HORSESHOE METALS LIMITED

A.B.N. 20 123 133 166

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2022

CORPORATE INFORMATION

Board of Directors

Craig Hall (Non-executive Director)
Alan Still (Non-executive Director)
Kate Stoney (Non-executive Director)

Company Secretary

Kate Stoney

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Bankers

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Advanced Share Registry
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Auditors

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Securities Exchange Listing

The Company is listed on the Australian Securities Exchange
ASX Code: HOR

Website
www.horseshoemetals.com.au

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DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated group ("the Group) consisting of Horseshoe Metals Limited ("the Company") and the entity it controlled during the period for the half year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The names of the Directors of the Company in office during the half year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated:

Alan Still	Non-Executive Director
Craig Hall	Non-Executive Director
Kate Stoney	Non-Executive Director

REVIEW OF OPERATIONS

The Group realised a net loss for the half year of $1,596,059 (2021: $865,084).

Horseshoe Lights Project Summary

Horseshoe is well positioned to unlock the potential of the Horseshoe Lights Copper-Gold Project in the Bryah Basin of Western Australia.

- Horseshoe Lights Copper-Gold Project summary:
  - Current in situ resource 128 kt Cu metal @ 1.0% (0.5% cut-off)
  - Current stockpile resource 9.5 kt Cu metal @ 0.57%
  - Extensive drilling (over 120km total) and metallurgical test work
  - Open pit only drilled to a depth of ~250m – proximal major deposits in Bryah Basin have been drilled to ~800-1000m
  - Horseshoe are targeting a deep sulphide copper target – "Below the Dolerite" (BTD)
- Horseshoe is assessing early development / cashflow opportunities from processing of historic gold and copper stockpiles
- Horseshoe updating 2014 Scoping Study in light of vastly improved copper pricing inputs
- Near-term exploration is focused on RC drilling of resources and resource extensions, and also include advancing stockpile resource estimations at Horseshoe Lights

The Horseshoe Lights Copper-Gold Project is the original Cu/Au VMS discovery in the Bryah Basin and is located approx. 60 km west of DeGrussa Copper Mine operated by Sandfire Resources (ASX: SFR). Past production from Horseshoe Lights includes ~316,000 oz Au & 55 kt Cu metal and the deposit contains a current in situ resource 128 kt Cu metal @ 1.0% (0.5% cut-off).

Considerable exploration upside has been identified, with the Company targeting high-grade extensions beneath the existing open pit, which has only been drilled to a depth of ~250m. Proximal major deposits in Bryah Basin have been drilled to a depth of at least ~800-1000m.

RC Drilling

During April and May, the Company completed 2966m of RC drilling in a programme of 21 holes (completed to a maximum depth of 206m) within its Phase 2 campaign targeting the northern portion of the Motters strike (refer Figure 1, and Table 1). An additional 70 holes for 778m (refer Figure 2, and Table 2) were completed at various stockpiles created during previous mining events (as outlined in ASX release dated 18 March 2022).

Phase 2 RC drilling was designed to primarily test the northern portion of the Motters strike, to a depth of up to 200 metres below surface (MBS), and around 100m south of the Phase 1 drilling, on 20m sections.

Phase 1 RC drilling completed last year focussed on the north end of Motters (see ASX release dated 29 October 2021) and included results of *(>0.5% Cu cutoff, 2m internal dilution*):

- ***45m @ 1.22 % Cu from 2m***
- ***22m @ 1.87 % Cu from 12m***
- ***26m @ 1.31 % Cu from 6m***
- ***16m @ 1.15 % Cu from surface***

Phase 1 and 2 drilling has confirmed the interpretation of mineralisation at the north end of Motters ahead of testing the southern extension of the Motters strike, where historically drilled grades within the zone are encouraging.

The Motters mineralised zone is currently interpreted to be the sheared eastern limb of a folded Volcanogenic Massive Sulphide (VMS) horizon which, to the west of Motters, contributed all of the production history. Other major mineral deposits in the Bryah Basin have been drilled to depths of at least 3-4 times in order to better assess the scope and potential of the mineralising system.

Results from the Phase 2 drilling were released to market post-half year end (refer ASX release dated 31 August 2022), and confirmed wide zones of mineralisation at Main Zone and Motters with significant copper results including *(>0.3% Cu cut-off, 4m internal dilution*):

- ***72m @ 1.11% Cu from 32m incl.*** ***(RC1180 - Main Zone)***
  - ***29m @ 1.65 % Cu from 32m and***
  - ***12m @ 1.52% Cu from 182m***
- ***16m @ 1.10% Cu from 50m*** ***(RC1161 - Motters)***
- ***37m @ 0.68% Cu from 54m incl.*** ***(RC1164 - Motters)***
  - ***12m @ 1.02% Cu from 75m***
- ***21m @ 0.61% Cu from 63m incl.*** ***(RC1165 - Motters)***
  - ***5m @ 1.45% Cu from 63m***
- ***36m @ 0.62% Cu from 50m incl.*** ***(RC1166 - Motters)***
  - ***13m @ 0.91% Cu from 73m***

Phase 2 Drilling Summary

Phase 2 drilling completed in May consisted of 21 Holes totalling 2966m targeting Motters (RC1160 to RC1179 located Northeast of the pit) and a single hole (RC1180) into the northern extension of the Main Zone (refer Figure 1). The objective was to confirm and extend mineralisation and confidence levels in drilling previously completed by the Company.

Results from the programme are summarised below and in Table 1 at a 0.3% Cu cut-off, which is now considered appropriate given the significant rise in copper price over the last two years. Assays have confirmed the continuity of the Motters structure with typically two coherent lodes (refer Figures 2, 3 and 4) and will improve the confidence level for resource classification in future resource modelling.

Main Zone

RC1180 was designed to test a gap in the detailed information on this section (Figure 3) and to confirm continuity of mineralisation immediately north of the open pit. An outstanding result (0.3% Cu cut-off) was achieved:

- **72m @ 1.11% Cu from 32m incl. 29m @ 1.65 % Cu from 32m and 12m @ 1.52% Cu from 182m**

Some recent interpretation suggests the dolerite may thin or roll near the intersection with Main Zone (refer Figure 3) further north, allowing additional targeting of the Main Zone. Future drilling will test this interpretation.

Motters Zone

Results confirm significant widths of mineralisation in the northern half of the Motters structure (Figures 2 and 4) including significant results (0.3% Cu cut-off) of:

- **16m @ 1.10% Cu from 50m** (RC1161)
- **37m @ 0.68% Cu from 54m incl. 12m @ 1.02% Cu from 75m** (RC1164)

- **21m @ 0.61% Cu from 63m incl. 5m @1.45% Cu from 63m** (RC1165)
- **36m @ 0.62% Cu from 50m incl. 13m @ 0.91% Cu from 73m** (RC1166)

Future drill targeting will focus on the sparsely drilled mineralisation south along strike from the completed drilling (refer Figure 1). Results from previous drilling (0.5% Cu cut-off, refer Table 2) include highlights of:

- **31m @ 1.81 % Cu from 197m in Hole RC1101** (downhole intersect only, not true width- "dhio, ntw")
- **20m @ 2.11 % Cu from 0m (in pit)** and **12m @ 1.96 from 86m in Hole RC524** (dhio, ntw)
- **9m @ 2.66 % Cu from 49m (in pit);** considered true width

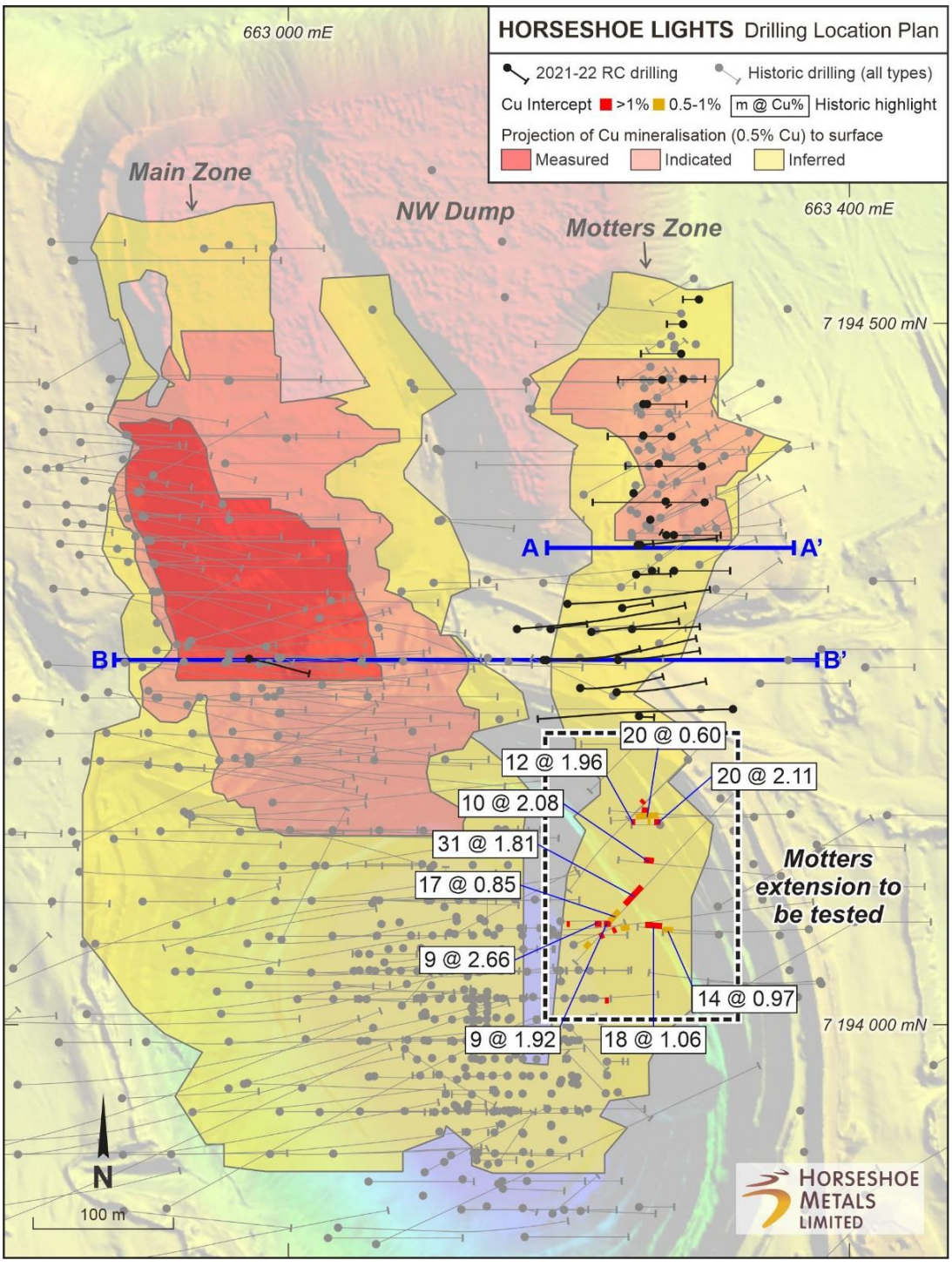

Figure 1: Drill Location Plan showing Phase 2 holes into Motters Zone, highlighting sparse drilling and historical drilling highlights (0.5% Cu cut-off) in the Motters extension south along strike

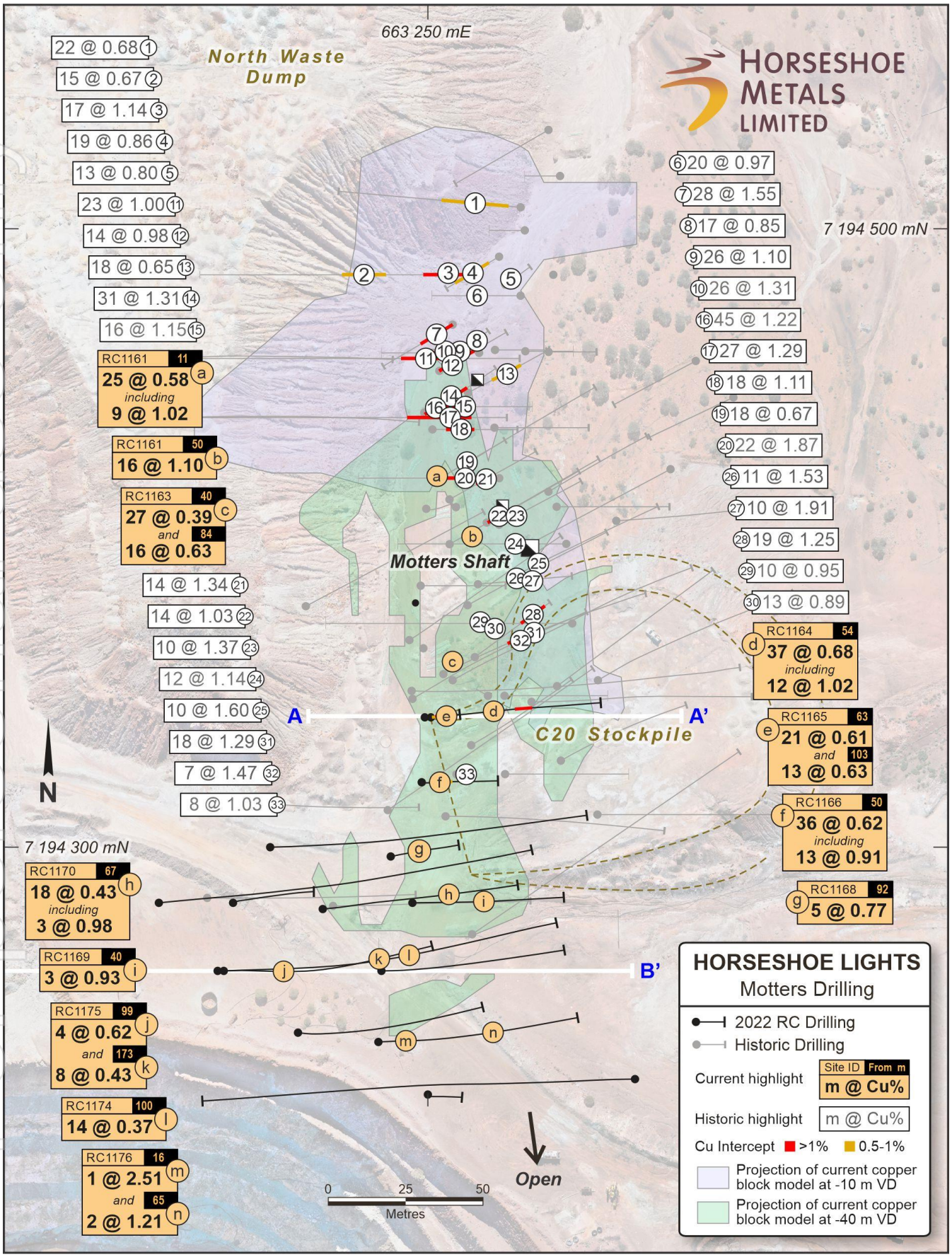

Figure 2: Significant Results Phase 2 RC Drilling 2022 – Motters Zone (0.3% Cu cut-off)

