with the Management Agreement.
4.1 Audit Committee and 7.1 Risk Committee	The Company will not have a separate audit or risk committee until such time as the Board is of sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.
8.1 Remuneration Committee	The Company will not have a separate remuneration committee until such time as the Board is of sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

11. MATERIAL CONTRACTS

Set out below is a brief summary of certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

11.1 Acquisition Agreement

On 21 October 2016, the Company entered into an acquisition agreement with Panoramic and Panoramic Gold, pursuant to which the Company has agreed to purchase and Panoramic has agreed to sell certain assets (as described below) comprising the Gum Creek Gold Project (**Acquisition**). The material terms of the Acquisition Agreement are as follows:

- (a) (**Assets**): The Company has agreed to purchase and take assignment from Panoramic and Panoramic has agreed to sell or assign, the following assets:
 - (i) the amount of \$15,612,245 owing by Panoramic Gold to Panoramic, which loan is repayable on demand, unsecured, interest free and for a term of nine years from 18 February 2011 (**Loan**); and
 - (ii) the one fully paid ordinary share in the capital of Panoramic Gold (**PG Share**) which is currently on issue. Panoramic Gold is the owner of all mining information, tenements, plant and equipment, pastoral and crown leases, records and all other property and assets used in connection with the Gum Creek Gold Project,

(together, the **Assets**).
- (b) (**Consideration**): The consideration payable for the Assets is as follows:
 - (i) 39,030,612 Shares at a deemed issue price \$0.40 per Share (as consideration for the Loan) (**Consideration Shares**); and
 - (ii) \$1 in consideration for the PG Share.
- (c) (**Conditions Precedent**): The Acquisition is subject to satisfaction (or waiver by both parties) of the following outstanding conditions precedent, which satisfaction is the primary responsibility of the Company:
 - (i) the sum of \$15,000,000 (before costs) being raised under this Prospectus and, if necessary, the Underwriting Agreement; and
 - (ii) the Company receiving a conditional admission letter from ASX on conditions satisfactory to the boards of both Panoramic and the Company, acting reasonably.

If the above conditions are not satisfied (or waived) by 15 December 2016, the parties will negotiate in good faith to overcome the delay or agree to an equitable alternative, failing which either party may terminate the Acquisition Agreement within 5 Business Days.

- (d) **(Rents, Rates and Mining Rehabilitation Fund Payments):** The Company will pay \$198,115 to Panoramic on completion of the Acquisition for rents, rates and payments under the Mining Rehabilitation Fund, or similar, paid by Panoramic on behalf of Panoramic Gold prior to the date of the Acquisition Agreement which related in whole or in part, to periods after the date of the Acquisition Agreement. This amount takes into account amounts that will be payable by Panoramic Gold after the date of the Acquisition Agreement which relate, in whole or in part, to periods prior to the date of the Acquisition Agreement.
- (e) **(Reimbursement of Panoramic Costs):** On completion of the Acquisition, the Company will pay to Panoramic an amount to partially reimburse Panoramic for its costs incurred in relation to assistance and advice with regards to matters incidental to preparation by the Company of this Prospectus. This amount will be based on the following:
- (i) in the event that total costs of the Offers under this Prospectus, (exclusive of the amount payable to Panoramic under paragraph (d) above), equal \$1,140,000 then the amount payable to Panoramic will be \$210,000;
 - (ii) the sum of \$210,000 will be reduced by \$1 for every \$1 that the amount specified in (e)(i) above exceeds \$1,140,000; and
 - (iii) the sum of \$210,000 will be increased by \$1 for every \$1 that the amount specified in (e)(i) above is less than \$1,140,000, provided that such amount will be capped at \$500,000.
- (f) **(Completion):** Completion of the Acquisition will take place at midday, 2 Business Days after satisfaction of the last of the conditions precedent specified in paragraph (c) above (or such other date as agreed between Panoramic and the Company) **(Completion)**;
- (g) **(Obligations at Completion):**
- (i) At Completion, Panoramic must:
 - (A) deliver a signed transfer of the PG Share and the relevant share certificate to the Company;
 - (B) procure that a meeting of directors of Panoramic Gold be held to attend to the following:
 - (I) the approval of registration of the transfer of the PG Share and the issue of the new share certificate for the PG Share in the name of the Company;
 - (II) recording of the Company as the holder of the PG Share in the register of members and all other steps required to constitute and

evidence the Company as the sole holder of the PG Share; and

- (III) the transaction of any other reasonable business of which the Company may give notice; and
 - (C) deliver to the Company a signed restriction agreement to the extent required by the ASX in relation to the Consideration Shares.
- (ii) At, or as soon as possible after Completion, the Company must:
- (A) establish that the conditions precedent specified in (c) above have been satisfied, and deliver to Panoramic any documents as proof;
 - (B) sign the transfer of the PG Share received from Panoramic;
 - (C) pay Panoramic \$1 for the PG Share;
 - (D) sign the restriction agreement referred to in paragraph (g)(i) above and deliver the restriction agreement to ASX; and
 - (E) issue the Consideration Shares to Panoramic.

