



HORIZON GOLD LIMITED

ACN 614 175 923

A GUIDE TO THE DISCLOSURE OF INFORMATION

1 Introduction

Horizon Gold Limited (HRN) 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 continuous disclosure practices of HRN and its controlled entities are to ensure that all shareholders and investors have equal access to the Company's information.

The continuous disclosure provisions of the Corporations Act and the ASX Listing Rules mean that criminal and civil liabilities could be imposed on HRN and its stakeholders if information is not released immediately (promptly and without delay) after it becomes known.

This memorandum deals with:

- (a) the key obligations of Horizon Gold Limited (HRN);
- (b) the type of information that needs to be disclosed;
- (c) the procedures for internal notification and external disclosure;
- (d) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (e) the procedures for monitoring compliance.

For the purpose of this policy, if HRN does not have a Managing Director appointed, all references to Managing Director in this memorandum, mean Non-Executive Chairman.

2 Key Obligations of HRN to Notify

2.1 Directors, officers, employees and agents (“Stakeholders”) of HRN:

Are you aware of any information about HRN that might influence someone in deciding to buy or sell HRN's securities? This type of information is commonly known as “market sensitive information”.

If so, immediately contact (telephone, email) the Managing Director or the Company Secretary if the Managing Director is not immediately available.

2.2 Managing Director and Company Secretary of HRN

The Managing Director and/or the Company Secretary will interrogate and consider the information received with the Stakeholder and others involved if required and if deemed necessary, after consultation with the Company's legal advisor and /or the HRN Board, immediately inform the Company's ASX Relationship Officer and if requested, an announcement to ASX will be prepared and released which may include a trading halt or in exceptional cases, voluntary suspension of trading of HRN shares on the ASX.

3 HRN's Obligations

ASX Listing Rule 3.1 and Guidance Note 8 (as amended in August 2015) requires an entity to immediately (promptly and without delay) inform the ASX of any information concerning HRN or its associated entities which HRN or its associated entities is or becomes aware and which a reasonable person would expect to have a "material effect" on the price or value of shares and/or other securities in HRN. Chapter 6CA [Sec 674 to 678] of the Corporations Act 2001 ("Act") reinforces the ASX Listing Rule 3.1.

The requirement to inform the ASX of this information does not apply if, and only if, each of the following conditions is and remains satisfied:

- a reasonable person would not expect the information to be disclosed;
- the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- one or more of the following conditions apply:
 - it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract);
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of the Company; or
 - the information is a trade secret.

Attached to this Guide is a copy of the abridged version of ASX Guidance Note 8 in respect of Listing Rule 3.1 which explains the ASX approach and requirements to this Listing Rule.

4 How Does HRN Become Aware of Information?

HRN will be deemed to have become aware of information where an officer of HRN has, or ought reasonably to have, come into possession of information in the course of the performance of his/her duties as an officer of HRN.

There is an assumed extension of HRN's awareness beyond the information its officers in fact know to information that anyone within the Company has possession of and it is of such significance that it ought reasonably to have been brought to the attention of an officer of HRN. **In light of this extension, it is important that all stakeholders (including, but not limited to, all employees) of HRN comply with the Key Obligations of this Guide set out in section 2 above.**

The term "officer" has the same meaning as in the Act and includes directors, company secretaries and certain senior managers.

5 Materiality

HRN must disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of HRN. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, those securities.

Neither the Listing Rules nor the Act define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:

- whether a matter will significantly damage HRN's image or reputation;
- whether a matter will significantly affect HRN's ability to carry on business in the ordinary course; or
- whether the matter involves a breach of any law or regulation.

6 The Type of Information that Needs to be Disclosed

It is not possible to exhaustively list the information which must be disclosed as information extends beyond pure matters of fact and includes matters of opinion and intention. The following examples are provided to give you some idea about information that might require disclosure.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Managing Director of HRN (or the Company Secretary if the Managing Director is not immediately available) so that advice can be given and a formal decision can be made by the Managing Director as to whether or not to release the information.

Examples of information that might need to be disclosed include the following:

- a new material contract or licence that HRN had entered into or a variation to an existing contract or licence; or
- any event which could affect HRN's assets, earnings or profitability such as:
 - litigation being commenced by or against HRN (e.g. because of an alleged breach of contract etc.);
 - industrial action being threatened or commenced;
 - significant unbudgeted capital expenditure commitments arising; or
 - proposed changes in the nature of the business of HRN; or
- any other information regarding HRN that may be material to the share price or the value of shares and/or other securities of HRN such as:
 - proposed changes to the Board or senior management; or
 - proposed changes to the capital structure of HRN.

For other examples refer to the checklist in the Schedule and the attached abridged version of ASX Guidance Note 8.

7 The Continuous Disclosure Officer

The Board of Directors of HRN have appointed the Company Secretary as the Company's Continuous Disclosure Officer. In the event that the Company Secretary is absent or on leave the Managing Director will act in this capacity.

The Continuous Disclosure Officer is primarily responsible for ensuring that HRN complies with its disclosure obligations and is primarily responsible for supervising what information will be disclosed.