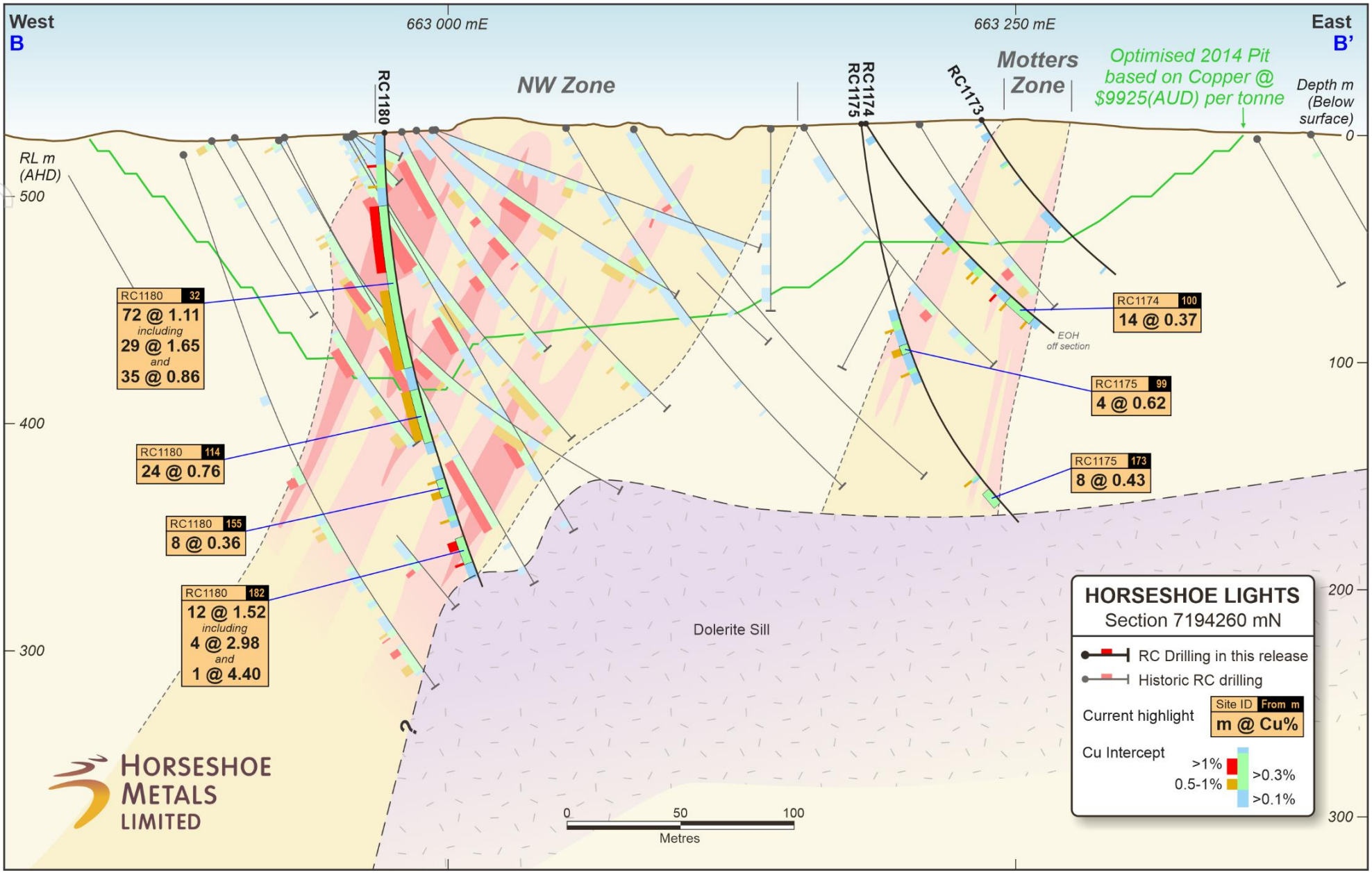

Figure 3: Cross Section 7194260mN (B-B' on Figures 1 and 2) – significant results Phase 2 RC Drilling (0.3% Cu cut-off)

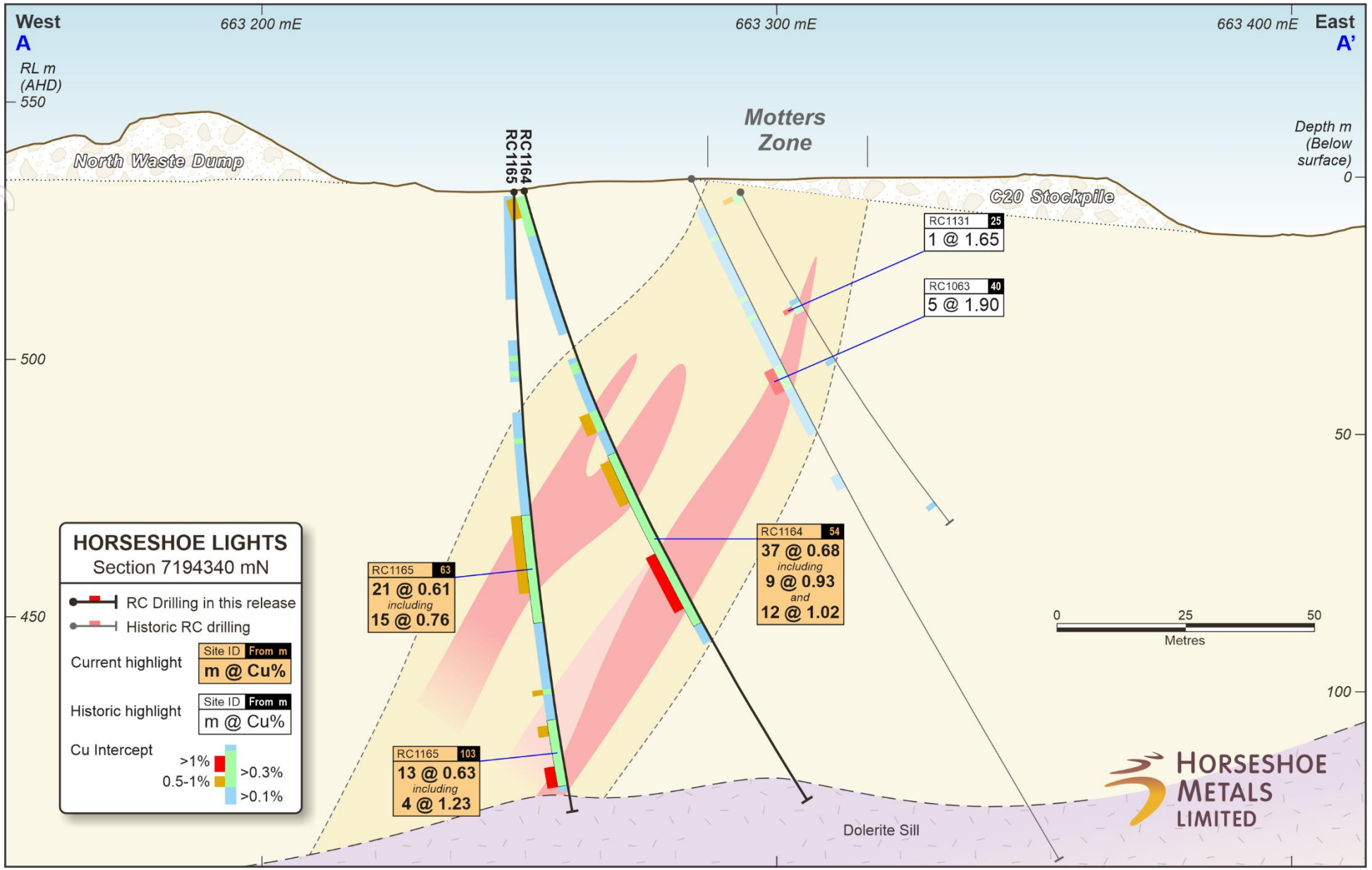

Figure 4: Cross Section 7194340mN (A-A' on Figures 1 and 2) – significant results Motters Phase 2 RC Drilling (0.3% Cu cut-off)

Table 1: Summary of Results – Motters and Main Zone Phase 2 RC Drilling

Zone	Hole ID	North	East	RL	Dip	Azimuth	Depth	From	To	Length	Cu_%
Motters	RC1160	7194420	663253	525	-90	0	77	11	36	**25**	**0.58**
							including	*12*	*21*	***9***	***1.02***
							including	*29*	*31*	*2*	*0.61*
								52	53	1	0.31
								62	63	1	0.31
Motters	RC1161	7194400	663264	528	-90	0	89	23	42	19	0.34
							including	*33*	*36*	*3*	*0.73*
								50	66	**16**	**1.10**
Motters	RC1162	7194379	663246	531	-90	0	109	11	12	1	0.52
								14	15	1	0.33
								30	31	1	0.37
								54	58	4	0.32
								87	88	1	0.30
								94	95	**1**	**1.07**
Motters	RC1163	7194360	663258	533	-90	0	119	26	28	2	0.73
								40	67	**27**	**0.39**
							including	*40*	*41*	*1*	*0.59*
							including	*47*	*51*	*4*	*0.73*
							including	*58*	*62*	*4*	*0.59*
							including	*66*	*67*	*1*	*0.55*
								73	74	1	0.68
								84	100	**16**	**0.63**
								107	108	1	0.72
Motters	RC1164	7194342	663251	533	-75	90	131	1	9	8*	0.51
								35	37	2	0.41
								45	49	4	0.54
								54	91	**37**	**0.68**
							including	*55*	*64*	*9*	*0.93*
							including	*75*	*87*	***12***	***1.02***
Motters	RC1165	7194342	663249	533	-90	0	121	32	33	1	0.36
								35	36	1	0.37
								48	49	1	0.31
								63	84	**21**	**0.61**
							including	*63*	*68*	*5*	*1.45*
								97	98	1	0.65
								103	116	**13**	**0.63**
							including	*112*	*116*	***4***	***1.23***
Motters	RC1166	7194321	663248	532	-90	0	139	50	86	**36**	**0.62**
							including	*50*	*60*	*10*	*0.52*
							including	*65*	*67*	***2***	***1.27***
							including	*73*	*86*	*13*	*0.91*
Motters	RC1167	7194300	663199	532	-60	90	161	72	74	2	0.48
								83	85	2	0.43
								93	95	2	0.55
Motters	RC1168	7194297	663238	533	-90	0	151	57	58	1	0.34
								64	69	5	0.36
							including	*66*	*67*	*1*	*0.59*
								92	97	5	0.77
Motters	RC1169	7194282	663245	533	-60	90	81	40	43	3	0.93
Motters	RC1170	7194280	663216	533	-65	90	121	67	85	**18**	**0.43**
							including	*67*	*70*	*3*	*0.98*
							including	*82*	*84*	*2*	*0.91*
								90	91	1	0.33
Motters	RC1171	7194282	663163	530	-65	90	199	71	72	1	0.43
								88	89	1	0.73
								93	94	1	0.31
								102	107	5	0.30
							including	*102*	*103*	*1*	*0.54*
								157	158	1	0.30
Motters	RC1172	7194282	663187	530	-90	0	181	79	80	1	0.42

Zone	Hole ID	North	East	RL	Dip	Azimuth	Depth	From	To	Length	Cu_%
								92	93	1	0.37
								94	95	1	0.37
								96	97	1	0.32
Motters	RC1173	7194260	663235	534	-60	90	91	22	23	1	0.31
Motters	RC1174	7194260	663184	532	-60	90	157	57	59	2	0.32
								65	69	4	0.35
							including	*65*	*66*	*1*	*0.53*
								80	84	4	0.45
							including	*80*	*81*	*1*	*0.56*
							including	*83*	*84*	*1*	*0.77*
								94	95	**1**	**1.03**
								100	114	**14**	**0.37**
							including	*100*	*101*	*1*	*0.94*
							including	*112*	*113*	*1*	*0.70*
Motters	RC1175	7194260	663182	532	-85	90	193	88	92	4	0.32
							including	*91*	*92*	*1*	*0.61*
								99	103	4	0.62
								110	112	2	0.53
								165	166	1	0.63
								173	181	8	0.43
Motters	RC1176	7194237	663234	535	-60	90	101	16	17	1	2.51
								61	63	2	1.21
Motters	RC1177	7194240	663208	535	-90	0	205	64	70	6	0.38
								102	103	1	0.39
Motters	RC1178	7194220	663250	536	-90	0	141	36	38	2	0.72
Motters	RC1179	7194225	663317	530	-50	270	193	57	61	4	0.38
								80	84	4	0.43
							including	*80*	*81*	*1*	*0.89*
								99	100	1	0.32
								124	126	2	0.52
Main	RC1180	7194261	662972	528	-90	0	206	14	24	10	0.37
							including	*14*	*15*	*1*	*1.17*
							including	*23*	*24*	*1*	*0.87*
								32	104	**72**	**1.11**
							including	*32*	*61*	***29***	***1.65***
							including	*69*	*104*	***35***	***0.86***
								114	138	**24**	**0.76**
								155	163	8	0.36
							including	*155*	*156*	*1*	*0.53*
							including	*160*	*163*	*3*	*0.58*
								172	174	2	0.56
								182	194	**12**	**1.52**
							including	*183*	*187*	***4***	***2.98***
							including	*193*	*194*	*1*	*4.40*

Intervals of >= 1m and >= 0.3% Cu, allowing for 4m downhole of internal dilution
* 4m composite, awaiting re-assay of single metre intervals

Table 2: Details for mineralisation within Motters Southern Extension (0.5% Cu cut-off, refer Figure 1)

Historic Drilling Summary for Cu % x m >= 5.00

Zone	D Type	Hole ID	North	East	RL	Dip	Azimuth	Depth	From	To	Length	Cu %
Motters	RC (1)	RC-522	7194064	663307	503	-60	272	80	66	80	**14**	**0.97**
Motters	RC (1)	RC-524	7194142	663265	512	-78	270	98	0	20	**20**	**2.11**
									34	42	8	0.67
									86	98	**12**[1]	**1.96**
Motters	RC (1)	RC-823	7194057	663203	384	-60	66	80	39	45	6	1.17
									59	64	5	1.68
Motters	RC (1)	RC-825	7194019	663219	385	-60	86	90	14	19	5	1.40
Motters	RC (1)	RC-826	7194074	663194	386	-60	90	72	9	13	4	1.93
									49	58	**9**	**2.66**
									62	71	**9**	**1.92**
Motters	RC	RC1100	7194201	663296	530	-65	223	337	136	142	6	1.18
Motters	RC	RC1101	7194171	663323	532	-60	225	319	197	228	**31**	**1.81**
									239	256	**17**	**0.85**
									291	299	8	0.65
Motters	RC	RC1107	7194148	663332	530	-35	270	129	95	100	5	1.72
Motters	RC	RC1108	7194106	663351	530	-40	270	164	126	136	**10**	**2.08**
Motters	RC	RC1124	7194068	663371	530	-35	270	168	142	160	**18**	**1.06**
Motters	RC	RC1141	7194150	663358	529	-40	270	165	122	142	**20**	**0.60**
Motters	DD (1)	DDH-70	7194068	663188	385	-30	90	219	57	64	7	0.81

RC (1) or DD (1) denotes hole collared in pit

[1] Ended in mineralisation

Phase 2 drilling included 70 holes for 778m (refer ASX releases dated 18 March and 19 May 2022) targeting selected stockpiles and dumps as an initial follow-up to historic reconnaissance drilling. The objective was to confirm the existence and style of mineralisation and/or infill drilling completed by the Company.

Results were reported post half year, with significant copper and gold results including:

- 5m @ 1.07 % Cu from 2m (Copper Subgrade Stockpile)
- 8m @ 0.51 % Cu from 8m (Copper Oxide Stockpile)
- 10m @ 1.63 g/t Au from 0m (Gold A Stockpile)
- 4m @ 1.77 g/t Au from 4m (Gold D Stockpile)
- 9m @ 2.09g/t Au from surface (C20 Stockpile)

The surface materials at Horseshoe have been broadly grouped as follows (refer Figure 5):

Copper - Gold Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
Copper Subgrade, rehandle, Low-grade oxide and sulphide stockpiles
Gold Gold tailings, leach vats, low grade, rehandle and ROM stockpiles

Results of Phase 1 testing of gold vat, gold re-handle and C20 stockpiles were reported in ASX releases dated 10 September 2021, 26 November 2021 and 18 March 2022 respectively.

Copper-Gold Materials Discussion

C20 Stockpile

The C20 stockpile is understood to be a low grade rehandle stockpile created during the gold only CIP operations phase in the mid to late 1980's. During the subsequent 'Chalcocite' Direct Shipped Ore ("DSO") mining phase, the surface of this stockpile was used a resample area for high grade ore excavated from the margins of the DSO orebody that may have been diluted during mining.