The Acquisition Agreement otherwise contains warranty, default, termination and indemnity provisions considered standard for an agreement of this nature.

11.2 Underwriting Agreement

On 21 October 2016 the Company entered into an underwriting agreement with Panoramic and Somers and Partners (**Underwriting Agreement**). The material terms of the Underwriting Agreement are as follows:

- (a) (**Appointment**): The Company has appointed Somers and Partners on an exclusive basis as bookrunner, lead manager and underwriter to the Offers, whereby Somers and Partners will arrange and manage the Offers and underwrite the 37,500,000 Shares to be offered under the Offers (**Underwritten Shares**).
- (b) (**Sub-Underwriters**): Somers and Partners may appoint sub-underwriters to sub-underwrite all or part of the Underwritten Shares, with any payment for such sub-underwriting to be borne by the Underwriter.
- (c) (**Conditions**): The obligations of the Underwriter to underwrite the Offers are conditional on the following:
 - (i) (**Priority Offer and Public Offer**) the Company conducting and completing the Priority Offer and the Public Offer in accordance with the timetable specified in the Underwriting Agreement and in relation to the Priority Offer, in accordance with ASX Listing Rule 11.4.1(a);

- (ii) **(Closing Certificate)** Somers and Partners receiving duly executed Closing Certificates from the Company and Panoramic;
- (iii) **(Restriction Deeds)** each escrowed shareholder entering into a restriction deed, and that restriction deed not being breached, terminated, rescinded or amended prior to the issue of the Shares;
- (iv) **(Quotation)**: the Company applying to ASX for quotation of all the Offer Shares and ASX granting conditional approval for the quotation of the Offer Shares.

If any of the above conditions are not satisfied within certain periods prescribed by the Underwriting Agreement, Somers and Partners may terminate its obligations under the Underwriting Agreement at any time by written notice to the Company and Panoramic.

- (d) **(Fees)**: On the Settlement Date and subject to the Somers and Partners underwriting the Shortfall Shares, the Company must pay to Somers and Partners:
 - (i) an underwriting fee equal to 2.5% of the funds received by the Company for valid Applications relating to the Shortfall Shares;
 - (ii) a corporate advisory fee of \$375,000; and
 - (iii) a promotion and marketing fee of up to \$50,000 payable at the discretion of the Company. In exercising its discretion, the Company may have regard to such factors as it considers relevant including, without limitation, the quality of services provided by the Underwriter, the overall outcome for the Company and its Shareholders in connection with the Offers and more specifically, whether the Underwriter was required to contribute to the Company achieving a spread of Shareholders which satisfies the Listing Rules requirements for listing on the ASX.
- (e) **(Expenses)**: the Company must also pay or reimburse Somers and Partners for all reasonable costs of and incidental to the Offer (regardless of whether the Offers are completed), where each cost must not exceed \$10,000 without prior consent.
- (f) **(Termination)**: If any of the following events has occurred or occurs at any time from the date of the Underwriting Agreement until on or before 10.00 am on 1 December 2016 or at any prior time as specified below, Somers and Partners may terminate the agreement:
 - (i) **(Disclosures)** a statement in any of the offer documents or public information is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from an offer document or public information;
 - (ii) ***(New circumstances)** there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;

- (iii) (**Supplementary Prospectus**) the Company issues or, in the opinion of the Underwriter, is required and fails to issue a Supplementary Prospectus, in each case, to comply with section 719 of the Corporations Act;
- (iv) (**Market Fall**) at any time for a period of two (2) or more consecutive Business Days, the S&P/ASX 300 Metals and Mining Index falls to a level that is 10% or more below the level as at the close of trading on the last trading day before the date of the Underwriting Agreement or the US\$ Gold price is at a level that is 10% or more below its level at market close on the Business Day immediately preceding the date of the Underwriting Agreement;
- (v) (**Restriction Deed**) any Restriction Deed is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- (vi) (**Fraud**) the Company, Panoramic or any of their respective directors or officers engage, or have engaged in any fraudulent conduct or activity whether or not in connection with the Offers;
- (vii) (**Listing and quotation**) approval is refused or not granted, or granted subject to conditions other than customary conditions or conditions in relation to the transfer of Panoramic Gold Pty Ltd to the Company, to:
 - (A) the Company's admission to the official list of ASX on or before 2 December 2016; or
 - (B) the quotation of the Company's Shares on ASX or for the Company's Shares to be traded through CHESS on or before 14 December 2016,or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (viii) (**Notifications**) any of the following notifications are made in respect of the Offers:
 - (A) ASIC issues an order or holds a hearing under section 739 or 739(2) (respectively) of the Corporations Act;
 - (B) an application is made by ASIC for an order under Part 9.5 in relation to the Offers or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offers or an offer document;
 - (C) any person (other than the Underwriter) who has previously consented to the inclusion of its name in any offer document withdraws that consent; or
 - (D) any person (other than the Underwriter) gives a notice under section 730 of the Corporations Act in relation to an offer document;

