



HORSESHOE METALS

LIMITED

A.B.N. 20 123 133 166

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

CORPORATE INFORMATION

Directors

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

Company Secretary

Kate Stoney

Registered Office

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Telephone: +61 8 6241 1844
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Solicitors

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National Australia Bank
1232 Hay Street
West Perth WA 6005

Share Register

Advanced Share Registry
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NEDLANDS WA 6009

Auditors

Rothsay Auditing
Level 1 Lincoln House
4 Ventnor Avenue
West Perth WA 6005
Telephone: +61 8 9486 7094

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 present their report, together with the financial statements of Horseshoe Metals Limited and controlled entity (**the Group**) for the year ended 31 December 2021.

The names of the Directors in office at any time during, or since the end of the year are:

NAME	POSITION	APPOINTED/RETIRED
Mr Alan Still	Non-executive Director	Appointed 23/06/2014
Mr Craig Hall	Non-executive Director	Appointed 30/04/2019
Ms Kate Stoney	Non-executive Director	Appointed 16/02/2021
Ms Carol New	Non-executive Director	Resigned 16/02/2021

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

The names, qualifications and experience of the current Directors are:

Mr Alan Still

(appointed 23 June 2014)

Mr Alan Still is a metallurgist with over 40 years' experience in a variety of commodities. In the previous three years Mr Still was also a director of the following ASX listed companies:

- Eastern Goldfields Limited – resigned 28 August 2018; and
- Scorpion Minerals Limited – resigned 31 October 2018.

Craig Hall

(appointed 30 April 2019)

Mr Hall is an experienced geologist with over 30 years of mineral industry experience in exploration, development and production roles in a range of commodities, principally precious and base metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas.

Mr Hall is currently a non-executive director of the following ASX-listed companies:

- Auris Minerals Limited; and
- Scorpions Mineral Limited.

In the previous three years Mr Hall was also a director of the following ASX-listed companies:

- Redbank Copper Limited – resigned 2 August 2019;
- Target Energy Limited – resigned 17 December 2019; and
- Eclipse Metals Limited – resigned 6 August 2018.

Kate Stoney

(appointed 16 February 2021)

Ms Stoney is Horseshoe's General Manager – Finance and Company Secretary having been appointed in December 2019. Ms Stoney is a CPA qualified accountant with over 15 years' experience working with public companies in administration, finance and company secretarial positions, and was most recently General Manager – Finance and Company Secretary for Echo Resources Ltd.

Ms Stoney is currently a non-executive director of the following ASX-listed companies:

- Scorpion Minerals Limited.

COMPANY SECRETARY

Ms Kate Stoney

Ms Carol New *(Joint Company Secretary resigned 16 February 2021)*

CURRENT DIRECTORS' INTERESTS

At the date of this report, the interests of each current Director in the securities of Horseshoe Metals Limited were:

Director	Fully Paid Shares	Unlisted Options	Performance Rights
Alan Still	1,000,000	3,000,000	-
Craig Hall	1,000,000	3,000,000	-
Kate Stoney	1,250,000	3,000,000	-

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2021 and the number of meetings attended by each Director were:

Director	Number eligible to attend in 2021	Number attended in 2021
Alan Still	1	1
Craig Hall	1	1
Kate Stoney	1	1

The directors note that they met regularly and informally during the year to discuss Company matters.

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid, declared or recommended by the Directors during the year.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Group has agreed to indemnify all the Directors of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their position as Directors of the Group and its controlled entity, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Group paid a premium in respect of a contract insuring the Directors and Officers of the Group against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*.

NON-AUDIT SERVICES

Rothsay Auditing, the Group's auditors, did not provide any non-audit services during the year ended 31 December 2021.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2021 has been received and can be found on page 50 of the financial report.

PRINCIPAL ACTIVITIES

Details of the operations of the Group are set out in the Review of Operations. There were no significant changes in the nature of the Group's principal activities during the year.

OPERATING RESULTS

The consolidated loss of the Group after providing for income tax amounted to \$2,309,460 (31 December 2020: loss \$1,171,992).

REVIEW OF OPERATIONS

Exploration and Evaluation

Horseshoe Lights Copper/Gold Project, WA (HOR: 100%) (GRR: 3% NSR Royalty on M52/743 – refer to Appendix 1)

The Horseshoe Lights Project is in the Bryah Basin region of Western Australia, and includes the previously mined Horseshoe Lights copper-gold mine, approximately 150km north of Meekatharra in Western Australia and 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine (see Figure 1).

With rising copper and gold prices, the Company is focused on development strategies for the Horseshoe Lights Copper/Gold Project, where known resources represent low capital cost opportunities. This includes undertaking additional metallurgical test work of surface stockpiles and residual sources of copper and gold as part of the initial development strategy.

On 21 January 2021, the Company announced an operational update highlighting activities associated with feasibility studies for development opportunities. The refurbishment of the existing accommodation camp at the Horseshoe Lights mine continued, allowing drilling and exploration staff to be accommodated on-site and avoid significant daily travel. Power and water supply were re-established, with communications including internet available. The kitchen, caretakers' accommodation, four rooms and laundry are now operational and with air-conditioning upgraded. A further eight rooms were brought online following delivery of additional furniture, fixtures and equipment. Internal access roads were checked and safety bunds inspected, and clean-up of minor safety hazards and obstructions around the lease completed.