The C20 stockpile contains both gold and copper mineralisation, with significant new drilling results (Figures 7 & 8, and Table 3) including:

- **9m @ 2.09 g/t Au from surface** in hole C20_RC45
- **9m @ 0.97 g/t Au from surface** in hole C20_RC10
- **10m @ 0.78 g/t Au from surface** in hole C20_RC9

Previously reported results include:

- **9m @ 1.69g/t Au from 1m & 8m @ 0.43% Cu from 1m in hole C20_RC8**
- **6m @ 1.20g/t Au from surface in hole C20_RC21**
- **3m @ 2.54g/t Au from and 0.73% Cu from surface in hole C20_RC46**

As there is currently insufficient information to estimate a Mineral Resource for the C20 stockpile, the Company contends releasing an Exploration Target for the C20 area the most appropriate way to discuss these results. From a grade assessment of recoverable volumes within the stockpile, preliminary investigation of the stockpile volume and anticipated density the Company considers an Exploration Target for the C20 area at Horseshoe Lights of between:

Exploration target – C20 Stockpile

- **41,000 to 50,000 tonnes**
- **Grading between 0.85 to 0.94g/t Au, 0.28% Cu**
- **Containing metal of 1100-1500 oz gold**

The above does not represent an estimate of a Mineral Resource or Ore Reserve. The Company notes that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Copper Materials Discussion

Low Grade oxide, Subgrade and Re-handle Stockpiles

These stockpiles (Figures 5 & 6) were created during the DSO phase of mining in the upper parts of the Cu orebody and during copper sulphide mining phase by in the late 1980's, and early 1990's. During the 'Chalcocite' DSO mining phase, these stockpile and re-handle areas were likely used as resample areas for high grade ore excavated from the margins of the DSO orebody that may have been diluted during mining. The Low-grade oxide (LGO) appears to comprise low grade Cu oxide and Cu mineralised wasted mined from the mineralised halo adjacent to the high-grade Cu mineralisation.

Significant new drilling results (Table 2) include:

- **5m @ 1.07 % Cu from 2m in hole LGRC2 (subgrade stockpile)**
- **5m @ 0.66 % Cu from 2m in hole LGRC1 (subgrade stockpile)**
- **8m @ 0.51 % Cu from 8m in hole SMRC5 (low-grade oxide stockpile)**
- **10m @ 0.39 % Cu from 6m in hole SMRC3 (low-grade oxide stockpile)**

There is currently insufficient information to estimate a Mineral Resource for the Low-grade copper oxide stockpiles. The Company contends releasing an Exploration Target for the Subgrade Stockpile area the most appropriate way to discuss the results for that volume, while the other low-grade copper oxide stockpiles require further investigation. From the grade assessment, preliminary investigation of the stockpile volume and anticipated density the Company considers an Exploration Target for the Subgrade Stockpile area at Horseshoe Lights of between:

Exploration target – Subgrade Stockpile

- **27,000 to 34,000 tonnes**
- **Grading between 0.4% to 0.8% Cu**
- **Containing metal of 110-270 tonnes Cu**

The above does not represent an estimate of a Mineral Resource or Ore Reserve. The Company notes that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Low Grade Sulphide Stockpile (North West Dump)

Further drilling is required to adequately investigate this stockpile as 2022 results did not corroborate earlier work.

Gold Materials Discussion

Gold Stockpiles

Stockpiles A, B, C and D were created during the CIP gold mining phase of operations in the mid to late 1980's. Historic drilling was limited to one hole in each of the stockpiles (Figure 6). Initial follow up RC drilling on Stockpiles A and D only produced the following significant results:

- **10m @ 1.63 g/t Au from surface in hole SAURC5 (stockpile A)**
- **4m @ 1.77 g/t Au from 6m in hole SURC10 (stockpile D)**

Previously reported results include:

- **6m @ 0.73g/t Au from 2m in hole WRL09 (stockpile A)**
- **5m @ 1.89g/t Au from 1m in hole WRL05 (stockpile B)**
- **5m @ 0.52g/t Au from surface in hole WRL03 (stockpile C)**

Discussions are underway regarding potential offsite treatment of gold stockpiles remaining from the gold mining activities in the 1980's. Further evaluation of these stockpiles may be required including further RC drilling and auger drilling, particularly on Stockpiles B and C which could not be accessed by the RC rig.

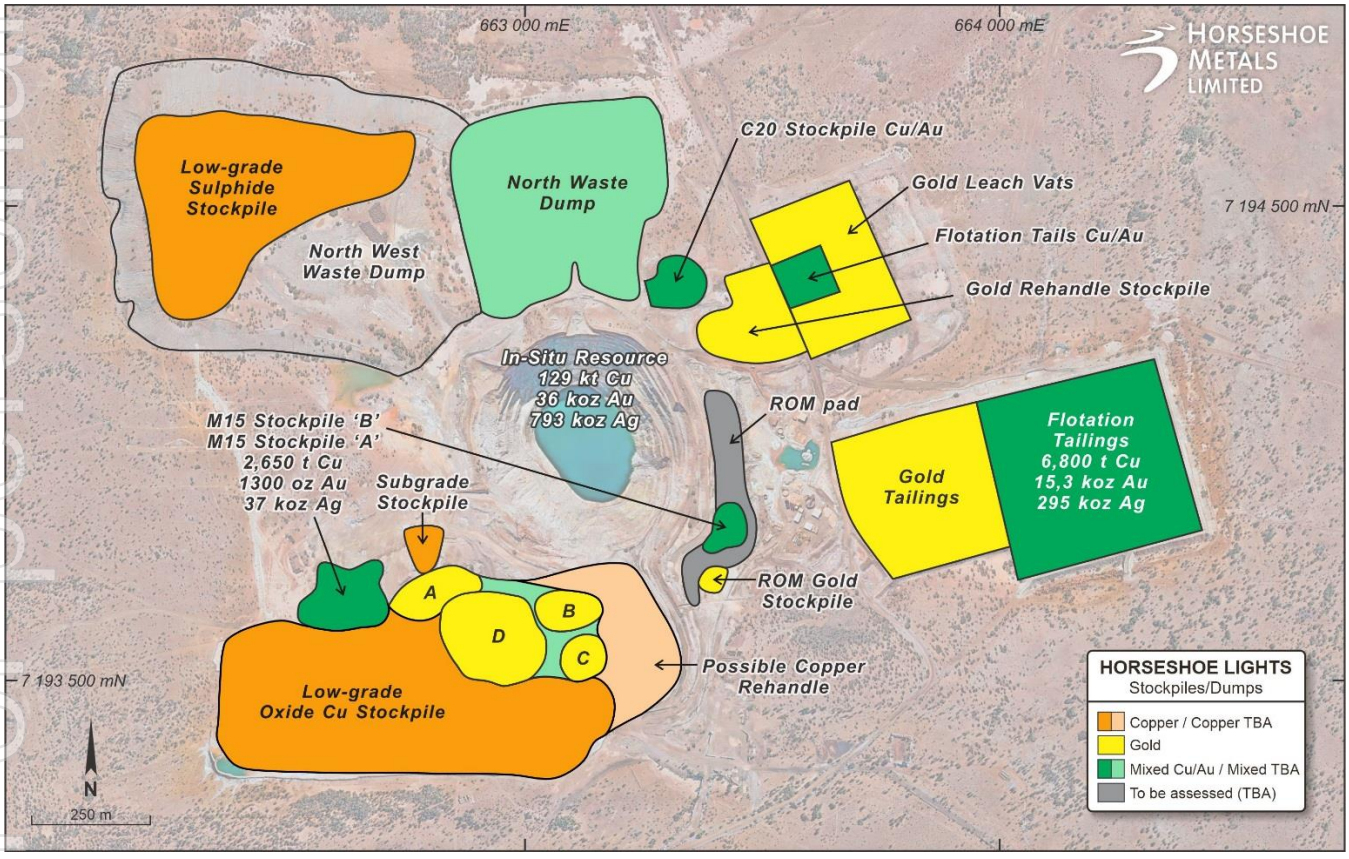

Figure 5 – Surface Stockpile and Dump Locations

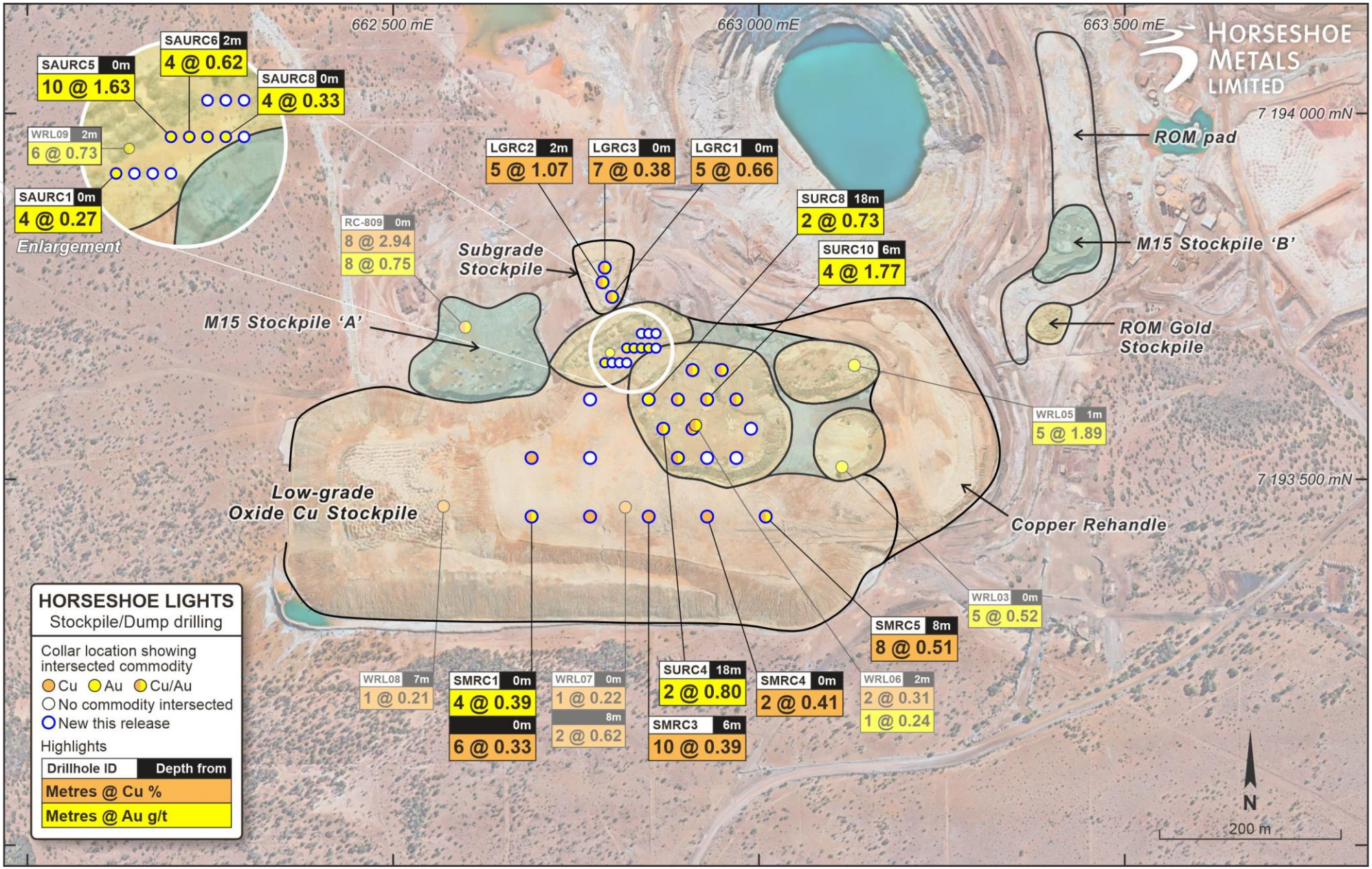

Figure 6 – Southern Stockpiles Significant Results

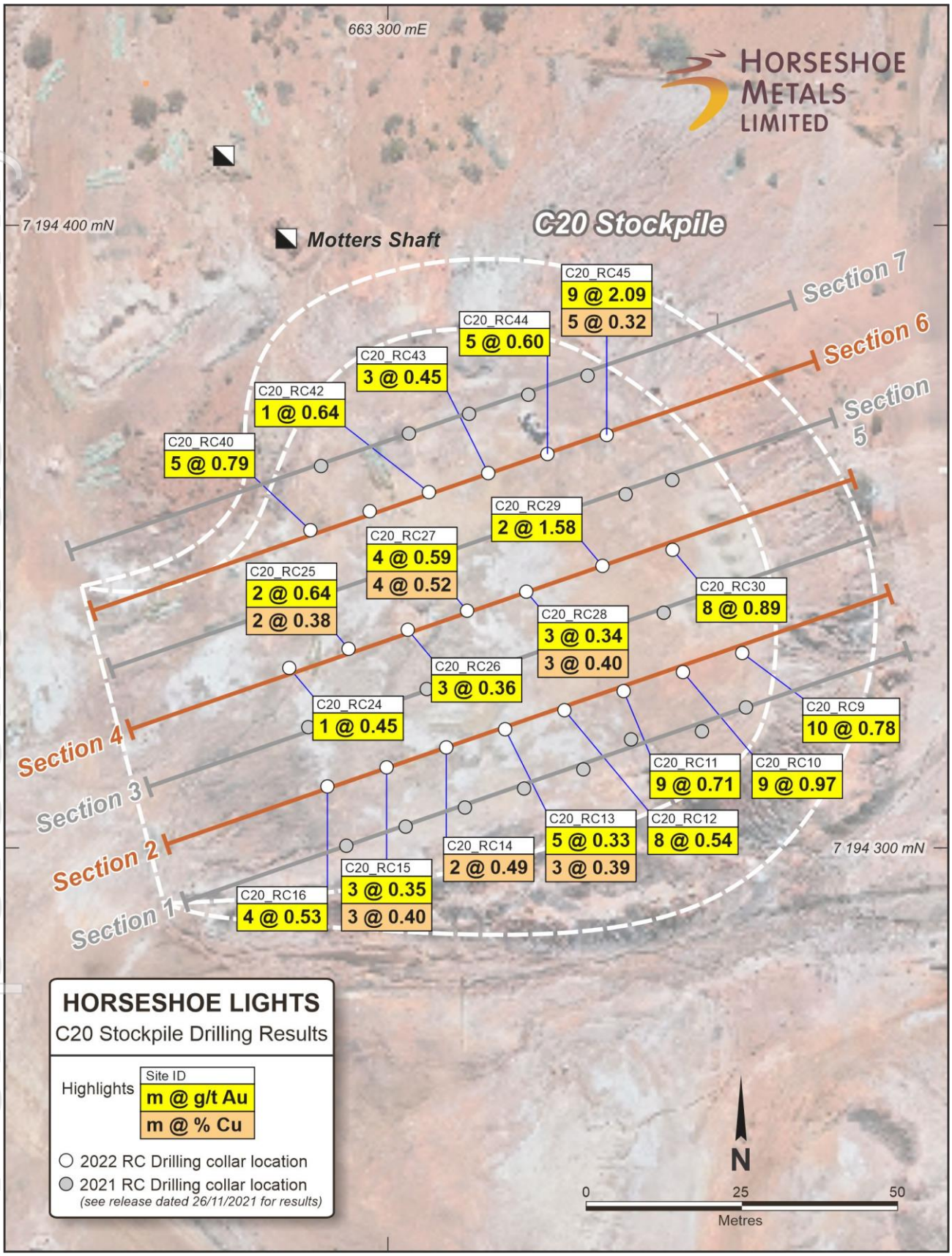

Figure 7 – New C20 Stockpile Results

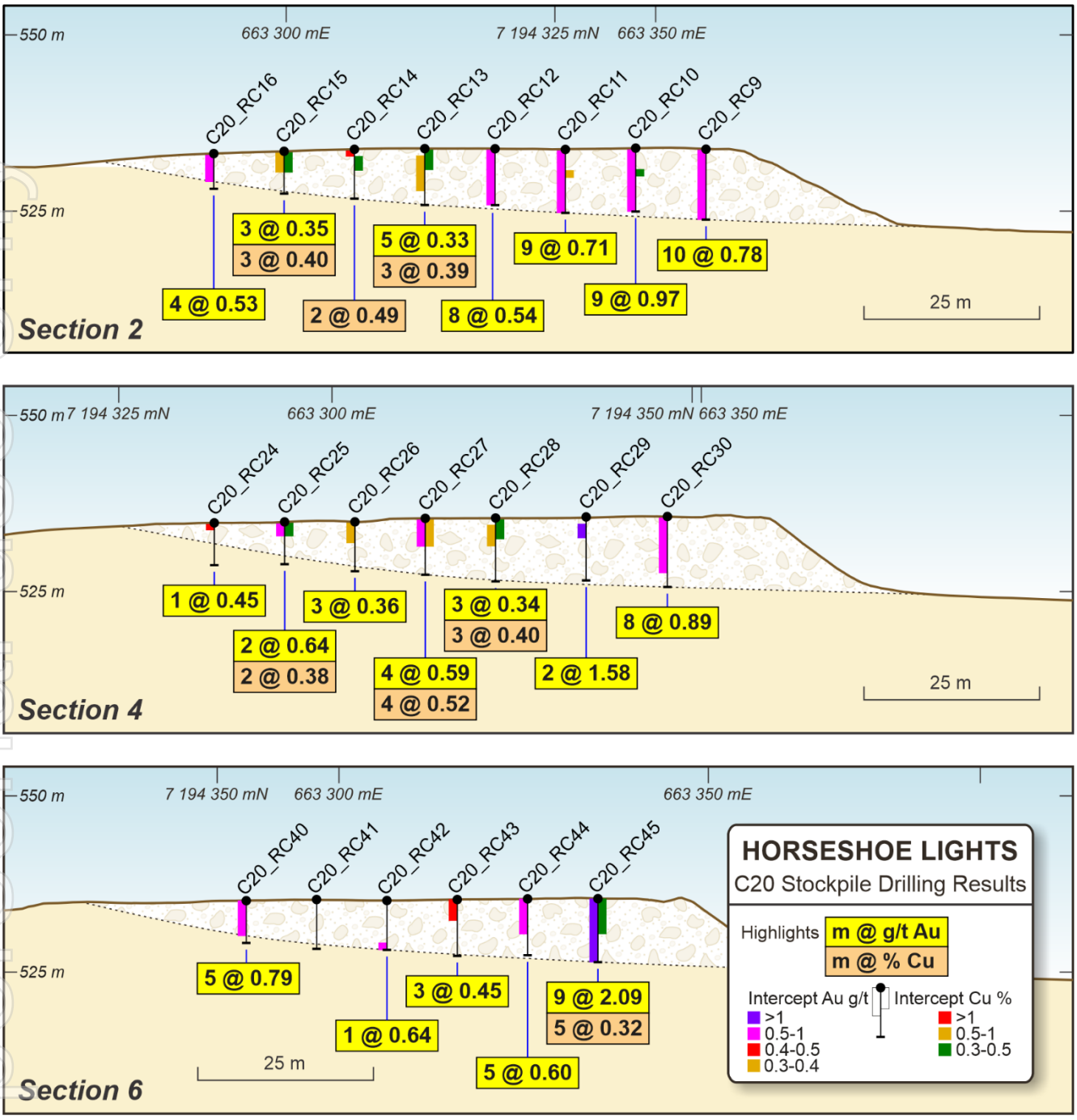

Figure 8 – New C20 Stockpile Results in Cross Sections

Table 3: C20 Stockpile RC Drilling Results
Au >= 0.3 g/t

Site ID	East MGA	North MGA	RL	Dip	Depth	From	To	Length	Au g/t	Cu %
New Results - This Release										
C20_RC9	663357	7194331	535	-90	10	0	10	**10**	**0.78**	0.16
C20_RC10	663347	7194328	535	-90	9	0	9	**9**	**0.97**	0.20
C20_RC11	663338	7194325	535	-90	9	0	9	**9**	**0.71**	0.20
C20_RC12	663328	7194322	535	-90	8	0	8	8	0.54	0.16
C20_RC13	663319	7194319	535	-90	8	1	6	5	0.33	0.24
C20_RC14	663309	7194316	535	-90	7	0	1	1	0.41	0.27
C20_RC15	663300	7194313	535	-90	6	0	3	3	0.35	0.40
C20_RC16	663290	7194310	535	-90	5	0	4	4	0.53	0.18
C20_RC24	663284	7194329	535	-90	6	0	1	1	0.45	0.05
C20_RC25	663294	7194332	535	-90	6	0	2	2	0.64	0.38
C20_RC26	663303	7194335	535	-90	7	0	3	3	0.36	0.13
C20_RC27	663313	7194338	535	-90	8	0	4	4	0.59	0.52
C20_RC28	663322	7194341	535	-90	9	1	4	3	0.34	0.33
C20_RC29	663334	7194345	536	-90	9	1	3	2	1.58	0.21
C20_RC30	663346	7194348	536	-90	10	0	8	**8**	**0.89**	0.10
C20_RC40	663288	7194351	535	-90	6	0	5	5	0.79	0.08
C20_RC41	663297	7194354	535	-90	7	NSI				
C20_RC42	663307	7194357	535	-90	7	6	7	1	0.64	0.03
C20_RC43	663316	7194360	535	-90	8	0	3	3	0.45	0.16
C20_RC44	663326	7194363	535	-90	8	0	5	5	0.60	0.21
C20_RC45	663335	7194366	535	-90	9	0	9	**9**	**2.09**	0.26
Previously Reported										
C20_RC1	663293	7194300	535	-90	5	NSI				
C20_RC2	663303	7194303	535	-90	6	0	5	5	0.52	0.18
C20_RC3	663312	7194306	535	-90	7	1	5	4	0.36	0.09
C20_RC4	663322	7194310	535	-90	7	1	2	1	0.34	0.31
					and	4	5	1	0.36	0.19
C20_RC5	663331	7194313	535	-90	8	0	8	**8**	**1.04**	1.10
C20_RC6	663339	7194317	535	-90	8	0	8	8	0.55	0.29
C20_RC7	663350	7194319	535	-90	9	0	9	**9**	**0.83**	0.16
C20_RC8	663358	7194323	535	-90	10	1	10	**9**	**1.69**	0.40
C20_RC17	663287	7194319	535	-90	6	0	1	1	3.10	0.12
C20_RC18	663297	7194322	535	-90	6	0	4	**4**	**1.40**	0.22
C20_RC19	663306	7194326	535	-90	7	0	5	**5**	**1.03**	0.43
C20_RC20	663316	7194329	535	-90	8	1	4	3	0.37	0.40
C20_RC21	663325	7194332	536	-90	8	0	6	**6**	**1.20**	0.16
C20_RC22	663335	7194335	536	-90	9	2	7	**5**	**1.11**	0.07
C20_RC23	663344	7194338	536	-90	10	0	9	**9**	**1.33**	0.19
C20_RC31	663346	7194359	535	-90	10	0	6	6	0.40	0.38
C20_RC32	663338	7194357	536	-90	9	0	5	5	0.49	0.12
C20_RC33	663329	7194354	535	-90	9	0	4	4	0.44	0.43
C20_RC34	663319	7194351	535	-90	8	NSI				
C20_RC35	663310	7194348	535	-90	7	0	3	3	0.36	0.29
C20_RC36	663300	7194345	535	-90	6	0	1	1	0.58	0.23
C20_RC37	663291	7194342	535	-90	6	0	1	1	0.78	1.90
C20_RC38	663281	7194338	535	-90	5	0	1	1	1.94	0.09
C20_RC46	663332	7194376	535	-90	8	0	3	**3**	**2.54**	0.73
C20_RC47	663323	7194373	535	-90	7	0	4	4	0.51	0.28
C20_RC48	663313	7194370	535	-90	6	3	4	1	0.99	0.16
C20_RC49	663304	7194367	535	-90	5	0	1	1	1.02	1.79
C20_RC50	663289	7194361	535	-90	4	0	2	2	0.33	0.12

Intervals of >= 1m and >= 0.3 g/t Au, allowing for 2m of internal dilution

Table 3: C20 Stockpile Cu RC Drilling Results (cont.)
Cu >= 0.3 %

Site ID	East MGA	North MGA	RL	Dip	Depth	From	To	Length	Cu %	Au g/t
New Results - This Release										
C20_RC9	663357	7194331	535	-90	10	NSI				
C20_RC10	663347	7194328	535	-90	9	3	4	1	0.31	0.68
C20_RC11	663338	7194325	535	-90	9	3	4	1	0.73	1.95
C20_RC12	663328	7194322	535	-90	8	NSI				
C20_RC13	663319	7194319	535	-90	8	0	3	3	0.39	0.33
C20_RC14	663309	7194316	535	-90	7	1	3	2	0.49	0.20
C20_RC15	663300	7194313	535	-90	6	0	3	3	0.40	0.35
C20_RC16	663290	7194310	535	-90	5	NSI				
C20_RC24	663284	7194329	535	-90	6	NSI				
C20_RC25	663294	7194332	535	-90	6	0	2	2	0.38	0.64
C20_RC26	663303	7194335	535	-90	7	NSI				
C20_RC27	663313	7194338	535	-90	8	0	4	**4**	**0.52**	0.59
C20_RC28	663322	7194341	535	-90	9	0	3	3	0.40	0.31
C20_RC29	663334	7194345	536	-90	9	NSI				
C20_RC30	663346	7194348	536	-90	10	NSI				
C20_RC40	663288	7194351	535	-90	6	NSI				
C20_RC41	663297	7194354	535	-90	7	NSI				
C20_RC42	663307	7194357	535	-90	7	NSI				
C20_RC43	663316	7194360	535	-90	8	NSI				
C20_RC44	663326	7194363	535	-90	8	NSI				
C20_RC45	663335	7194366	535	-90	9	0	5	5	0.32	2.82
Previously Reported										
C20_RC1	663293	7194300	535	-90	5	NSI				
C20_RC2	663303	7194303	535	-90	6	NSI				
C20_RC3	663312	7194306	535	-90	7	NSI				
C20_RC4	663322	7194310	535	-90	7	1	2	1	0.31	0.34
C20_RC5	663331	7194313	535	-90	8	0	5	**5**	**1.60**	1.19
C20_RC6	663339	7194317	535	-90	8	0	5	5	0.38	0.63
C20_RC7	663350	7194319	535	-90	9	0	1	1	0.33	0.53
C20_RC8	663358	7194323	535	-90	10	1	9	**8**	**0.43**	1.84
C20_RC17	663287	7194319	535	-90	6	NSI				
C20_RC18	663297	7194322	535	-90	6	2	3	1	0.45	4.09
C20_RC19	663306	7194326	535	-90	7	3	7	**4**	**0.54**	0.78
C20_RC20	663316	7194329	535	-90	8	1	5	4	0.43	0.30
C20_RC21	663325	7194332	536	-90	8	0	1	1	0.34	0.31
C20_RC22	663335	7194335	536	-90	9	NSI				
C20_RC23	663344	7194338	536	-90	10	1	2	1	0.37	0.67
C20_RC31	663346	7194359	535	-90	10	1	3	2	0.81	0.20
C20_RC32	663338	7194357	536	-90	9	NSI				
C20_RC33	663329	7194354	535	-90	9	0	3	3	0.49	0.40
C20_RC34	663319	7194351	535	-90	8	NSI				
C20_RC35	663310	7194348	535	-90	7	1	3	2	0.32	0.34
C20_RC36	663300	7194345	535	-90	6	NSI				
C20_RC37	663291	7194342	535	-90	6	0	2	**2**	**1.16**	0.48
C20_RC38	663281	7194338	535	-90	5	NSI				
C20_RC46	663332	7194376	535	-90	8	0	3	**3**	**0.73**	2.54
C20_RC47	663323	7194373	535	-90	7	0	3	3	0.31	0.57
C20_RC48	663313	7194370	535	-90	6	NSI				
C20_RC49	663304	7194367	535	-90	5	0	1	1	1.79	1.02
C20_RC50	663289	7194361	535	-90	4	NSI				

Intervals of >= 1m and >= 0.3 % Cu, allowing for 2m of internal dilution

Table 4: Dumps Cu RC Drilling Results
Cu >= 0.2 %

Site ID	East MGA	North MGA	RL	Dip	Depth	From	To	Length	Cu %	Au g/t
LGRC1	662800	7193750	531	-90	7	0	5	**5**	**0.66**	0.08
LGRC2	662787	7193770	531	-90	7	2	7	**5**	**1.07**	0.12
LGRC3	662790	7193790	532	-90	7	0	7	**7**	**0.38**	0.13
SAURC1	662790	7193660	537	-90	10	NSI				
SAURC2	662800	7193660	537	-90	10	NSI				
SAURC3	662810	7193660	537	-90	10	NSI				
SAURC4	662820	7193660	537	-90	10	NSI				
SAURC5	662820	7193680	537	-90	10	NSI				
SAURC6	662830	7193680	536	-90	10	NSI				
SAURC7	662840	7193680	536	-90	10	NSI				
SAURC8	662850	7193680	536	-90	10	NSI				
SAURC9	662860	7193680	536	-90	10	NSI				
SAURC10	662840	7193700	536	-90	10	NSI				
SAURC11	662850	7193700	536	-90	10	NSI				
SAURC12	662860	7193700	536	-90	10	NSI				
NWRC1	662720	7194500	534	-90	7	NSI				
NWRC2	662720	7194600	535	-90	7	NSI				
NWRC3	662620	7194600	534	-90	7	NSI				
NWRC4	662520	7194600	535	-90	7	NSI				
NWRC5	662420	7194600	535	-90	7	NSI				
NWRC6	662320	7194600	536	-90	7	NSI				
NWRC7	662320	7194500	535	-90	7	2	6	4	0.36	0.09
NWRC8	662320	7194400	535	-90	7	1	2	1	0.25	0.03
					and	6	7	1	0.23	0.09
NWRC9	662320	7194300	536	-90	7	3	7	4	0.25	0.06
NWRC10	662420	7194300	535	-90	7	2	3	1	0.21	0.03
NWRC11	662420	7194400	534	-90	7	NSI				
NWRC12	662420	7194500	534	-90	7	5	7	2	0.28	0.07
NWRC13	662520	7194500	535	-90	7	1	2	1	0.21	0.05
NWRC14	662620	7194500	534	-90	7	NSI				
SMRC1	662690	7193450	544	-90	16	0	6	6	0.33	0.30
SMRC2	662770	7193450	543	-90	16	10	16	6	0.28	0.04
SMRC3	662850	7193450	543	-90	16	6	16	**10**	**0.39**	0.03
SMRC4	662930	7193450	543	-90	16	0	2	2	0.41	0.04
SMRC5	663010	7193450	543	-90	16	8	16	**8**	**0.51**	0.16
SMRC6	662690	7193530	544	-90	16	2	4	2	0.23	0.07
SMRC7	662770	7193530	543	-90	16	NSI				
SMRC8	662770	7193610	544	-90	16	NSI				
SURC1	662890	7193530	550	-90	20	NSI				
SURC2	662930	7193530	551	-90	20	NSI				
SURC3	662970	7193530	550	-90	20	NSI				
SURC4	662870	7193570	550	-90	20	NSI				
SURC5	662910	7193570	550	-90	20	NSI				
SURC6	662950	7193570	550	-90	20	NSI				
SURC7	662990	7193570	550	-90	20	NSI				
SURC8	662850	7193610	550	-90	20	NSI				
SURC9	662890	7193610	550	-90	20	NSI				
SURC10	662930	7193610	549	-90	20	6	10	**4**	**1.77**	0.15
SURC11	662970	7193610	549	-90	20	6	8	2	0.20	0.18
SURC12	662910	7193650	550	-90	20	8	12	4	0.38	0.13
					and	16	20	4	0.27	0.14
SURC13	662950	7193650	546	-90	20	10	16	6	0.31	0.02