- (ix) **(Certificate Not Provided)** the Company or Panoramic does not provide a closing certificate as and when required;
- (x) **(Withdrawal)** the Company withdraws a Prospectus or the Offers or indicates that it does not intend to proceed with the Offers or any part of it;
- (xi) **(Insolvency Events)** the Company or its subsidiaries become insolvent, or there is an act or omission which is likely to result in Company or its subsidiaries becoming insolvent;
- (xii) **(Unable to Issue Offer Shares)** the Company is prevented from allotting and issuing the Offer Shares within the time required by the Prospectus, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a Governmental Authority;
- (xiii) **(Change to the Company)** the Company:
 - (A) other than under the Offers, alters the issued capital of the Company prior to 120 days after completion of the transaction; or
 - (B) disposes or attempts to dispose of a substantial part (directly or indirectly) of the business or property of the Company,
 - without the prior written consent of the Underwriter;
- (xiv) **(Regulatory approvals)** if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company or Panoramic to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Offer documents;
- (xv) **(Change in Management)** a change in the senior management or the board of directors of the Company or its subsidiaries occurs;
- (xvi) **(Constitution)** the Company varies any material term of its constitution without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (xvii) **(Legal Proceedings)** legal proceedings against the Company, its subsidiaries or Panoramic or against any director of such (in that capacity) are commenced or any regulatory body commences any enquiry or public action against the Company, its subsidiaries or Panoramic;
- (xviii) **(Prosecution)** any director or proposed director is charged with an indictable offence or disqualified from managing a corporation or a government agency brings an action against the Company or any of its directors;
- (xix) ***(Disclosures in the Due Diligence Report and any Other Information)** the Due Diligence Report is or becomes misleading or deceptive, including by way of omission;

- (xx) ***(Adverse Change)** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its subsidiaries, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its subsidiaries from those respectively disclosed in any offer document or the public information;
- (xxi) ***(Change of Law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- (xxii) ***(Breach of Laws)** there is a contravention by the Company or its subsidiaries of the Corporations Act, the Competition and Consumer Act 2010 (Cth), ASIC Act (any regulations under those acts), or any of the Listing Rules;
- (xxiii) ***(Compliance with Law)** any of the offer documents or any aspect of the Offers does not comply with the Corporations Act (and all regulations under that Act), the Company's Constitution, the Listing Rules or any other applicable law or regulation;
- (xxiv) ***(Licences)** any licence, permit, authorisation or consent held by the Company or its subsidiaries that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of the Underwriter);
- (xxv) ***(Representations and Warranties)** a representation, warranty or undertaking or obligation contained in the Underwriting Agreement on the part of the Company or Panoramic (whether severally or jointly) is breached, becomes not true or correct or is not performed, except where the offer document contains a statement that is not true or correct and this is rectified, with the prior written consent of the Underwriter, in the form of a supplementary offer document;
- (xxvi) ***(Breach)** the Company or Panoramic defaults on any of its obligations under the Underwriting Agreement;
- (xxvii) ***(Information Supplied)** any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of the Company to the Underwriter in respect of the Offers is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- (xxviii) ***(Hostilities)** hostilities not presently existing commence or an escalation in existing hostilities occurs involving any one or more of Australia, China, Hong Kong, New Zealand, Singapore, the United Kingdom, any Member State of the European Union or the United States;

- (xxix) ***(Certificate Incorrect)** a statement in any closing certificate is false, misleading, inaccurate or untrue or incorrect; or
- (xxx) ***(Disruption in Financial Markets)** there is any adverse effect on the financial markets in Australia, New Zealand, Japan, Canada, The People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a Member State of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries;
- (xxxii) ***(Timetable)** an event specified in the timetable in the Underwriting Agreement up to and including the 'Settlement Date' is delayed by more than 2 Business Days (other than any delay agreed between the Company and the Underwriter or a delay as a result of an extension of the exposure period by ASIC);
- (xxxiii) ***(Force Majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental Agency which makes it illegal for the Underwriter to satisfy an obligation under this document, or to market, promote or settle the Offers;

Events marked with an asterisk (*) only allow the Underwriter the right to terminate where the Underwriter has reasonable grounds to believe that the event:

- (i) has or is likely to have a materially adverse effect on the success, settlement or marketing of the Offers or on the ability of the Underwriter to market or promote or settle the Offers or on the likely price at which the Offer Shares will trade on ASX; or
- (ii) will, or is likely to, give rise to a liability of the Underwriter under, or give rise to, or result in, a contravention by the Underwriter or its affiliates or the Underwriter or its affiliates being involved in a contravention of, any applicable law.