8 Confidential Information

In determining whether any information that comes to light about HRN needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure or carve out which are mentioned in section 3 above apply. In particular, a determination may need to be made as to whether the information is confidential. If a determination is made that the information is confidential, then the Managing Director of HRN will ensure that anyone who has a copy of the information is aware that it is confidential.

9 Relationship with Media and Public

HRN must disclose information needed to prevent a false market. Accordingly, it may be necessary for HRN to correct a rumour or to respond to speculation, including media speculation, regarding HRN.

Relevant information must be provided to ASX under Listing Rule 3.1 and released to the market before it is provided to the media (even on an embargoed basis).

Care must be taken not to make comments to the media or others which could result in rumours or speculation about HRN. Staff must comply with the media relations policy of HRN which limits media contact with HRN to the Managing Director. Other officers and executives may only confer with the media in relation to a particular matter concerning HRN if they have obtained the prior express approval of the Managing Director of HRN or his delegate for the purpose of giving such approval.

10 Employment and Monitoring of Compliance

To promote an understanding of the continuous disclosure obligations imposed on HRN by the Corporations Act and the Listing Rules, a copy of this guide will be provided to all directors, executive officers and employees (present or future) of HRN and to all agents of HRN who may from time to time be in the possession of undisclosed information that may be material to the price or value of HRN's securities.

The Managing Director of HRN and the Continuous Disclosure Officer will ensure that the continuous disclosure obligations of HRN are drawn to the attention of officers, employees or agents of HRN, on a regular basis.

At least once in every 12 month period, the board of directors of HRN will review HRN's compliance with this memorandum. From time to time, and if considered necessary, the HRN Board may update this memorandum (and distribute an updated copy to all directors, officers, employees and relevant agents of HRN) to reflect changes in HRN's business operations and changes in the Act and the Listing Rules.

A copy of this document has been placed on the HRN intranet site. The induction procedures for new staff must require that a copy of this Guide be provided to each new employee. It is the responsibility of the Company Secretary of HRN to ensure that all staff and consultants have received this Guide and understand its requirements.

11 Share Trading by Officers

Any director, officer or employee of HRN proposing to trade in HRN's shares must comply with the Company's Share Trading Policy on rules for trading in the Company's securities.

12 Audit

HRN's audit committee will annually audit HRN's adherence to the procedures as set out in this Guide.

13 Reporting and Correcting Mistaken Non-Disclosure

Any director, officer or employee of HRN who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately telephone or email the Managing Director of HRN (or if the Managing Director is not immediately available, the Company Secretary of HRN) so that appropriate action can be taken. It is far better to correct mistaken non-disclosure and lodge an announcement belatedly than to continue to ignore the omission and fail to comply with Listing Rule 3.1.

14 Conclusion

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for HRN and its officers and could have a damaging impact on the perception of HRN within the investment community. Any director, officer, employee or agent of HRN who wilfully or negligently causes a failure to comply by HRN will be considered to have engaged in serious misconduct which may result in the termination of their engagement by HRN.

All directors, officers, employees and agents are encouraged to actively consider the need for disclosure. Do you have information likely to influence a person to buy or sell HRN's securities? If so, notify the Managing Director of HRN as soon as possible. It is far better to consider and, where appropriate, reject the need for disclosure rather than make what could be a false assumption that information does not need to be disclosed.

SCHEDULE

NOTIFICATION CHECKLIST

You are aware of information concerning HRN which you think might influence someone to buy or sell HRN's securities. Use this checklist to help you determine whether the information may require disclosure under Listing Rule 3.1 (the attached abridged version of ASX listing rule Guidance Note 8 – Continuous Disclosure also provides examples and details to assist listed entities with their obligations under listing rule 3.1). Remember, if in doubt, always notify and discuss your concerns with the Managing Director or Company Secretary of HRN.

1 Is the Information likely to influence someone in buying or selling HRN's securities?

Is the information likely to have a material effect on the price or value of the shares of HRN? Would the information be likely to influence people who commonly invest in securities in deciding whether or not to subscribe for, buy or sell HRN's shares?

For example:

- does the information relate to any change in the value of HRN's investment in HRN?
- is the information about a material acquisition or sale by, HRN?
- is the information about a significant "milestone" achievement for HRN?
- are you about to commit HRN to a strategic alliance, or business relationship, or new initiatives?
- has someone threatened to sue HRN?
- have you instructed a corporate solicitor to initiate legal action against a HRN customer or supplier or any other party?

If so, the information might be material and you should immediately notify the Managing Director of HRN or the Company Secretary of HRN if the Managing Director is not available.

2 Are the conditions for non-disclosure satisfied?

Are **each** of the following 3 conditions satisfied:

Would a reasonable person expect the information to be disclosed? For example, would disclosure result in unreasonable prejudice to HRN?

AND

Is the information confidential? Are all of the persons who, to your knowledge, are in possession of the information, bound by an obligation of confidentiality? Has there been any media speculation concerning the information?

AND

Does one or more of the following apply:

- it would be a breach of a law to disclose the information;
- the information relates to an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for the internal management purposes of HRN;
- the information is a trade secret?

Ultimately, it is not for you to determine whether these conditions are satisfied. Having determined that:

- the information has been received in the course of your duties for HRN; and
 - the information is likely to influence someone to buy or sell HRN securities,
- you must disclose the information to the Managing Director or the Company Secretary.