Intervals of >= 1m and >= 0.2 % Cu, allowing for 2m of internal dilution

Table 5: Dumps Au RC Drilling Results

Au >= 0.2 g/t

Site ID	East MGA	North MGA	RL	Dip	Depth	From	To	Length	Au g/t	Cu %
LGRC1	662800	7193750	531	-90	7	NSI				
LGRC2	662787	7193770	531	-90	7	3	4	1	0.20	1.49
					and	6	7	1	0.22	1.19
LGRC3	662790	7193790	532	-90	7	0	1	1	0.41	0.71
SAURC1	662790	7193660	537	-90	10	0	4	4	0.27	0.07
SAURC2	662800	7193660	537	-90	10	NSI				
SAURC3	662810	7193660	537	-90	10	NSI				
SAURC4	662820	7193660	537	-90	10	NSI				
SAURC5	662820	7193680	537	-90	10	0	10	**10**	**1.63**	0.05
SAURC6	662830	7193680	536	-90	10	2	6	**4**	**0.62**	0.03
SAURC7	662840	7193680	536	-90	10	0	2	2	0.25	0.05
SAURC8	662850	7193680	536	-90	10	0	4	4	0.33	0.03
SAURC9	662860	7193680	536	-90	10	NSI				
SAURC10	662840	7193700	536	-90	10	NSI				
SAURC11	662850	7193700	536	-90	10	NSI				
SAURC12	662860	7193700	536	-90	10	NSI				
SMRC1	662690	7193450	544	-90	16	0	4	4	0.39	0.37
SMRC2	662770	7193450	543	-90	16	NSI				
SMRC3	662850	7193450	543	-90	16	NSI				
SMRC4	662930	7193450	543	-90	16	NSI				
SMRC5	663010	7193450	543	-90	16	10	12	2	0.20	0.46
SMRC6	662690	7193530	544	-90	16	NSI				
SMRC7	662770	7193530	543	-90	16	NSI				
SMRC8	662770	7193610	544	-90	16	NSI				
SURC1	662890	7193530	550	-90	20	0	2	2	0.21	0.06
SURC2	662930	7193530	551	-90	20	NSI				
SURC3	662970	7193530	550	-90	20	NSI				
SURC4	662870	7193570	550	-90	20	18	20	2	0.80	0.01
SURC5	662910	7193570	550	-90	20	14	16	2	0.24	0.07
SURC6	662950	7193570	550	-90	20	18	20	2	0.33	0.04
SURC7	662990	7193570	550	-90	20	NSI				
SURC8	662850	7193610	550	-90	20	18	20	2	0.73	0.07
SURC9	662890	7193610	550	-90	20	10	12	2	0.26	0.04
					and	18	20	2	0.21	0.03
SURC10	662930	7193610	549	-90	20	0	8	**8**	**0.29**	0.82
SURC11	662970	7193610	549	-90	20	4	6	2	0.49	0.17
SURC12	662910	7193650	550	-90	20	4	6	2	0.31	0.04
SURC13	662950	7193650	546	-90	20	2	4	2	0.26	0.10
					and	18	20	2	0.32	0.12
NWRC1	662720	7194500	534	-90	7	NSI				
NWRC2	662720	7194600	535	-90	7	NSI				
NWRC3	662620	7194600	534	-90	7	NSI				
NWRC4	662520	7194600	535	-90	7	NSI				
NWRC5	662420	7194600	535	-90	7	NSI				
NWRC6	662320	7194600	536	-90	7	NSI				
NWRC7	662320	7194500	535	-90	7	NSI				
NWRC8	662320	7194400	535	-90	7	NSI				
NWRC9	662320	7194300	536	-90	7	NSI				
NWRC10	662420	7194300	535	-90	7	NSI				
NWRC11	662420	7194400	534	-90	7	NSI				
NWRC12	662420	7194500	534	-90	7	NSI				
NWRC13	662520	7194500	535	-90	7	NSI				
NWRC14	662620	7194500	534	-90	7	NSI				

Intervals of >= 1m and >= 0.2 g/t Au, allowing for 2m of internal dilution

2013 Resource model (JORC 2012) grade vs tonnage sensitivity assessment

The current JORC 2012 resource estimate was reported and classified at a cut-off grade of 0.5% Cu in June 2013 (refer ASX release dated 5 June 2013 and Quarterly Report released on 31 July 2013), although the model was developed using wireframe models using a cut-off grade of 0.18%. The prevailing AUD copper price at the time was about $7500/t, compared with a current price of $11,500/t, and $14,000/t earlier in 2022. Given the significant increase in Cu pricing an assessment of the model with respect to grade vs tonnage sensitivity was undertaken

The current Resource was calculated and provided to the Company at a variety of cut-off grades, as is the norm for such exercises, highlighted in Table 6 below. During the year the Company provided interpolated values for cut-off grades between 0.25% Cu and 0.5% using a curve of best fit to highlight the effect of lower cut-off grades on the current copper resource.

Table 6. Summary of Grade and Tonnage relationship, Copper metal at Horseshoe Lights Deposit (for full classifications at each cut-off, refer release dated 11 March 2022 – Appendix 1)

CSA 2013 model	%Cu	Resource (Mt)	Cu Grade (%)	Cu Metal (t)
global	**0.18**	**36.48**	**0.535**	**195,099**
Cut-off grade	**0.25**	**26.55**	**0.670**	**177,891**
interpolated	*0.3*	*22.63*	*0.74*	*167,800*
interpolated	*0.35*	*19.43*	*0.81*	*157,700*
interpolated	*0.4*	*16.86*	*0.87*	*147,800*
interpolated	*0.45*	*14.70*	*0.94*	*138,100*
Cut-off grade	**0.5**	**12.85**	**1.001**	**128,646**
Cut-off grade	**0.6**	**9.82**	**1.141**	**112,110**
Cut-off grade	**0.7**	**7.70**	**1.277**	**98,368**
Cut-off grade	**0.8**	**6.16**	**1.410**	**86,822**
Cut-off grade	**0.9**	**4.92**	**1.552**	**76,313**
Cut-off grade	**1.0**	**4.00**	**1.692**	**67,585**

N.B. Please note rounding errors may occur.

Grade-tonnages and metal relationships are shown in graphs at Figures 10 and 11, with the interpolated points highlighted.

The Company notes that the current model and grade-tonnage relationship has been altered by the exclusion of substantial high-grade copper mineralisation from previous mining events, with estimated historical production of around **54,500t** of Cu metal from **1.7Mt** of copper and gold ore averaging around **3.2% Cu** (and 1.8 g/t Au) between 1988-1994.

Table 7. Summary of Material types for Resource between 0.5-0.25% Cu, Horseshoe Lights Deposit

Between 0.50-0.25% Cu cut off	(Resource) Mt	Cu Grade %	Cu Metal (t)
Oxide	*0.89*	*0.35*	*3,102*
Transition	*0.49*	*0.36*	*1,753*
Fresh	*12.32*	*0.36*	*44,390*
Total	**13.70**	**0.36**	**49,245**

As shown in Tables 6 and 7, an additional **49,250** tonnes of copper metal is estimated to be available to the resource between cut-off grades of 0.5% and 0.25% Cu. This material averages 0.36% Cu from 13.7Mt of resource, with around 90% of this material reporting as fresh.

Using an interpolated line of best fit to the grade-tonnage curve, at a 0.3% Cu cut-off, an additional **39,000** tonnes of copper metal is estimated to be available to the resource between cut-off grades of 0.5% and 0.3% Cu, averaging 0.40% from 9.8 Mt of material.

Using the interpolated value for 0.4% Cu cut-off, an additional **19,000** tonnes of copper metal is estimated to be available to the resource between cut-off grades of 0.5% and 0.4% Cu, averaging an estimated 0.48% Cu from 4.0 Mt of material.

Although the interpolated figures cannot be considered precise, they highlight the sensitivity of the resource volume and contained metal to a cut-off grade at 0.5% Cu, and that future MRE's should formally include additional lower cut-off grades.

The Company notes that drilling has taken place post the July 2013 Resource calculation, with some 56 RC holes (RC1103-1159, excluding RC1109) drilled in the resource area (refer Figure 12) totalling 6075m, with results summarised in Table 8.

Background to current MRE

The July 2013 MRE was prepared by respected consultancy CSA Global Pty Ltd (CSA) for the remaining *in situ* mineralisation at the Horseshoe Lights copper-gold deposit, which updated an earlier estimate from December 2011. CSA noted that the modelling and resource estimation study used a strong, well-constructed analytical database to establish a robust resource estimate for gold, copper and silver mineralisation, using all the reliable historical data and results of the Company's 2010-2013 drilling.

CSA chose 0.18% Cu as the natural cut-off for the deposit, after noting the unrestricted copper grade population had a positively skewed log distribution and that the cumulative probability plot demonstrated an inflection point at that grade.

Interpretation of mineralised bodies was carried out for 34 W-E cross sections over approximately 700m of strike. Strings were generated for three lodes at 0.18% cut-off grade for copper mineralisation, as well as strings for internal dilution, and strings for a 'chalcocite domain' with high copper and relatively high silver grades. Grade composites were created to assist with the interpretation of mineralisation.

CSA then undertook development of the block model and grade interpolation employing Multiple Indicated Kriging (MIK), with depletion of the model using a digital terrain model (DTM) of the existing pit surface, and formally reported the MRE and classification of Resources at 0.5% Cu cut-off. Specific gravity values for the tonnage estimation were provided by Horseshoe Metals, as were DTM's of oxidation boundaries. CSA also reviewed QA/QC analysis undertaken by Horseshoe personnel at the time. All surface stockpiles and flotation tailings values were excluded from the MRE provided by CSA.

The developed block model was classified using geostatistical parameters, geological continuity characteristics and drill hole density. Generally, CSA classified blocks as Measured Resource with the assumption that at least three samples from at least two drill holes had been selected for grade interpolation, and that the exploration grid density was close to 20 x 20 metres. Those areas of the deposit that were explored with the density of between 20 x 40 and 40 x 40 metres were classified as Indicated.

All other blocks were classified as Inferred. All model cells south from Section 16 (7194140 mN) were downgraded to Inferred category due to the lack of more modern drilling results (refer Figure 9).

At the time, CSA recommended the following geological and exploration activities to improve the MRE:

- Conduct supplementary drilling throughout the deposit south from the section 16 (7194140 mN) at a density sufficient to complement and confirm the results of the historical drilling.
- Collect additional core samples for density measurements to support the current density estimate, with multiple samples to be collected in every drill hole in mineralisation and in waste.
- Further diamond core drilling to collect additional geotechnical and metallurgical information.
- Reconcile the modelled mineralised bodies within the limits of the existing pit against the historical production results.
- Use optimised pit shells as a guide to design further drilling programmes.
- Subsequent model updates to employ further modelling of internal dilution.

The Company notes the recommendations, and either is or intends to incorporate these directions into activities prior to commissioning of an updated MRE for the Horseshoe Lights *in situ* mineralisation.

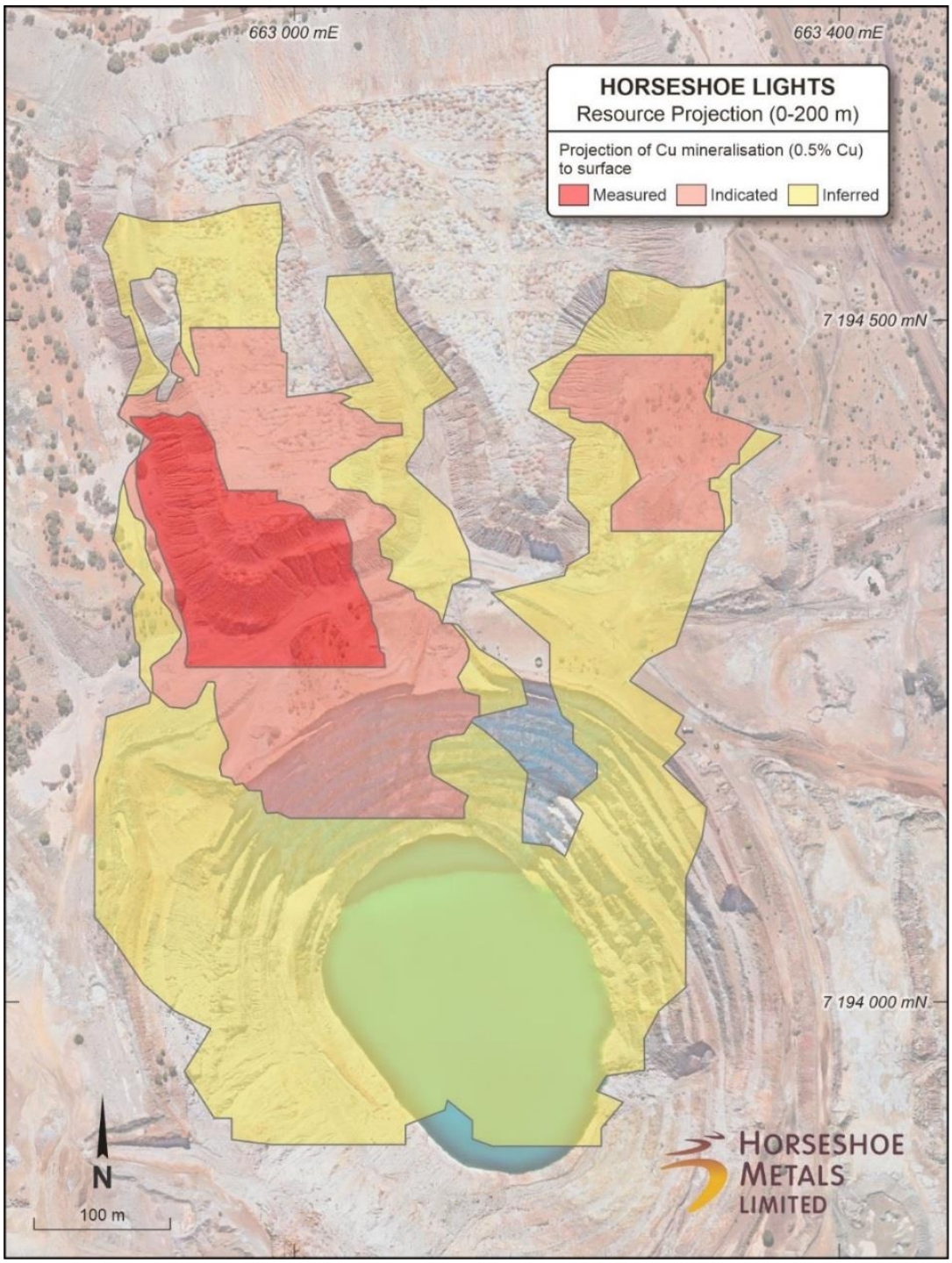

Figure 9: Horseshoe Lights Deposit – vertical resource projection highlighting spatial relationship of resource confidence classifications