The Underwriting Agreement otherwise contains standard clauses regarding the conduct of the Company with regards to the Offers and the Prospectus and standard undertakings, representations, warranties and indemnities.

11.3 Management Agreement

On 21 October 2016, the Company entered into a Management Agreement with Panoramic to secure the benefit of Panoramic's resources and expertise in providing certain services to the Company.

The Board will be ultimately responsible for monitoring the performance of Panoramic under the Management Agreement. Peter Harold (as a director of both Horizon and Panoramic) will not be present during Board discussion on any matters in relation to the Management Agreement, unless approved by the independent Directors (Paul Bennett and Peter Venn), or eligible to vote on any matters in relation to the Management Agreement.

Nothing in the Management Agreement prevents the Company from engaging the services of third parties to complete the services.

A summary of the material terms of the Management Agreement are set out below.

- (a) **(Services)**: Panoramic will provide technical, commercial, managerial and administrative expertise and services in connection with the Gum Creek Gold Project and such other assets that the Company may, from time to time, specify **(Services)**;
- (b) **(Term)** the Management Agreement has an initial two year term commencing on the day the Company is admitted to the Official List. Prior to the end of the initial term, the Management Agreement may be extended for a further twelve month period term, subject to mutual agreement by Panoramic and the Company;
- (c) **(Management fees and other consideration)**: At the end of each calendar month Panoramic will submit an invoice to the Company for the monthly charges and expenses incurred by Panoramic, including a description of the Services provided. The Company is required to pay the invoice within 14 days of receipt;
 - (i) daily rates for Panoramic personnel that provide Services to the Company are based on the salary of those persons and a mark-up of 28.6% to cover Panoramic's fixed office overheads;
 - (ii) only the cost of those Panoramic persons that provide Services on any one day shall be aggregated to determine the monthly fee payable by the Company;
 - (iii) the minimum charge per Panoramic personnel is 25% of one day;
 - (iv) the Company will pay Panoramic for all reasonable expenses (including travel and accommodation) related to the provision of the Services at cost price;
- (d) **(Board of Directors)**: Panoramic is required to always act in accordance with the direction of the Board of the Company in providing the Services. The Board of the Company may revoke any authorisation granted to Panoramic at any time in its sole discretion;
- (e) **(Termination)**: the Management Agreement may be terminated:
 - (i) on 3 months' written notice if;
 - (A) Panoramic holds less than 25% of the issued share capital in the Company – either party may terminate;
 - (B) the Company employs personnel to manage the Company and has no further need for Panoramic to complete any of the Services – the Company may terminate; or
 - (C) Panoramic is no longer in a position, in its sole and absolute discretion, to provide the Services – Panoramic may terminate.

- (ii) on 21 days written notice if;
 - (A) certain change of control events occur in relation to either party;
 - (B) either party is insolvent; or
 - (C) Panoramic is grossly derelict in its performance of the Services;
 - (iii) with immediate effect if either party is in breach of a material obligation under the Management Agreement, and the breach continues for fourteen days after written notice of the breach has been given by the other party, by that party not in default of the Management Agreement;
 - (iv) if both Parties agree in writing, that the Management Agreement be ended and the date it is to be ended;
- (f) **(Amendment)**: the parties may at any time, by agreement in writing and in compliance with applicable laws, the ASX Listing Rules and any conditions imposed by the ASX, vary or amend the Management Agreement;
 - (g) **(Indemnity)** the Company will indemnify and keep the Manager and its officers, employees, agents and sub-contractors, indemnified against liabilities, losses and claims incurred or suffered by any of them howsoever arising (other than by reason of fraud, gross negligence or willful misconduct on the part of the Manager or any of its officers, employees, agents or sub-contractors), in connection with the provisions of the Services or the performance of its duties under the Management Agreement;
 - (h) **(Sub-contracting of Services)**: Panoramic may, subject to the prior written approval of the Board of the Company, sub-contract any of the Services to be provided to other companies within the Panoramic group and/or other reputable companies, provided that Panoramic will remain responsible for the due and proper performance by any such subcontractor;
 - (i) **(Conflicts)**: in the event that either party is concerned that a material conflict may arise whether under the Management Agreement, the parties will endeavour to resolve the conflict, in good faith. In the event that the conflict is not able to be resolved on terms satisfactory to both parties then the Agreement may be terminated in accordance with paragraph (e)(iv) above;
 - (j) **(Panoramic's shareholding)**: If there is no legal obligation not to do so, Panoramic may buy, sell, assign, transfer or otherwise dispose of its shareholding in the Company at any time and in accordance with the Company's securities trading policy.

