

UPDATE ON THE POTENTIAL ACQUISITION OF THE COOLGARDIE GOLD PROJECT

Horizon Minerals Limited (ASX: HRZ) (**Horizon**) is a party to an Exclusivity Deed with Focus Minerals Limited (ASX: FML) (**Focus**) relating to the potential acquisition by Horizon of Focus' Coolgardie Gold Project (including the Three Mile Hill processing plant) (**Proposed Transaction**). The details of the Exclusivity Deed have previously been announced to the ASX on 11 February 2019, 6 September 2019, 25 September 2019 and 21 October 2019.

Horizon wishes to advise that it has received formal notification from Focus under the Exclusivity Deed that Focus is unlikely to obtain the internal, board and regulatory approvals necessary for it to proceed with the Proposed Transaction before the expiry of the Exclusivity Period on 17 December 2019.

Horizon is not contemplating any further extension of the Exclusivity Period.

In October 2019, the Company commenced an 18,000m grade control program at Boorara (Figure 1) on a 10m by 5m drill spacing designed to generate a detailed grade control model to enable a mining inventory to be established which will underpin staged mining and toll milling in 2020^{1, 2}.

The results of the model and subsequent mill reconciliation will feed in to the updated resource model for Boorara as part of the Study to support the base load feed for the proposed mill. Potential satellite feed sources in close trucking distance include Crake, Coote, Teal, Rosehill and Golden Ridge (Figure 1) which will form part of the Study due for completion in the September Quarter 2020¹.

The Company's current cash position stands at \$4.3 million and holds listed investments with a current total value of approximately \$4.7 million.

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¹ Please see Forward Looking and Cautionary Statements on Page 3. ² As announced to the ASX on 29 October 2019.

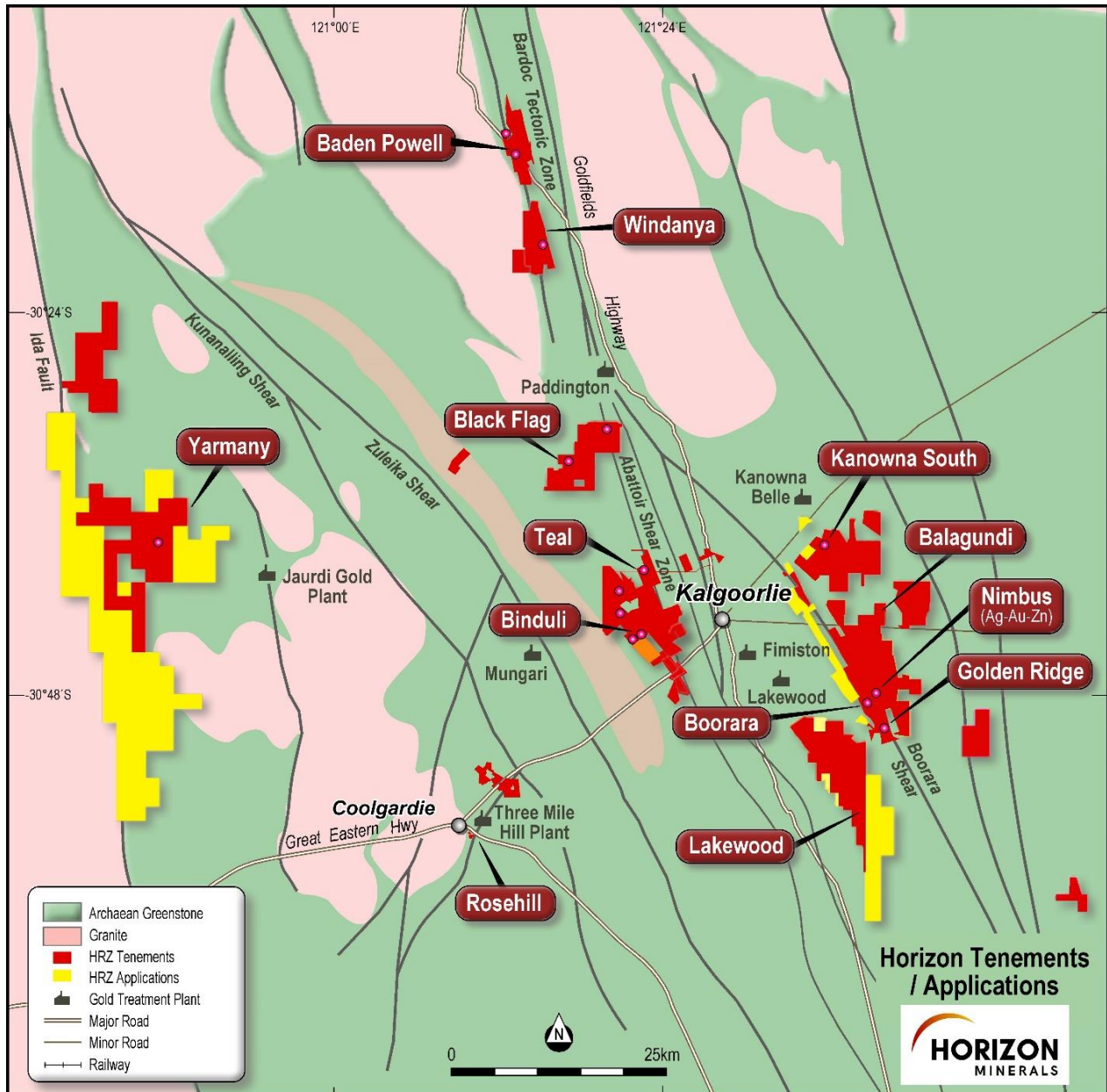


Figure 1: Horizon project locations, underlying geology and surrounding infrastructure

Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements.