

## *Newsletter to Shareholders - OCTOBER 2016*

Our newsletter in February this year was upbeat about the prospects of mining at Raindance and the sale of opal stocks. Unfortunately, the Year of Opal did not completely live up to expectations.

### **Opal Horizon Board**

At the Board Meeting held on Wednesday 12 October 2016 David Horton regretfully resigned from the position of Managing Director due to ongoing health issues; however, David will remain on the Board as a non-Executive Director. John Siemon will fill the combined roles of Chairman and Managing Director for the foreseeable future until a suitable candidate is found for the role of Managing Director.

The Board wishes to acknowledge the dedicated work David has performed over the last 20 years in researching the formation of opal, identifying the methodology now used by the Company to search for and now successfully mine for opal, and as Managing Director, his unstinting efforts to ensure the Company could continue despite numerous financial crises (external and internal).

The Company also wishes to announce that David Hall (one of the foundation Directors of the Company) has re-joined the Board and will assist John Siemon with the day-to-day issues.

### **2016 Mining**

Drilling at Raindance in 2007-8 identified an area containing good quality opal at a depth of about 8m. Fortunately, the holes were close to a trench subsequently dug in 2008-9. Excavation of this area commenced in July 2016 and progressed rapidly. However, it was soon realised that the area to be backfilled with overburden had not been completely mined necessitating changes in the operating plan. Wet weather caused considerable havoc with weekly episodes over a 6 week period. On one occasion the 70m by 15m wide trench contained at least 600 mm of water which had to be pumped out. On more than one occasion the site personnel were trapped either in Longreach or at site when flooding of the Thompson River prevented access to and from Jundah (our fuel supply).

Excavation of the trench to 5m using a dozer took about 10 days. Pipe opal was extracted from only a quarter of the trench over about 20 working days before mining ceased, because of insufficient funds principally due to wet weather delays.

Grading of the recovered pipe opal has been finalised and processing of the gem quality stones is nearing completion. Some rough opal, material suitable for bead making and specimens will be sold separately.

Sale of opal from previous years has been slow which has hampered efforts to utilise the cash flow for mining. Options are being explored which will allow a more rapid sale of cut stones, a problem which has hampered efforts to utilise the cash flow for mining.

#### **Opal Sale**

Cut opal from previous years (boulder and pipe opal) and 2016 (pipe opal only) will be on sale in our **NEW** Office at Level 8, 46 Edward Street on **Friday 4 November** and subsequently by appointment only (Please contact Caroline on **3232 3407** or [chowrihane@opalhorizon.com](mailto:chowrihane@opalhorizon.com)).

### **Preference Shares**

We remind existing shareholders that the Preference Share Offer instigated last year is still open. The Offer to date has been well-received by existing shareholders.

The allotment of these \$1 Preference Shares allows participants to receive from sale of opal, dividends worth \$5 per share over a period of three years. Preference Shares will convert to Ordinary Shares at maturity as will any unpaid dividends.

We are hopeful we can now sell the remaining Preference Shares to continue mining. There are now only 144,000 remaining to be sold of the 500,000 originally offered last year. Sale of these shares combined with increasing cash flows from sale of opal will hopefully reduce our reliance on new investment.

If you can assist us with funding through Preference Shares or if you know of new investors who could be interested in OHZ, please contact, in the first instance, our Chairman John Siemon as per the details listed below or on [enquiries@opalhorizon.com](mailto:enquiries@opalhorizon.com)

#### New Offices

Please be advised that as of 18 July, Opal Horizon Limited relocated its Brisbane offices from Wickham Terrace at Spring Hill to:

**Level 8, 46 Edward Street (cnr Edward and Margaret Streets), Brisbane QLD 4000**

**PO Box 10288 BRISBANE ADELAIDE STREET QLD 4000  
TEL +61 7 3232 3407**

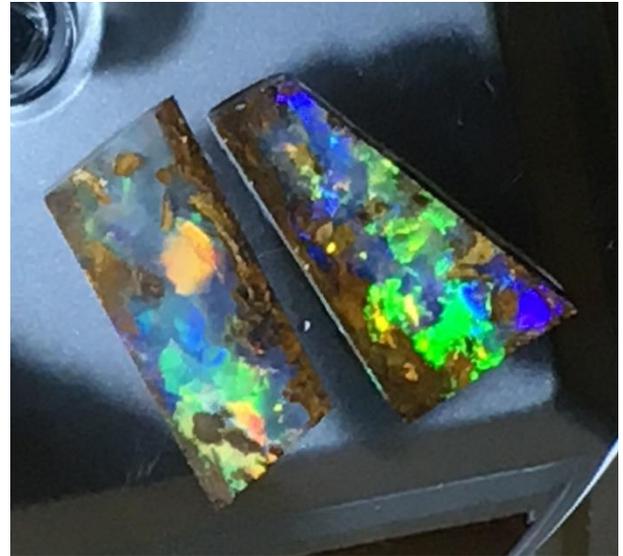
Web and email addresses remain the same.

David Hall, David Horton, Walter Ife, John Siemon  
Directors, Opal Horizon Limited

21 October 2016



2016 pipe opal



Rough cut pipe opal 2016

*To ensure that we can minimise our office costs we ask that you consider receiving all future correspondence from OHZ electronically. Please email your contact detail to [enquiries@opalhorizon.com](mailto:enquiries@opalhorizon.com)*