11.4 Agreements with Directors

(a) Letter of Appointment - Peter Harold

On 31 August 2016, Peter Harold executed a letter of appointment to be appointed as the non-executive Chairman of the Company.

Mr Harold's service commenced on 31 August 2016 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Mr Harold's time will be charged by Panoramic in accordance with the Management Agreement summarised in Section 11.3 above. This arrangement will be reviewed if and when the Management Agreement expires or is terminated.

The Company will reimburse Mr Harold for all reasonable expenses incurred in performing his duties.

(b) **Letters of Appointment – Paul Bennett and Peter Venn**

(i) Paul Bennett

On 31 August 2016, Paul Bennett executed a letter of appointment to be appointed as a non-executive Director of the Company.

Mr Bennett's service commenced on 31 August 2016 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Mr Bennett will be paid a fee of \$35,000 per annum (inclusive of superannuation) for his role as a non-executive Director of the Company. This fee will start accruing on the listing day of the Company on ASX.

Any fees paid to Mr Bennett may be adjusted at any time by the Board. The Company will reimburse Mr Bennett for all reasonable expenses incurred in performing his duties.

(ii) Peter Venn

On 31 August 2016, Peter Venn executed a letter of appointment to be appointed as a non-executive Director of the Company.

Mr Venn's service commenced on 31 August 2016 and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the Corporations Act.

Mr Venn will be paid a fee of \$35,000 per annum (inclusive of superannuation) for his role as a non-executive Director of the Company. This fee will start accruing on the listing day of the Company on ASX.

Any fees paid to Mr Venn may be adjusted at any time by the Board. The Company will reimburse Mr Venn for all reasonable expenses incurred in performing his duties.

11.5 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify

each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

12. ADDITIONAL INFORMATION

12.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

12.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the

proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

12.3 **Interests of Directors**

Other than as set out in Section 12.6 and otherwise in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

12.4 **Interests of Experts and Advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (c) the formation or promotion of the Company;
- (d) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
 - (ii) the Offers; or
- (e) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Paul Mazzoni (trading as "Tuscan Geoscience") has acted as Independent Technical Expert and has prepared the Independent Technical Report which is included in Section 5. The Company estimates it will pay Paul Mazzoni (trading as "Tuscan Geoscience") a total of \$18,260 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Paul Mazzoni (trading as "Tuscan Geoscience") has not received fees from the Company for any other services.

Paul Payne has acted as contributing author to the Independent Technical Report which is included in Section 5. The Company estimates it will pay Paul Payne a total of \$5,950 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Paul Payne has not received fees from the Company for any other services.

Christopher Campbell-Hicks has acted as contributing author to the Independent Technical Report which is included in Section 5. The Company estimates it will pay Christopher Campbell-Hicks a total of \$5,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Christopher Campbell-Hicks has not received fees from the Company for any other services.

Ernst & Young has acted as Investigating Accountant and has provided the Independent Limited Assurance Report which is included in Section 7 of this Prospectus. The Company has paid, or has agreed to pay Ernst & Young a total of \$52,500 (excluding GST) for this service and other related services including audit, tax advice and other services. During the 24 months preceding lodgement of this Prospectus with ASIC, Ernst & has received not received any fees from the Company.

Somers and Partners Pty Ltd has acted as bookrunner, lead manager and underwriter to the Offers. The Company estimates that it will pay Somers and Partners Pty Ltd up to \$800,000 for these services. Somers and Partners Pty Ltd will be responsible for paying all capital raising fees that Somers and Partners Pty Ltd and the Company agree with any other financial service licensees. The Underwriting Agreement with Somers and Partners Pty Ltd is summarised in Section 11.2. During the 24 months preceding lodgement of this Prospectus with ASIC, Somers and Partners Pty Ltd has not received any other fees for other services provided to the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and has prepared the Solicitor's Report on Tenements, a summary of which is included in Section 8. The Company estimates it will pay Steinepreis Paganin \$70,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months

preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

12.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Paul Mazzone (trading as "Tuscan Geoscience") has given his written consent to being named as Independent Technical Expert in this Prospectus, and to the inclusion of the Independent Technical Report in Section 5 in the form and context in which the report is included. Paul Mazzone has not withdrawn his consent prior to lodgement of this Prospectus with ASIC.

Paul Payne has given his written consent to being named as contributing author to the Independent Technical Report in Section 5, in the form and context in which the report is included. Paul Payne has not withdrawn his consent prior to lodgement of this Prospectus with ASIC.

Christopher Campbell-Hicks has given his written consent to being named as contributing author to the Independent Technical Report in Section 5, in the form and context in which the report is included. Christopher Campbell-Hicks has not withdrawn his consent prior to lodgement of this Prospectus with ASIC.

