25 September 2019

ASX
Level 40, Central Park,
152-158 St Georges Terrace
Perth WA 6000

Attention: Madeleine Greene **Email:** ListingsCompliancePerth@asx.com.au

Dear Madeleine

Response to Price Query

We refer to your correspondence dated 25 September 2019 regarding a change in Horizon Minerals Limited's ("**Horizon**", "**the Company**") share price.

The Company provides the following responses, in corresponding order, to the queries raised by ASX:

1. The Company is aware of the announcement made by China Hanking Holdings Limited ("**Hanking**") on the Hong Kong Stock Exchange on 23 September 2019 ("**Hanking Announcement**") relating to a non-binding indicative cash offer it has made (through a subsidiary) to potentially acquire the Coolgardie Gold Project from Focus Minerals Limited (ASX:FML) ("**Hanking NBIO**"). The Company is also aware of recent media commentary relating to the Hanking NBIO, including articles published in The West Australian and The Australian newspapers on 25 September 2019. The Hanking Announcement states that the total consideration in the Hanking NBIO is A$56 to A$65 million, with the upfront payment of A$12 million and the balance to be paid in tranches over 3.5 years from the completion of acquisition.

   Horizon has previously announced on 11 February 2019 and 6 September 2019 the terms of its non-binding indicative proposal for the potential acquisition of the Coolgardie Gold Project (including the Three Mile Hill processing plant) ("**Proposed Transaction**"). The Proposed Transaction includes consideration of A$55 million, comprising A$12 million in fully paid ordinary shares ("**Horizon Shares**") and A$43 million in cash, which is payable in tranches as set out in Annexure A.

2(a) No, the Company is not relying on Listing Rule 3.1A.

2(b) Yes.

2(c) Not applicable.

3. Not applicable.

163 Stirling Hwy
Nedlands WA 6009
PO Box 1104
Nedlands WA 6909
T: +61 8 9386 9534
F: +61 8 9389 1597
E: info@horizonminerals.com.au
horizonminerals.com.au
ACN 007 761 186
ABN 88 007 761 186

4. The Company confirms that it is in compliance with the Listing Rules and in particular Listing Rule 3.1.

5. The Company confirms that its responses have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of Horizon with delegated authority from the Board to respond to ASX on disclosure matters.

I can be contacted on 08 9386 4699 or via email bianca.taveira@horizonminerals.com.au if you have any queries.

Regards



Bianca Taveira
Company Secretary

163 Stirling Hwy
Nedlands WA 6009
3437-0885-6589, v. 1

PO Box 1104
Nedlands WA 6909

T: +61 8 9386 9534
F: +61 8 9389 1597
E: info@horizonminerals.com.au

horizonminerals.com.au
ACN 007 761 186
ABN 88 007 761 186

ANNEXURE A – PROPOSED TRANCHES

Date of Payment / Issue	*Cash Consideration*	*Share Consideration*
Completion Date: *The date of completion of the Proposed Transaction under the formal binding asset sale agreement.*	*A$3.0 million.*	*A$6 million worth of new Horizon Shares at a deemed issue price equal to the 20 day VWAP of Horizon Shares ending on (and including) the trading day immediately prior to the date of execution of the formal binding asset sale agreement.*
Tranche 1 Deferred Consideration Payment Date: *The date that is 9 calendar months after the Completion Date (or the next Business Day).*	*A$5.0 million.*	*Subject to the approval of Horizon shareholders, A$6 million worth of new Horizon Shares at a deemed issue price equal to the 20 day VWAP of Horizon Shares ending on and including the trading day immediately prior to the Tranche 1 Deferred Consideration Payment Date.*
Tranche 2 Deferred Consideration Payment Date: *The date that is 18 calendar months after the Completion Date (or the next Business Day).*	*A$9.0 million.*	*n/a*
Tranche 3 Deferred Consideration Payment Date: *The date that is the earlier of:* • *the date that the first 50,000 ounces of gold dore is produced by the Three Mile Hill processing facility following the Completion Date; and* • *30 calendar months after the Completion Date (or the next Business Day).*	*A$13.0 million.*	*n/a*
Tranche 4 Deferred Consideration Payment Date: *The date that is 42 calendar months after the Completion Date (or the next Business Day).*	*A$13.0 million.*	*n/a*

25 September 2019

Ms Bianca Taveria
Company Secretary
Horizon Minerals Limited

By email: bianca.taveira@horizonminerals.com.au

Dear Ms Taveria

Horizon Minerals Limited ('HRZ'): Price Query

We note:

- the change in the price of HRZ's securities from a high of $0.135 at the close of trade on 23 September 2019 to a low of $0.12 at the close of trade on 24 September 2019.
- the media articles that have appeared in The Australian and the West Australian today, 25 September 2019 noting that Hanking Holdings has made a bid for the assets of Focus Minerals Limited.

Request for Information

In light of this, ASX asks HRZ to respond separately to each of the following questions and requests for information:

1. Is HRZ aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
    (a) Is HRZ relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in HRZ's securities would suggest to ASX that such information may have ceased to be confidential and therefore HRZ may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
    (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
    (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that HRZ may have for the recent trading in its securities?
4. Please confirm that HRZ is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that HRZ's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of HRZ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00 AM AWST today Wednesday, 25 September 2019**. If we do not have your response by then, ASX will likely suspend trading in HRZ's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HRZ's obligation is to disclose the information

"immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to HRZ's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that HRZ's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in HRZ's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in HRZ's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)