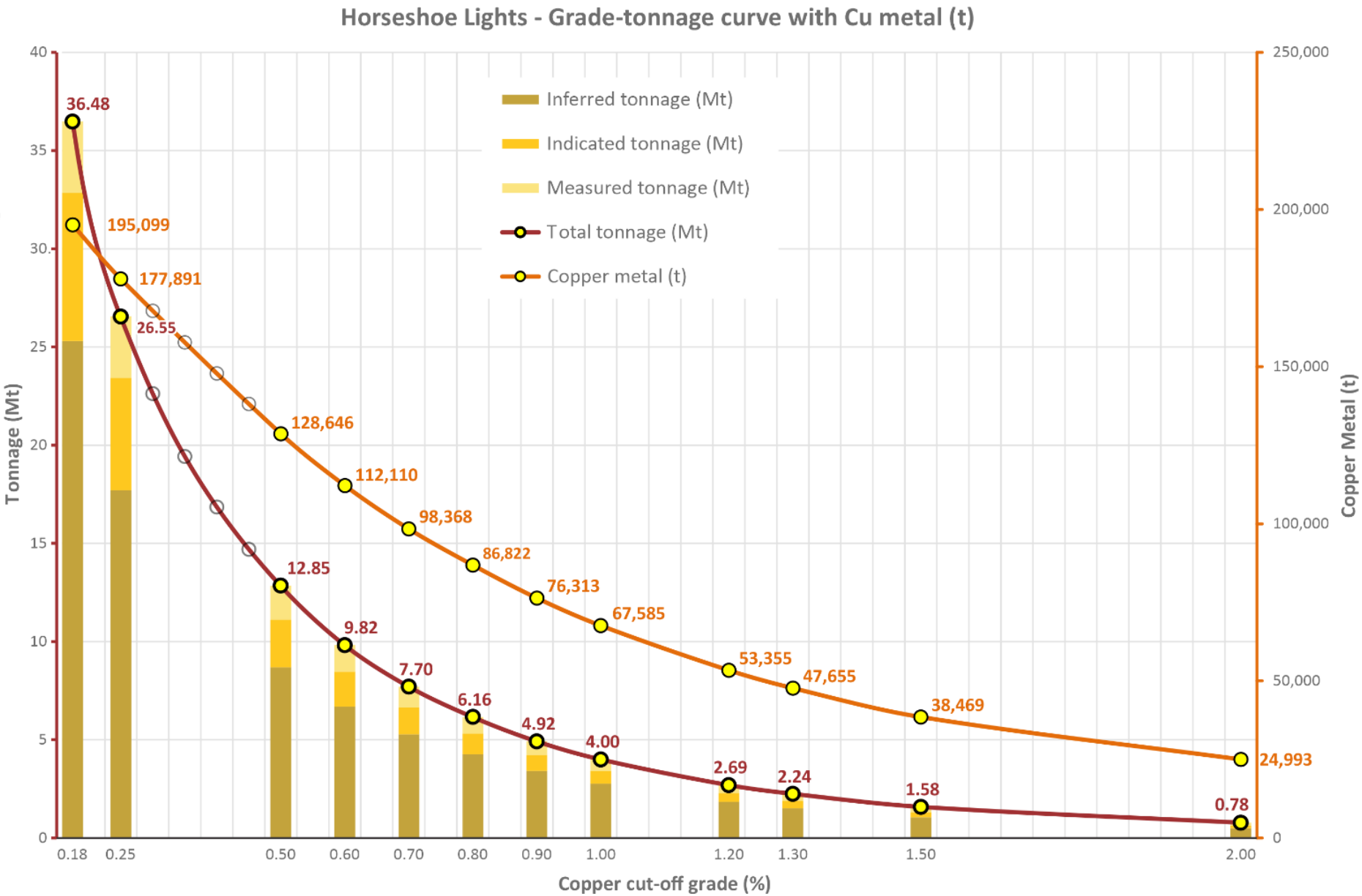

Figure 10: Horseshoe Lights Deposit – Grade Tonnage curve with Cu metal

Figure 11: Horseshoe Lights Deposit- Grade Tonnage curve with Cu grades

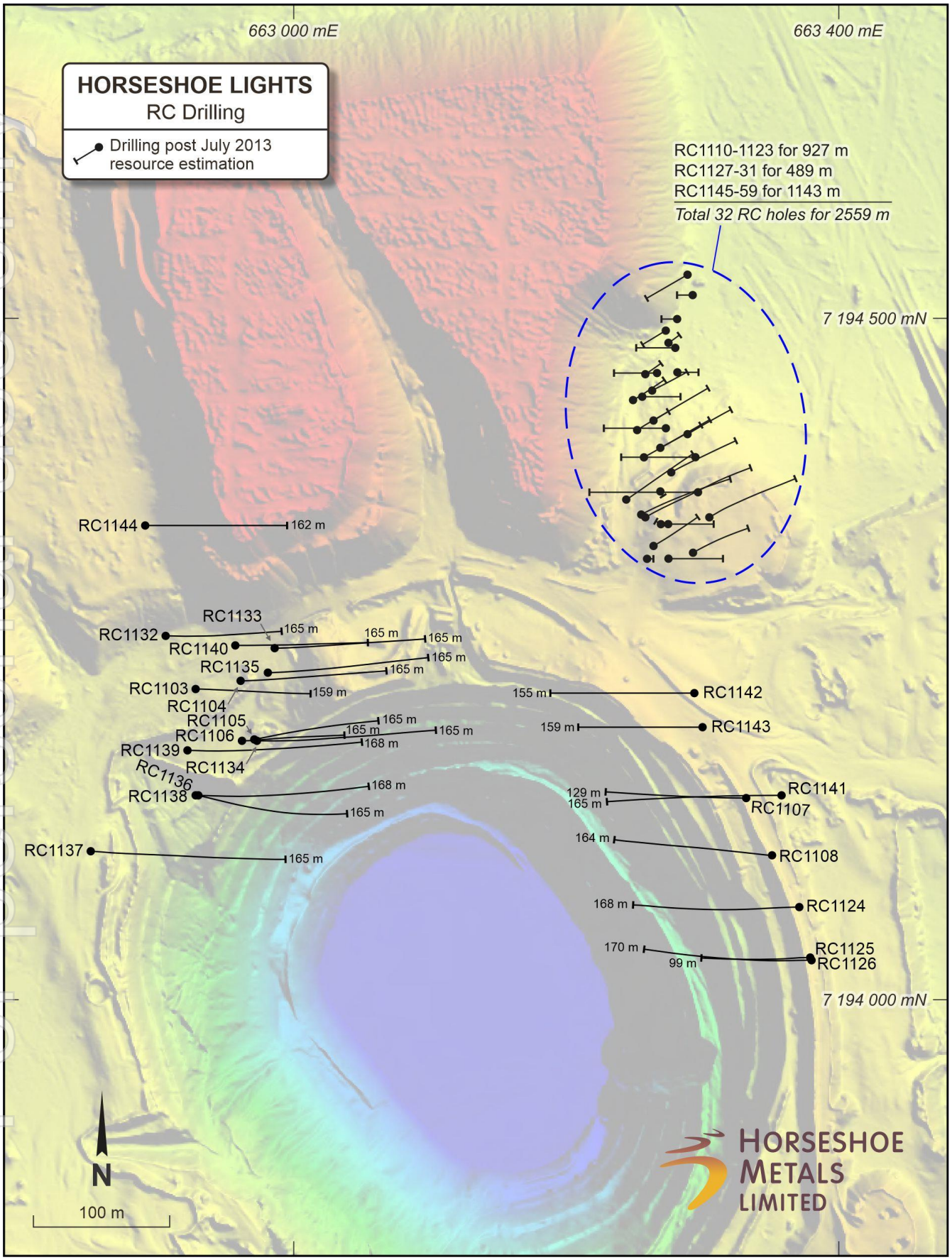

Figure 12: Horseshoe Lights Deposit – location of drilling completed after July 2013 Resource Estimation

Table 8: Holes not included in July 2013 CSA resource estimation

Composite Intersects Cu >1m>= 0.5 %, allowing for 2m of internal dilution

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
RC1103	7194228	662928	525	-62	90	159	84	86	2	0.56
							90	105	15	1.33
							110	121	11	0.77
							136	137	1	0.76
							143	144	1	0.51
							148	152	4	0.50
RC1104	7194234	662961	526	-50	90	165	10	16	6	0.87
							34	58	24	1.17
							75	76	1	1.94
							82	92	10	2.20
							97	100	3	1.06
							105	114	9	0.84
							122	131	9	3.13
							134	137	3	0.53
							140	149	9	0.88
RC1105	7194191	662971	525	-62	80	165	36	47	11	0.88
							49	53	4	1.51
							56	68	12	0.90
							69	70	1	0.56
							75	76	1	0.86
							81	82	1	0.53
							88	99	11	1.08
							102	114	12	0.78
							117	119	2	0.74
							145	146	1	0.82
							152	156	4	0.71
							159	163	4	0.66
RC1106	7194190	662962	525	-67	90	165	42	43	1	0.58
							53	62	9	0.80
							69	75	6	0.62
							80	85	5	1.28
							88	95	7	0.80
							101	102	1	0.77
							119	126	7	0.82
							134	135	1	0.76
							148	149	1	0.50
							156	159	3	1.47
RC1107	7194148	663332	530	-35	270	129	70	72	2	0.90
							95	100	5	1.72
							104	105	1	1.08
							110	114	4	1.04
							120	121	1	0.82
RC1108	7194106	663351	530	-40	270	164	111	112	1	0.53
							126	136	10	2.08
RC1110	7194459	663258	522	-70	60	41	0	14	14	0.98
							17	34	17	0.85
RC1111	7194482	663275	520	-65	60	23	0	13	13	0.80
RC1112	7194440	663249	524	-60	60	53	0	31	31	1.31
RC1113	7194447	663263	524	-55	60	50	0	7	7	0.91
							15	33	18	0.65
RC1114	7194418	663252	526	-70	60	71	17	22	5	1.04
							25	43	18	0.67
							63	64	1	0.78
RC1115	7194425	663264	526	-50	60	71	0	6	6	0.99
							12	14	2	1.37
							42	43	1	0.59
RC1116	7194398	663257	529	-60	60	87	22	23	1	0.61
							26	40	14	1.03
							50	52	2	0.64
							56	57	1	0.71
RC1117	7194415	663289	527	-60	60	72	11	15	4	1.86

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
RC1118	7194405	663269	528	-60	60	78	10	12	2	2.35
							15	17	2	1.31
							33	35	2	0.65
							38	44	6	0.64
RC1119	7194532	663289	519	-15	240	36	10	18	8	0.70
							21	25	4	0.63
RC1120	7194491	663273	521	-50	240	30	0	3	3	1.04
							6	25	19	0.86
RC1121	7194367	663244	531	-60	60	105	24	25	1	0.62
							29	30	1	1.11
							43	44	1	0.58
							53	56	3	0.67
							61	65	4	2.03
							68	69	1	0.64
							88	92	4	0.81
							100	101	1	0.55
RC1122	7194387	663277	530	-60	60	93	14	25	11	1.60
							32	35	3	0.92
							45	55	10	0.54
RC1123	7194356	663255	533	-60	60	117	29	30	1	0.70
							32	33	1	0.54
							42	60	18	1.29
RC1124	7194068	663371	530	-35	270	168	137	138	1	1.87
							142	160	18	1.06
							164	165	1	0.50
RC1125	7194031	663379	530	-35	270	99	NSI			
RC1126	7194029	663380	530	-38	270	170	NSI			
RC1127	7194354	663258	533	-35	60	102	31	32	1	1.20
							42	46	4	2.08
							49	50	1	0.75
							82	83	1	0.56
							92	95	3	0.78
RC1128	7194348	663245	533	-60	60	108	34	36	2	1.58
							50	52	2	0.58
							61	63	2	0.68
							70	77	7	1.47
							81	82	1	0.60
							86	87	1	1.11
							97	100	3	1.32
RC1129	7194354	663305	533	-60	60	123	NSI			
RC1130	7194333	663264	533	-60	60	78	NSI			
RC1131	7194328	663293	533	-60	60	78	0	1	1	0.65
							25	26	1	1.65
RC1132	7194267	662906	526	-60	90	165	103	116	13	1.01
							133	138	5	0.58
							148	154	6	0.85
RC1133	7194258	662986	529	-50	90	165	31	38	7	0.85
							46	49	3	1.66
							58	68	10	1.34
							73	74	1	1.20
							86	87	1	0.70
							119	122	3	0.51
							135	136	1	0.50
							144	146	2	0.82
RC1134	7194190	662973	525	-40	90	165	37	61	24	1.03
							64	65	1	4.34
							73	75	2	0.79
							83	98	15	1.15
							116	117	1	0.76
							140	142	2	1.27
							145	153	8	1.10
RC1135	7194240	662981	526	-50	90	165	9	33	24	3.77
							54	60	6	1.26
							64	70	6	1.50
							73	77	4	0.57

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
							81	82	1	0.64
							88	89	1	0.57
							99	108	9	0.72
							127	129	2	0.93
							132	133	1	0.50
							149	150	1	0.69
RC1136	7194150	662930	515	-50	105	165	75	76	1	1.10
							81	82	1	0.72
							102	114	12	1.19
							119	123	4	0.97
							134	141	7	1.32
RC1137	7194109	662851	525	-30	92	165	NSI			
RC1138	7194150	662928	517	-45	91	168	57	58	1	0.96
							83	112	29	2.22
							122	123	1	0.75
							127	128	1	0.60
							141	142	1	1.32
							153	154	1	0.52
							163	164	1	1.64
RC1139	7194183	662922	525	-40	90	168	64	65	1	0.55
							81	92	11	0.94
							104	119	15	1.00
							130	132	2	0.75
							137	138	1	0.76
							147	148	1	1.21
							160	162	2	1.77
RC1140	7194260	662957	526	-60	90	165	28	29	1	3.07
							33	63	30	2.19
							72	73	1	0.88
							84	85	1	1.04
							88	97	9	0.93
							127	128	1	0.61
							131	135	4	0.52
							138	144	6	0.67
							147	148	1	0.84
							154	157	3	0.51
RC1141	7194150	663358	529	-40	270	165	0	3	3	1.08
							104	105	1	0.85
							114	115	1	0.56
							122	139	17	0.66
							141	142	1	0.63
RC1142	7194225	663294	531	-47	270	155	42	43	1	0.76
							58	59	1	0.51
							74	75	1	0.61
RC1143	7194200	663300	532	-55	270	159	51	56	5	0.96
							132	133	1	1.01
							136	137	1	0.75
RC1144	7194348	662891	532	-50	90	162	39	40	1	0.52
							50	58	8	0.96
							72	83	11	1.54
							124	125	1	0.65
							128	129	1	0.89
							134	138	4	0.51
							141	142	1	0.64
RC1145	7194517	663293	519	-55	270	20	NSI			
RC1146	7194499	663281	519	-55	270	20	1	7	6	0.71
RC1147	7194478	663280	520	-55	270	50	0	3	3	0.66
							13	14	1	0.50
							20	29	9	0.97
RC1148	7194460	663282	521	-60	90	31	1	2	1	0.56
RC1149	7194460	663267	522	-55	270	55	6	32	26	1.31
RC1150	7194442	663256	524	-55	90	49	0	16	16	1.15
							27	28	1	0.50
RC1151	7194442	663253	524	-88	90	52	2	47	45	1.22
RC1152	7194419	663273	527	-60	270	91	12	34	22	1.87

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
							37	38	1	0.77
RC1153	7194398	663295	529	-60	270	109	13	18	5	0.89
							27	39	12	1.14
							42	46	4	0.70
							57	61	4	0.68
							74	76	2	0.65
RC1154	7194372	663297	535	-55	270	139	23	25	2	2.08
							28	34	6	0.76
							37	38	1	0.61
							44	54	10	0.95
RC1155	7194349	663275	535	-65	90	79	NSI			
RC1156	7194349	663269	535	-88	300	123	35	36	1	0.61
							39	45	6	0.78
							69	70	1	1.17
							74	75	1	0.51
RC1157	7194324	663275	534	-60	90	80	NSI			
RC1158	7194324	663259	533	-88	90	134	18	23	5	0.58
							34	35	1	0.57
							47	48	1	0.59
							54	62	8	1.03
RC1159	7194373	663269	532	-88	148	111	35	36	1	0.74
							40	44	4	1.69
							50	52	2	0.57
							59	72	13	0.89

NB. For Formal Details of Holes:
RC1103-1104 refer ASX release 27 May 2015 – "High Grade Copper in First Drillholes at Horseshoe Lights"
RC1105-1108 refer ASX release 5 June 2015 – "Further High Grade Copper in Drilling at Horseshoe Lights"
RC1110-1114 refer ASX release 22 June 2015 – "Further Significant Copper in Drilling at Horseshoe Lights"
RC1115-1124 refer ASX release 27 July 2015 – "Additional Copper Mineralisation at Horseshoe Lights Project"
RC1127-1135 refer ASX release 11 August 2015 – "27 metres @ 3.4% Copper in Horseshoe Lights Drilling"
RC1138-1141* refer ASX release 19 August 2015 – "Further High Grade Copper Intersected at Horseshoe Lights" **pXRF preliminary*
RC1138-1140 refer ASX release 3 September 2015 – "27 Metres @ 2.42% Copper in Horseshoe Lights Drilling"
RC1142-1144 refer ASX release 12 September 2018 – "Exploration Update – Horseshoe Lights Project"
RC1145-1159 refer ASX release 13 September 2021 – "Horseshoe Lights Phase 1 RC Drilling Programme Completed"

(N.B. *RC1109 drilled at exploration target outside resource, with NSI)*
(N.B. *RC1125-1126 not formally reported at the time, with NSI)*
(N.B. *RC1141 not reported with final assays at the time, reported above)*
(N.B. *Mineralised intersects in above holes reported prior to 2016 used variable internal dilution and cutoffs- typically >1m>0.25% Cu)*

The Company is in the process of updating a Scoping Study on the Horseshoe Lights Copper-Gold Project previously released to the market on 19 December 2014, in light of improved copper pricing inputs. This information was previously released under an earlier edition of the VALMIN code, which was updated in 2015.