Ernst & Young has given its written consent to being named as Investigating Accountant in the form and context in which it is named in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 7 of this Prospectus in the form and context in which it is included. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Ernst & Young has given its written consent to being named as auditor of Panoramic Gold in respect of the financial statements for FY14, FY15 and FY16 in the form and context in which it is named in this Prospectus. Ernst & Young has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the incorporation by reference of the Solicitor's Report on Tenements in Section 8 in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Somers and Partners Pty Ltd has given its written consent to being named as the Lead Manager and Underwriter to the Company in this Prospectus. Somers and Partners Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Newexco Services Pty Ltd has given its written consent to the inclusion of Figure 3.8 in Section 3 and to other references to it in this Prospectus. Newexco Services Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Panoramic Resources Limited has given its written consent to the inclusion of the statements in Section 6.3.4 of the Prospectus and other references to it in the Prospectus. Panoramic Resources Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

12.6 Costs of the Offers

The total costs of the Offers (excluding GST) are estimated to be approximately \$1,350,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	(\$)
ASIC fees	2,350
ASX listing fees	85,612
Underwriting and management fees	800,000*
Legal fees	70,000
Independent Technical Expert's and contributing authors' fees	29,210
Investigating Accountant's fees	7,500
Auditing and tax advice fees	45,000
Plant and equipment valuation fees	19,000
Registry, printing and distribution	16,750
Directors' consultancy fees	18,000**
Reimbursement payment to Panoramic	210,000***
Miscellaneous	46,578
TOTAL	1,350,000

* The underwriting and management fees payable to Somers and Partners Pty Ltd of \$800,000 included above is the maximum amount assuming underwriting is required on a 100% basis in relation to the Offers and payment of a \$50,000 promotion and marketing fee payable at the discretion of the Company.

** Messrs Venn and Bennett have or will be paid approximately \$9,000 each for consulting services provided during the period from 31 August 2016 until admission of the Company to the Official List of ASX.

*** The reimbursement to Panoramic depends on the level of total costs of the Offers, but is capped at \$500,000.

12.7 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.horizongold.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

12.9 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

12.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

12.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

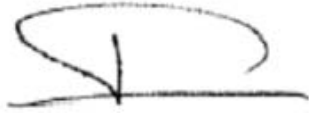
You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

13. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Peter Harold
Chairman
For and on behalf of
Horizon Gold Limited

14. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition Agreement means the agreement between the Company, Panoramic and Panoramic Gold dated 21 October 2016 as summarised at Section 11.1 of this Prospectus.

Applicant means a person or other entity that applies for Shares under this Prospectus.

Application Form or **Application Forms** means in relation to the Priority Offer the personalised white application form attached to or accompanying this Prospectus relating to the Priority Offer and in relation to the Public Offer the green application form attached to or accompanying this Prospectus relating to the Public Offer and either of them as the context requires.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Completion means completion of the sale by Panoramic to the Company of ownership of Panoramic Gold under the Acquisition Agreement.

Company or **Horizon** means Horizon Gold Limited (ACN 610 855 064).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Eligible Panoramic Shareholders are those persons who:

- (a) are registered as a holder of Panoramic Shares on the Priority Offer Record Date; and
- (b) are eligible under all applicable laws to receive an offer under the Priority Offer.

EM means electro magnetic.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Gum Creek Gold Project or **Gum Creek** or **Project** means the project consisting of the Tenements.

IP means induced polarisation.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Loan means the amount of \$15,612,245 owing by Panoramic Gold to Panoramic, which loan is repayable on demand, unsecured, interest free and for a term of nine years from 18 February 2011.

Management Agreement means the agreement between the Company and Panoramic as summarised in Section 11.3.

Mineral Resource has the meaning given to that term in the JORC Code.

MRF means Mining Rehabilitation Fund, the fund established under section 5(1) of the Mining Rehabilitation Fund Act 2012 (WA).

Mt means one million (1,000,000) metric tonnes.

Notional Pro Rata Entitlement to Shares is **indicative only** and means one Share in Horizon for every 11.428 shares held by Panoramic shareholders in Panoramic that Panoramic shareholders would have been entitled to if Panoramic had made an offer of 37,500,000 Shares in Horizon to all of its shareholders on a pro rata basis..

OC means open cut.

Offer and Offers means the offers of Shares pursuant to this Prospectus as set out in Section 2.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means 31 October 2016 (subject to the Company reserving the right to extend the Opening Date to a later date).

Panoramic or **Panoramic Resources** means Panoramic Resources Limited (ACN 095 792 288).

Panoramic Gold means Panoramic Gold Pty Ltd (ACN 148 832 973).

Panoramic Share means a fully paid ordinary share in the capital of Panoramic.

Priority Offer means the Offer to Eligible Panoramic Shareholders under this Prospectus.

Priority Offer Application Form means the personalised white application form attached to or accompanying this Prospectus relating to the Priority Offer.

Public Offer Application Form means the green application form attached to or accompanying this Prospectus relating to the Public Offer.

Priority Offer Closing Date means 18 November 2016 (subject to the Company reserving the right to extend the Priority Offer Closing Date or close the Offers early).

Priority Offer Record Date means 28 October 2016.

Prospectus means this prospectus.

Public means any person or entity other than an Eligible Panoramic Shareholder.

Public Offer means the Offer to the Public under this Prospectus.

Public Offer Closing Date means 25 November 2016 (subject to the Company reserving the right to extend the Public Offer Closing Date or close the Offers early).

RC means reverse circulation drilling.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the total number of Shares for which valid applications have not been received under the Offers or for which payment of the \$0.40 per Share has not been received in accordance with the terms of the Underwriting Agreement.

Somers and Partners or **Underwriter** means Somers and Partners Pty Ltd (ACN 149 263 543) (AFSL 403684).

Tenements means the tenements in which Panoramic Gold has an interest as described in the Solicitor's Report on Tenements summarised in Section 8 or any one of them as the context requires.

tpa means tonnes per annum.

UG means underground.

WST means Western Standard Time as observed in Perth, Western Australia.

Zeta means Zeta Resources Limited (ARBN 162 902 481).

Appendix 1

JORC Code 2012 Edition - Compliance Tables

JORC Code, 2012 Edition – Table 1 – Gum Creek Airborne EM and Gravity Surveys

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • The Gum Creek Gold Project (GCGP) comprises 46 tenements, made up of 9 Exploration Licences (ELs), 21 Mining Leases (MLs), 6 Prospecting Licences (PLs) and 10 Miscellaneous Licences (refer to summary of the Solicitor's Report in Section 8). • All tenements are current and in good standing. Panoramic Gold Pty Ltd has 100% ownership of the tenements and subject, to any necessary approvals, the sole right to explore for and/or mine all commodities within the area of the PLs, ELs and MLs. • A number of the tenements are subject to agreements with third parties, under which royalties may be payable if there is future production from affected tenements.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Previous owners of the Project, prior to Panoramic Gold, include: <ul style="list-style-type: none"> ○ Australian Resources Limited, 1988 – 1999 ○ Abelle Limited, 1999 – 2003 ○ Harmony Gold Mining Co Ltd, 2003 ○ Legend Mining Limited, 2003 – 2007 ○ Apex Minerals NL, 2007-2011 • Panoramic Gold's consultant geophysicists have integrated the newly acquired EM and gravity data (the subject of this table) with existing magnetic, drilling and geochemical data sets to identify a series of targets at Gum Creek that warrant further exploration.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The GCGP contains a series of shear and vein host gold deposits of both free and refractory character. All deposits are classified as belonging to the Archaean orogenic category of gold deposits.

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ◦ easting and northing of the drill hole collar ◦ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ◦ dip and azimuth of the hole ◦ down hole length and interception depth ◦ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • Exploration at Gum Creek is conducted on a series of historical exploration grids within the Map Grid of Australia (MGA) GDA94 Zone 50 • The exploration results reported herewith relate to geophysical surveys, involving helicopter-borne EM and ground gravity techniques completed at Gum Creek during 2015. • The exploration results the subject of this table do not involve drilling – therefore no drill-hole information is applicable to this release.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • The exploration results the subject of this table do not involve drilling – therefore no drill hole data aggregation methods are applicable to this release.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 	<ul style="list-style-type: none"> • The exploration results the subject of this table do not involve drilling – therefore relationships between mineralisation widths and intercept lengths are not applicable to this release.

Criteria	JORC Code explanation	Commentary
	'down hole length, true width not known').	
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> The diagrams and plans reported herewith are considered appropriate for the level of data available and the information being reported on.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The exploration results reported herewith are sufficiently detailed in nature for the report to be considered sufficiently balanced.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> The exploration results reported herein relate to heliborne EM and ground gravity surveys completed over the Gum Creek Gold Project area by Panoramic Gold during 2015. Panoramic Gold's consultant geophysicists have integrated the newly acquired EM and gravity data (the subject of this table) with existing magnetic, drilling and geochemical data sets to identify a series of targets at Gum Creek that warrant further exploration. Details of the 2015 geophysical surveys are provided as follows: <u>Heli-borne EM</u> Between 24th April and 9th May 2015 a SkyTEM airborne electromagnetic survey was completed at the Gidgee project for Panoramic Gold Pty Ltd. The survey consisted of a total of 5060.7 line km. The survey was completed using a nominal flying height of 45m (above ground) and had a flight line direction of 090 - 270 degrees. Most of the area was flown using a 200m line spacing with some limited areas flown using a 1600m line spacing. No tie lines were flown. The SkyTEM system employs a hexagonal transmitter loop with an area of 341 square meters. The loop outputs 5.9A into 2 turns while transmitting low moment and 117 A into 12 turns in high moment mode.