The Company provided updated inputs for the 2014 Scoping Study, primarily to assess the effects on and mineral values associated with the different resource types, grade cut-offs, and resource classifications, and their respective development streams. It is also anticipated that updated economics will highlight additional drilling requirements in certain areas, driven by new, deeper pit shells. The Company notes that while the deposit contains additional drilling post the 31 July 2013 announcement of the Horseshoe Lights *in situ* Resource, the existing resource estimate will be utilised for the update. The Company is still working with outputs from this study at the time of writing.

Proposed Work Programmes and Next Steps

The following activities at Horseshoe Lights are planned over the next half year:

- RC drill testing Main Zone northern extensions
- RC drill testing of Motters southern extension
- RC and or auger infill drilling of surface materials in stockpiles and northern waste dump
- Planning for a 'Below the Dolerite' Diamond drill hole
- Additional metallurgical test work on oxide copper stockpiles and targets

- Gravity recovery test work on Copper Flotation and CIP tailings
- Ongoing Review of scoping study results to incorporate potential oxide heap leach SXEW treatment

For additional background on the Horseshoe Lights Project please refer to ASX releases:

12/09/2018	*"Exploration Update – Horseshoe Lights Project"*
06/08/2021	*"Horseshoe Lights Exploration Activities Update"*
10/09/2021	*"Horseshoe Lights Phase 1 Auger Programme Completed"*
13/09/2021	*"Horseshoe Lights Phase 1 RC Drilling Programme Completed"*
29/10/2021	*"Horseshoe Lights RC Drilling Results"*
26/11/2021	*"Horseshoe Lights Phase 1 Stockpile Results Received"*
21/02/2022	*"Horseshoe Metals Successful Relisting"*
03/03/2022	*"Horseshoe Lights Activities Update"*
11/03/2022	*"Horseshoe Lights Copper-Gold Resource Grade-Tonnage Review"*
18/03/2022	*"Surface Material Review at Horseshoe Lights"*
28/03/2022	*"Activity Update Horseshoe Lights Copper Gold Project"*
21/04/2022	*"RC Drilling Underway at Horseshoe Lights Copper/Gold Project"*
19/05/2022	*"RC Drilling Campaign Complete at Horseshoe Lights Copper Gold Project, WA"*
11/08/2022	*"Significant Drilling Results in Copper-Gold Surface Material"*
31/08/2022	*"Outstanding Copper Results at Horseshoe Lights"*

Kumarina Copper Project, Western Australia (HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2km^2. The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia. The Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27. The Company is progressing a Project Agreement as part of the application process with the Native Title Party and its lawyers.

Glenloth Gold Project, South Australia (HOR: 100%)

Post half year end, the company announced the commencement of its maiden 19-hole Reverse Circulation ("RC") drilling programme at the Glenloth Goldfield, located in the Gawler Craton, South Australia (refer Figure 2).

Figure 13: Drill rig on site at Glenloth Goldfield

The programme is targeting historic workings not previously tested by drilling at Darleys, Blue Peter, Pork, Pioneer Extension, Royal Tiger/Searchlight, Golden Stairs, Ivanhoe and Specimen Flat prospects. In addition, highly kaolinised granite at Specimen Flat will be tested for near surface Rare Earth Element ("REE") mineralisation.

EL6301 is comprised of two blocks 107 km^2 in total area, located about 6km north and 50km east of the 1.0 MOz Tunkillia Gold deposit respectively (refer Figures 13 & 14).

Glenloth Goldfield Background

The Glenloth Goldfield was identified by discovery of alluvial gold in 1893 and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620 t of ore, at an average grade of 21.6 g/t. The Fabian 3, Royal Tiger (both excised from tenure) and the Glen Markie and Jay-Jay mines were considered the largest historical producers (refer Figure 15). Since 1955, gold production has been small and sporadic.

The tenement is comprised of two areas, a smaller (26km^2) western block referred to as 'Old Well', which takes in the strike to the north of Tunkillia deposit, currently being evaluated by Barton Gold. A larger (81km^2) eastern block 'Glenloth' covering the Glenloth Goldfield, and part of the Harris Greenstone belt in the northwest corner of the Tenure (refer Figure 14). The Company also has rights to explore and develop ML5848, ML5849, ML5885 and MPL62 within the eastern block of EL6301 (refer Figure 15). EL6301 was recently renewed until November 2023.

At Glenloth gold occurrences typically consist of relatively thin (ca. 1m width), high-grade mineralised quartz veins, hosted by sheared and fractured Archaean to Paleoproterozoic Glenloth Granite, and contacts with dolerite dykes. A shallow Hiltaba Suite batholith has been proposed as the source of mineralisation. Six kilometres south of Old Well, the Tunkillia deposits (Areas 223, 191, 51) are characterised by a large hydrothermal system associated with the Yarlbrinda Shear Zone (YSZ- refer Figure 14), which passes into the Old Well tenure.

Horseshoe has compiled available historical drilling at Glenloth (refer Figure 4), which highlights the lack of targeted drill-testing completed within the project and highlights the potential for more significant northwest trending shear structures associated with undrilled historic workings. The Company has also compiled available regional geochemical data, including rock chip sampling at Glenloth with encouraging high-grade results and calcrete sampling of both Glenloth and Old Well (refer Figure 16).

Calcrete sampling is considered an effective test of mineralisation in appropriate terrain in South Australia since the virgin discoveries of the Tunkillia gold-in-calcrete anomaly in 1994, and the Challenger Mine (200km northwest of Glenloth, refer Figure 13) by Dominion in May 1995, from an initial 180ppb anomaly from broad-spaced (1600m) regional sampling, resulting in the production of over 1M Oz of gold between 2002-2018, primarily from underground mining.

Calcrete sampling of the Glenloth area has highlighted two prospective trends in excess of a kilometre in length; between the Glen Markie to Royal Tiger area, with maximum assay 870ppb/0.87ppm; and the Golden Stairs to Ivanhoe area - maximum assay 370ppb/0.37ppm (refer Figure 16). Maximum assay noted for the calcrete sampling programme was a particularly high grade 3870ppb/3.87ppm at Yarrawonga/Lone Hand.

For additional background on the Glenloth Project please refer to ASX releases:

16/10/2019	*"Mt Gunson Copper Project and Glenloth Gold Project"*
07/11/2019	*"Mt Gunson Copper and Glenloth Gold Projects – Revised"*
10/12/2019	*"Update on Mt Gunson Copper and Glenloth Gold Projects"*
07/07/2020	*"Glenloth Gold Project Acquisition Update"*
21/01/2021	*"Operations/Activities Update"*
30/11/2021	*"Corporate Presentation November 2021"*

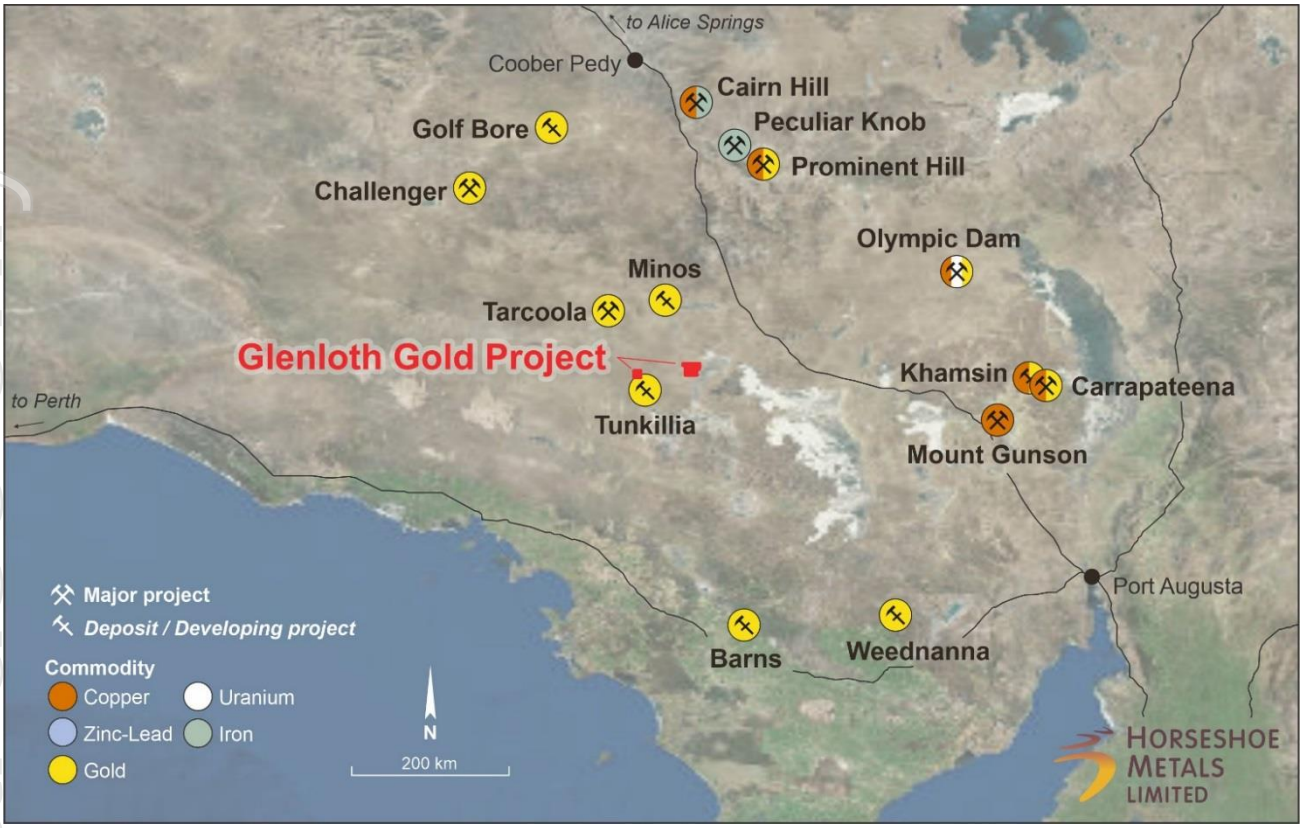

Figure 13: Location of Glenloth Gold Project in South Australia, in relation to significant local deposits and developing projects

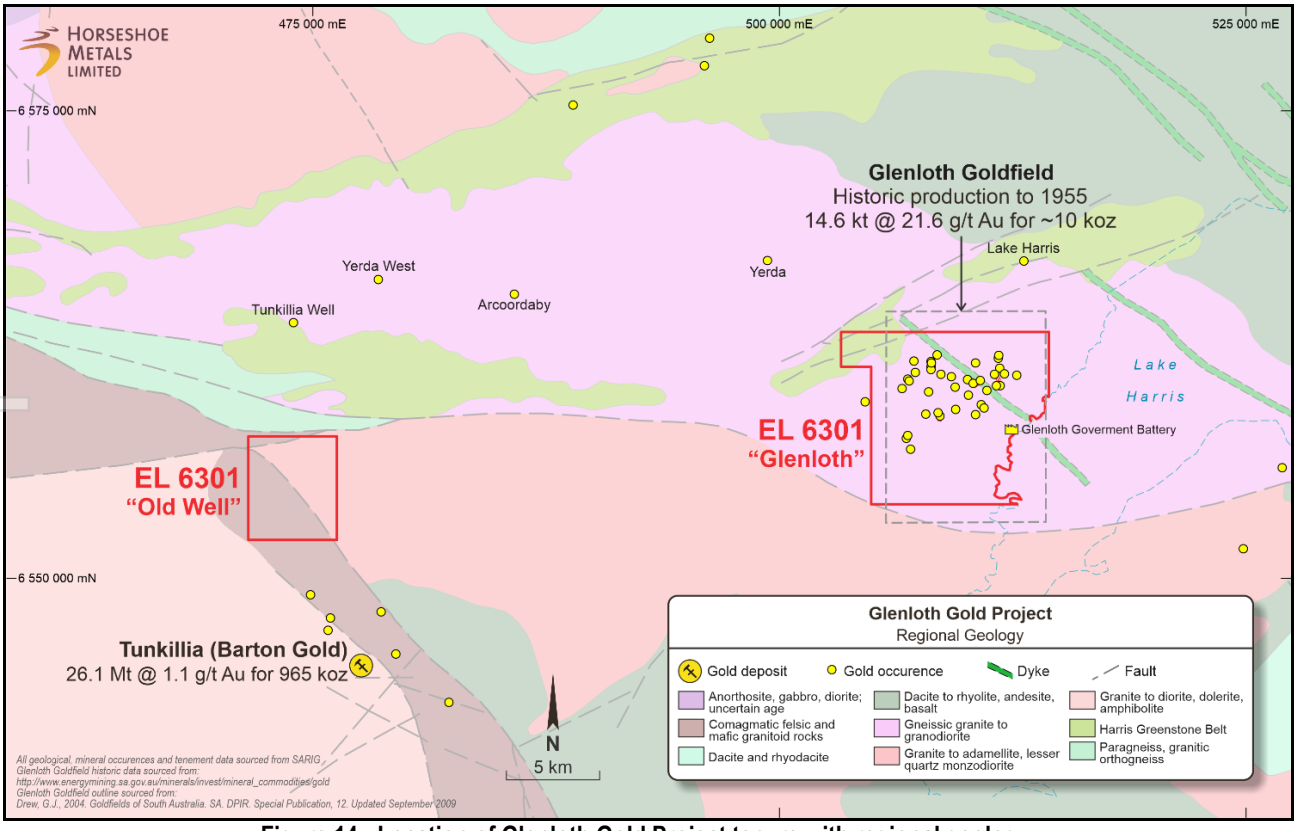

Figure 14: Location of Glenloth Gold Project tenure with regional geology, with known gold occurrences and significant resources