Criteria	JORC Code explanation	Commentary
		<p>Electromagnetic data is recorded in the X and Z directions using coil sensors mounted on the rigid transmitter frame. The transmitter / receiver array was slung below an Airbus AS350B3 helicopter operated by United Helicopters.</p> <p>Ground Gravity The ground gravity survey involved the acquisition and processing of 14,745 new gravity stations covering the GCGP on a 200m x 400m grid pattern. Atlas Geophysics completed the survey using UTV borne gravity methods between 7 May 2015 and 22 June 2015.</p> <p>Acquisition of the gravity data involved the use of 4 CG-5 Autograv Gravity Meters, 3 Leica System 1200 GPS/GNSS rover receivers, 1 Leica System 1200 GPS/GNSS base receiver and 1 Leica System 500 GPS back-up base receiver.</p> <p>GPS control was established using Geoscience Australia's AUSPOS processing system to produce first-order geodetic coordinates accurate to better than 10mm for the x, y and z observables.</p>
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • Follow-up ground EM and IP geophysical surveys, and air-core geochemical drilling, is proposed. Subject to successful results, RC and/or core drilling of targets may be undertaken.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • The Gum Creek Gold Project (GCGP) comprises 46 tenements, made up of 9 Exploration Licences (ELs), 21 Mining Leases (MLs), 6 Prospecting Licences (PLs) and 10 Miscellaneous Licences (refer to the summary of the Solicitors Report in Section 8). • All tenements are current and in good standing. Panoramic Gold Pty Ltd has 100% ownership of the tenements and subject, to any necessary approvals, the sole right to explore for and/or mine all commodities within the area of the PLs, ELs and MLs. • A number of the tenements are subject to agreements with third parties, under which royalties may be payable if there is future production from affected tenements.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Previous owners of the Project, prior to Panoramic Gold, include: <ul style="list-style-type: none"> ◦ Australian Resources Limited, 1988 – 1999 ◦ Abelle Limited, 1999 – 2003 ◦ Harmony Gold Mining Co Ltd, 2003 ◦ Legend Mining Limited, 2003 – 2005 ◦ Legend Mining Limited, 2003 – 2007 ◦ Apex Minerals NL, 2007-2011
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • The GCGP contains a series of shear and vein host gold deposits of both free milling and refractory character. All deposits are classified as belonging to the Archaean orogenic category of gold deposits.
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ◦ easting and northing of the drill hole collar ◦ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ◦ dip and azimuth of the hole 	<ul style="list-style-type: none"> • Exploration at Gum Creek is conducted on a series of historical exploration grids within the Map Grid of Australia (MGA) GDA94 Zone 50. • The exploration results and information reported in this table relate to the undertaking of a geophysical Induced

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>Polarisation (IP) Survey and did not involve drilling – therefore no drill hole information is applicable to the results.</p>
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • The exploration results and information reported in this table relate to the undertaking of a geophysical Induced Polarisation (IP) Survey and did not involve drilling – therefore no drill hole data aggregation methods is applicable to the results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The exploration results and information reported in this table relate to the undertaking of a geophysical Induced Polarisation (IP) Survey and did not involve drilling – therefore relationships between mineralisation widths and intercept lengths are not applicable to the results.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • The diagrams and plans in this section are considered to be appropriate for the level of data available and on the information being reported on.

Criteria	JORC Code explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The exploration results and information reported in this section are sufficiently detailed in nature to be considered balanced and not misleading.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> The exploration results and information reported in this announcement relate to the undertaking of a geophysical Induced Polarisation (IP) Survey conducted at Wilsons and Wilsons South within the GCGP. The Survey was supervised by Newexco. Survey specifications are as follows: <ul style="list-style-type: none"> Location – Gum Creek Greenstone Belt Project – Gum Creek Gold Project Prospect – Wilsons South Client – Panoramic Gold Pty Ltd Grid 1 – Mt Townsend Grid 2 – GDA94MGAZ50 Survey Configuration – Dipole-Dipole Wilsons number of profiles – 13 Wilsons line spacing – 400m Wilsons South line spacing – 800m Wilsons South number of profiles – 11 length – 2,000m Number of RX dipoles – 180 Base Frequency – 0.125 Hz A spacing – 100m N spacing – 8 M – 450ms to 1150ms Stacking – As required Readings– Consistent readings Windowing – Semi log Receiver – GDD 32 Transmitter – GDD 5000 Generator – 10kva Wire – HV Tx Datum – 755100mE, 6955560mN
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Follow-up ground EM and IP geophysical surveys, and air-core geochemical drilling, is proposed. Subject to successful results, RC and/or core drilling of targets may be undertaken.