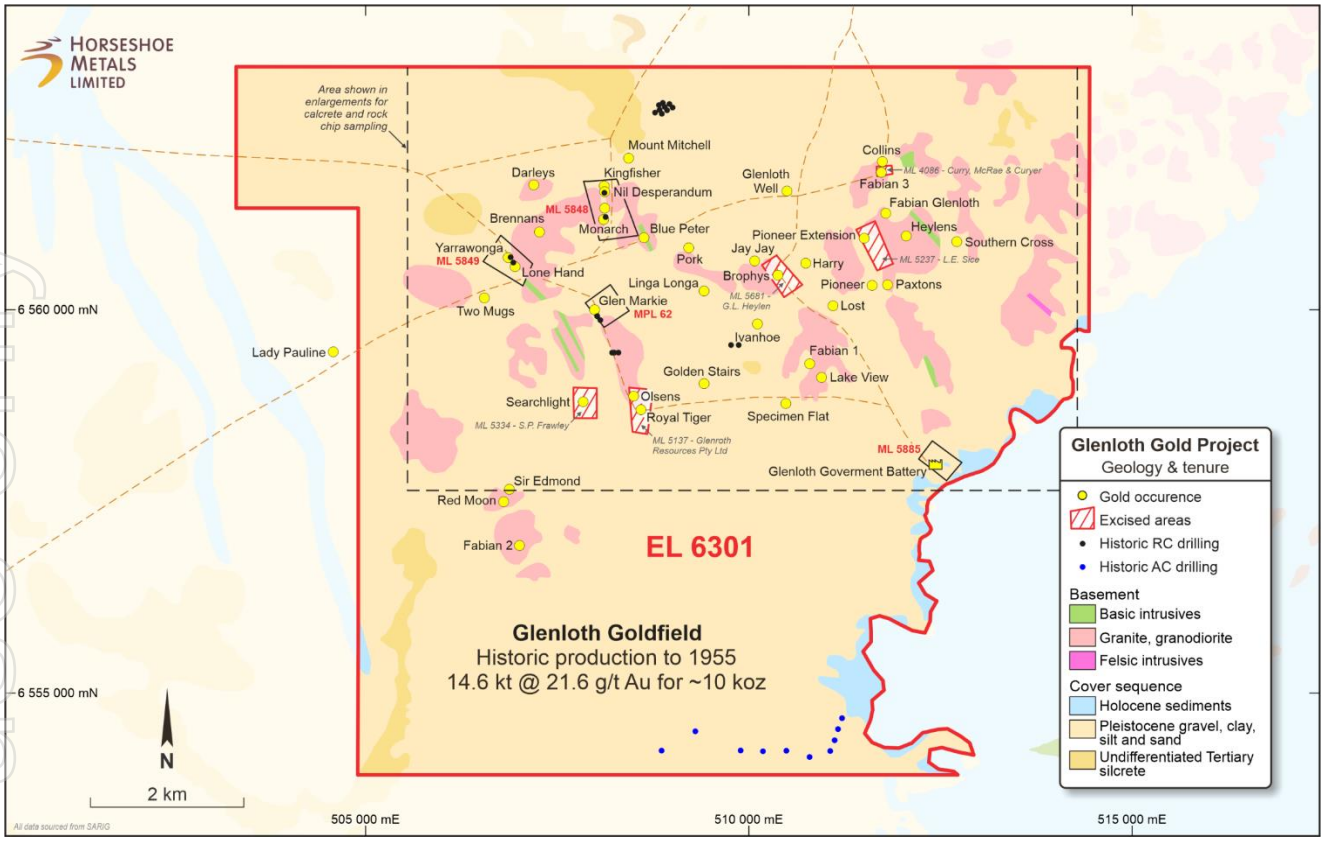

Figure 15: Location of Glenloth Goldfield tenure with regional geology and named gold occurrences

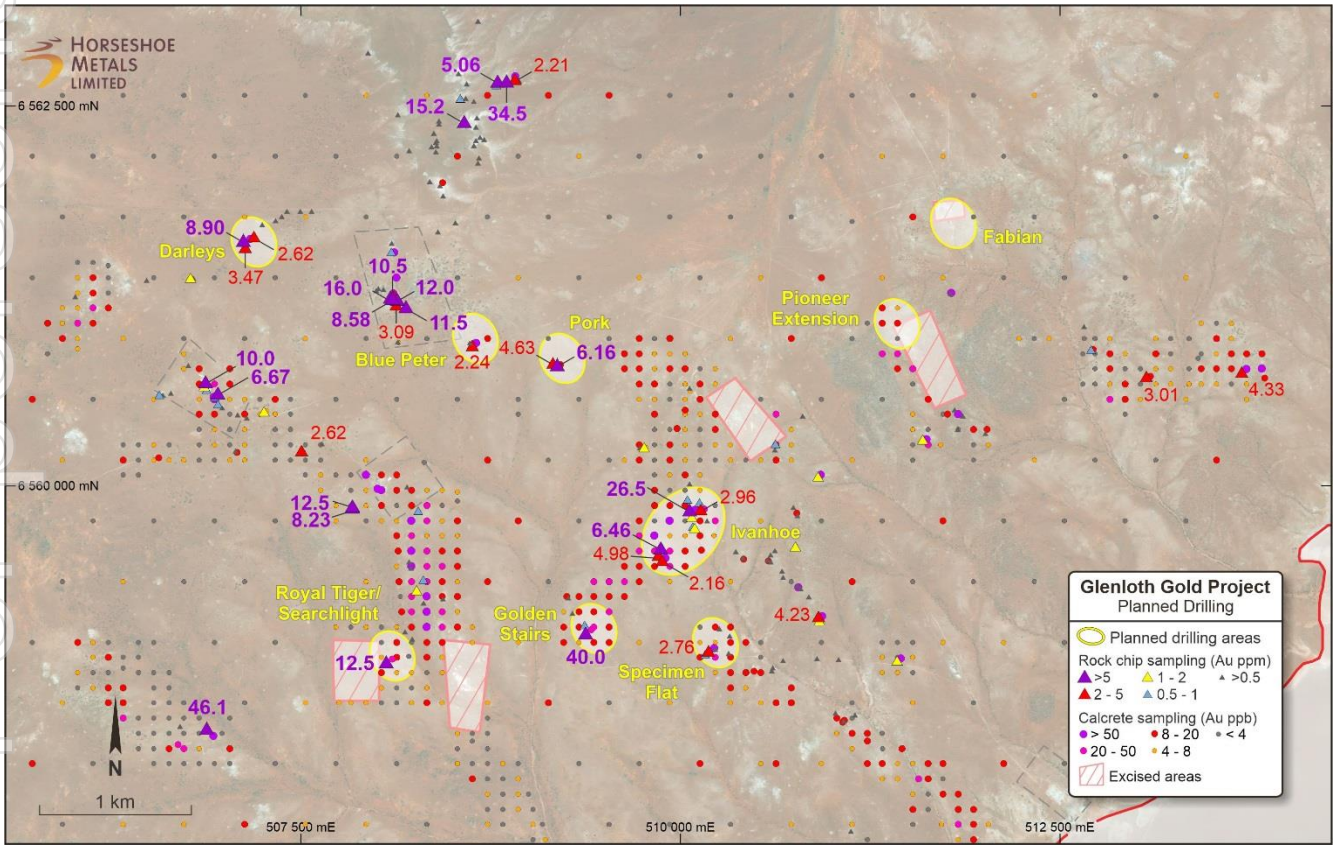

Figure 16: Planned drilling locations over rockchip and calcrete geochemical sampling at the Glenloth Goldfield

AUDITOR'S INDEPENDENCE DECLARATION

The Company has obtained an independence declaration from its auditors, Rothsay Audit & Assurance Pty Ltd, as per s.307(C) of the Corporations Act 2001 which forms part of this report. A copy of that declaration is included on page 34 of this report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

Craig Hall
Director
Perth
13 September 2022

ROTHSAY
AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the review of Horseshoe Metals Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Horseshoe Metals Limited and the entity it controlled during the half-year.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

13 September 2022

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Sydney NSW 2000

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2022

	Half year to 30 June 2022 $	Half year to 30 June 2021 $
Revenue		
Other income	58,195	78,840
	58,195	78,840
Expenses		
Occupancy expenses	(15,000)	(15,000)
Consulting expenses	(196,454)	(98,566)
Administrative expenses	(85,315)	(135,613)
Depreciation expense	(18,610)	(2,940)
Directors' remuneration	(123,798)	(52,000)
Share Based Payments	(237,543)	-
Exploration expense	(927,710)	(575,920)
Interest expense	(49,824)	(63,885)
Loss before income taxes	(1,596,059)	(865,084)
Income tax expense	-	-
Loss after tax from continuing operations	(1, 596,059)	(865,084)
Loss for the period	(1, 596,059)	(865,084)
Other comprehensive income		
Total comprehensive loss for the period	(1, 596,059)	(865,084)
Loss per share:		
Basic loss per share (cents per share)	(0.304)	(0.340)
Diluted loss per share (cents per share)	(0.304)	(0.340)

These financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2022

	NOTE	Consolidated	
		30 June 2022	31 December 2021
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		1,005,149	1,373,995
Trade and other receivables	2	177,163	127,987
Other assets		96,266	322
Total current assets		**1,278,578**	**1,502,304**
Non-current assets			
Property, plant and equipment		73,064	13,998
Exploration and evaluation expenditure	3	6,708,801	6,708,801
Investments		243,000	243,000
Total non-current assets		**7,024,865**	**6,965,799**
TOTAL ASSETS		**8,303,443**	**8,468,103**
LIABILITIES			
Current Liabilities			
Trade and other payables	5	1,129,509	2,167,973
Borrowings		-	26,953
Total current liabilities		**1,129,509**	**2,194,926**
Non-Current Liabilities			
Trade and other payables	5	805,291	684,784
Borrowings	6	1,546,779	1,611,790
Provisions	4	5,812,890	5,812,890
Total non-current liabilities		**8,164,960**	**8,109,464**
TOTAL LIABILITIES		**9,294,469**	**10,304,390**
NET ASSETS (DEFICIENCY)		**(991,026)**	**(1,836,287)**
EQUITY			
Issued Capital	7	23,685,172	21,374,429
Reserves		187,268	56,691
Accumulated losses		(24,863,466)	(23,267,407)
TOTAL EQUITY		**(991,026)**	**(1,836,287)**

These financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2022

	Consolidated	
	30 June 2022	30 June 2021
	$	$
CASH FROM OPERATING ACTIVITIES		
Receipts from customers	50,608	83,071
Payments to suppliers and employees	(921,686)	(86,479)
Payments for exploration and evaluation expenditure	(1,246,457)	(197,921)
Interest paid	(75,024)	(6,497)
Interest received	174	-
Net cash used in operating activities	**(2,192,385)**	**(207,826)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property plant & equipment	(77,677)	-
Payments for investments	-	-
Net cash used by investing activities	**(77,677)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	2,038,972	-
Capital raising costs	(70,992)	-
Proceeds from borrowings	-	293,000
Repayment of borrowings	(66,764)	-
Net cash provided by financing activities	**1,901,216**	**293,000**
Net (decrease)/increase in cash and cash equivalents	(368,846)	85,174
Cash and cash equivalents at the beginning of the period	1,373,995	98,270
Cash and cash equivalents at the end of the period	**1,005,149**	**183,444**

These financial statements should be read in conjunction with the accompanying notes

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2022

	Issued Capital $	Accumulated Losses $	Reserve $	Total $
Balance as at 1 Jan 2022	21,374,429	(23,267,407)	56,691	(1,836,287)
Loss attribute to members of the parent entity	-	(1,596,059)	-	(1,596,059)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,596,059)	-	(1,596,059)
Shares issued during the period	2,181,972	-	-	2,181,972
Options issued during the period	-	-	362,177	362,177
Options exercised during the period	231,600	-	(231,600)	-
Capital raising costs during the period	(102,829)	-	-	(102,829)
Balance as at 30 June 2022	23,685,172	(24,863,466)	187,268	(991,026)

	Issued Capital $	Accumulated Losses $	Reserve $	Total $
Balance as at 1 Jan 2021	18,152,393	(20,957,947)	-	(2,805,554)
Loss attribute to members of the parent entity	-	(865,084)	-	(865,084)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(865,084)	-	(865,084)
Balance as at 30 June 2021	18,152,393	(21,823,031)	-	(3,670,638)

These financial statements should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

NOTE 1 STATEMENTS OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included within the annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of Horseshoe Metals Limited and the consolidated entity ("the Group") as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 31 December 2021 and any public announcements made by Horseshoe Metals Limited during the half-year in accordance with continuous disclosure requirements arising under the ASX Listing Rules.

Basis of Preparation

The half-year report has been prepared on a historical cost basis modified, where applicable, by measurement at fair value of selected items. Cost is based on the fair values of the consideration given in exchange for assets.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period. The half-year report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Accounting policies and methods of computation

The accounting policies adopted are consistent with those applied and disclosed in the 31 December 2021 annual report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

The financial statements have been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Cash and cash equivalents on hand as at the date of this report was $183,444. The going concern basis is dependent upon the Group raising sufficient funds to pay the Group's debts as and when they fall due.

The Company has executed a loan facility agreement with associated entities. The loan facility with associated entities is to be repaid in cash within 7 days of the successful completion of a capital raising. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including the requirement to seek shareholder approval for a related party transaction. The loan bears interest of 8% p.a. The undrawn loan balance available to the Company as at 30 June 2022 from associated entities amounts to $1,210,000.

In addition, the lenders have confirmed unconditionally that these entities will not call on or demand any repayment of the advances made to the Company up to 31 December 2023, until such time as the Group is in a position to pay the amount, without its going concern status being affected.

In the Directors' opinion, at the date of signing the financial report there are reasonable grounds to believe that the matters set out above will be achieved and have therefore prepared the financial statements on a going concern basis.

Should the Directors not achieve the matters set out above, there is material uncertainty whether the Group will be able to continue as a going concern. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, which might be necessary should the Group not be able to continue as a going concern.

NOTE 2: TRADE AND OTHER RECEIVABLES

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Trade receivables	13,428	5,574
Bonds	25,000	-
ATO receivables	138,735	122,413
	177,163	**127,987**

NOTE 3: EXPLORATION AND EVALUATION ASSETS

The following table details the movement in deferred exploration and evaluation expenditure reported in the statement of financial position during the half year to 30 June 2022.

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Carrying amount at beginning of year	6,708,801	6,708,801
Capitalised expenditure during the year	-	-
Impairment	-	-
	6,708,801	**6,708,801**

The recoupment of deferred exploration and evaluation costs carried forward is dependent upon the successful development and commercialisation or sale of the areas of interests being explored and evaluated.

NOTE 4: PROVISIONS

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Non-Current		
Provision for Rehabilitation (i)	5,812,890	5,812,890
Total Non-Current	**5,812,890**	**5,812,890**

(i) Pursuant to the Mining Rehabilitation Fund Regulations 2013 (WA) the Company is required to assess its rehabilitation obligations across all its tenement holdings as at 30 June each year. The assessed estimated cost of rehabilitation as at 30 June 2022 using the methodology adopted under the Mining Rehabilitation Fund Regulations 2013 (WA) is $5,812,890.

Rehabilitation provisions mostly relate to rehabilitation obligations on the Horseshoe Lights Mining Lease M52/743 associated with the flotation tailings dam, the waste dumps and the plant and camp sites.

NOTE 5: TRADE AND OTHER PAYABLES

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Current		
Trade Payables and Accruals	1,129,509	2,167,973
Non-Current		
Related party creditors	805,291	684,784
	1,934,800	**2,852,757**

NOTE 6: NON-CURRENT/RELATED PARTY BORROWINGS

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Other Borrowings		
Related Party Borrowings	1,546,779	1,611,790
	1,546,779	**1,611,790**

NOTE 7: ISSUED CAPITAL

	Consolidated as at 30 June 2022 $	Consolidated as at 31 December 2021 $
Ordinary Shares		
Ordinary Shares – Fully Paid	25,150,840	22,737,269
Share issue costs written off against issued capital	(1,465,668)	(1,362,840)
	23,685,172	21,374,429

	Number	Number
Ordinary Shares – Fully Paid	551,942,881	436,394,305

Movement in Ordinary Shares on issue	Ordinary shares (Number)	Value ($)
At 1 January 2022	436,394,305	22,737,269
Entitlement Issue	47,479,831	949,596
Shortfall Issue	61,618,745	1,232,375
Director ESOP Conversion	1,500,000	43,500
Employee ESOP Conversion	4,950,000	188,100
Transaction Costs		(1,465,668)
At 30 June 2022	551,942,881	23,685,172

NOTE 8: SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals and evaluation of investment opportunities for its investors, presently solely in Western Australia. All of the Group's activities are inter-related, and discrete financial information is reported to the Board (chief operating decision maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance that has arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in the future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

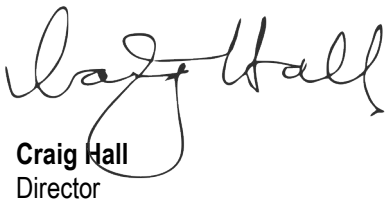
   a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Craig Hall
Director
Perth WA
13 September 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

HORSESHOE METALS LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Horseshoe Metals Limited ("the Company"), and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty related to Going Concern

Without modifying our audit opinion, we draw attention to Note 1 of the annual financial report, which indicates that the going concern basis is appropriate on the basis of the Group's ability to raise additional capital in the future. These conditions along with other matters that are set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

HORSESHOE METALS LIMITED (continued)

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Dated 13 September 2022