The Company designed a reverse circulation (RC) drilling programme to improve the knowledge and definition of shallow copper mineralisation identified at Motters, immediately north-northeast of the current pit. The Motters zone is an inferred eastern limb to the main Horseshoe Lights copper mineralisation, which daylights to the north at the Bryah/Bangemall Basin contact. The basal contact to the Motters mineralisation is expressed by dolerite along a thrust contact.

To assist future feasibility studies, the Company also planned to drill auger holes in copper-rich flotation tailings dam walls, the Vat leach residues, and include some checks of the gold tailings. The augering was to provide additional samples required for metallurgical test work as the basis for finalising the proposed plant flow sheet.

Planned metallurgical test work programmes are intended to validate the efficacy of gravity separation to produce copper and gold concentrates, and to remove sulphide minerals. Should this be successful, it will provide for construction of a low-cost and efficient process plant. Further test work will assess the ability to produce a concentrate as feed for an acid leach process. Included in the programme is a detailed mineralogical investigation to provide data to support process design.

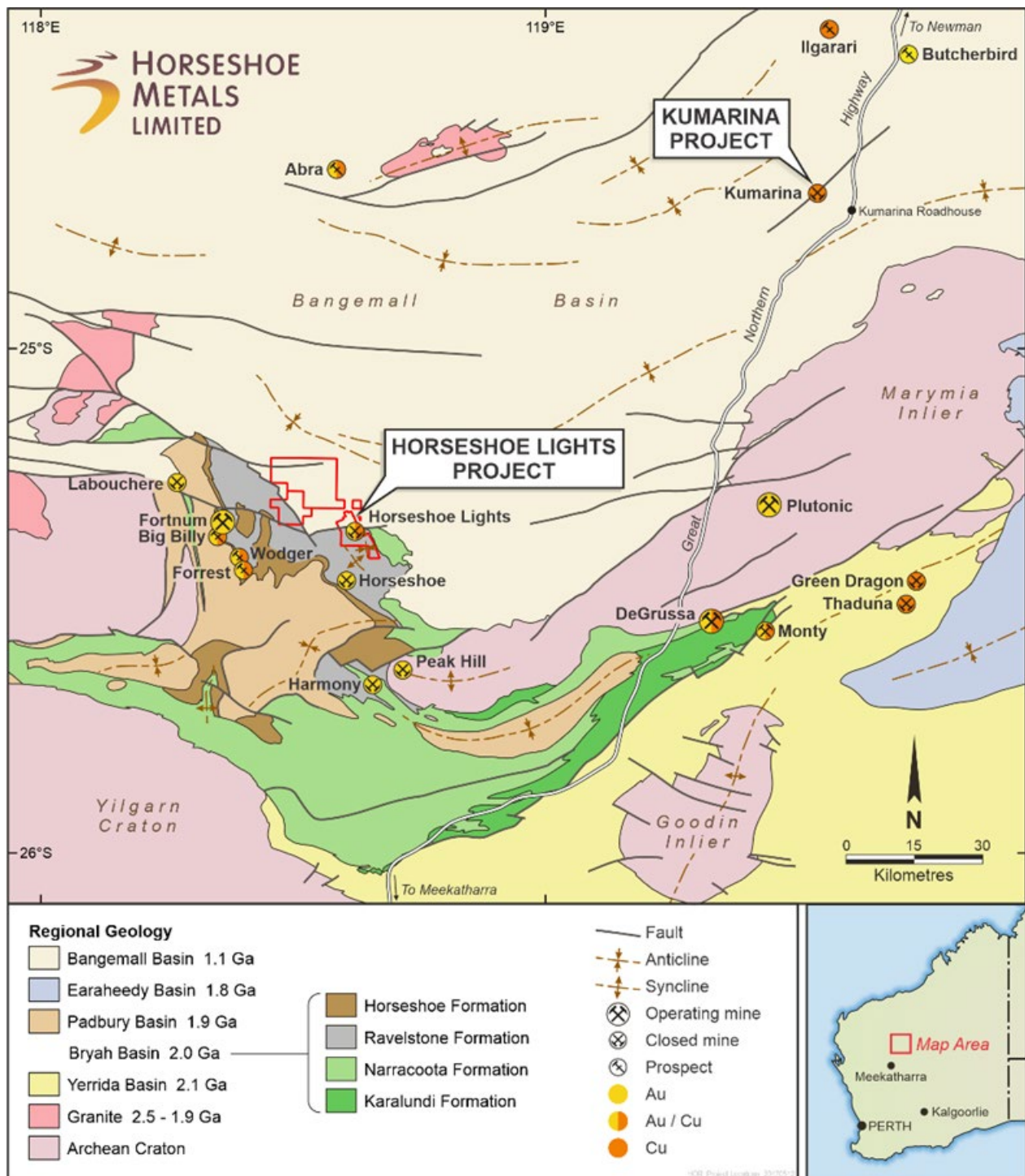


Figure 1: Horseshoe Lights Project Location Plan, Murchison Region, Western Australia

On 10 August 2021 the Company announced it had completed a Phase 1 auger drilling program to assess various surface stockpile materials that remain from historic episodes of gold and copper mining activities. The targets tested include gold-bearing vat leach material, and the walls of the vats, gold tailings and copper flotation tailings as outlined in Figures 3, 4 and 5.

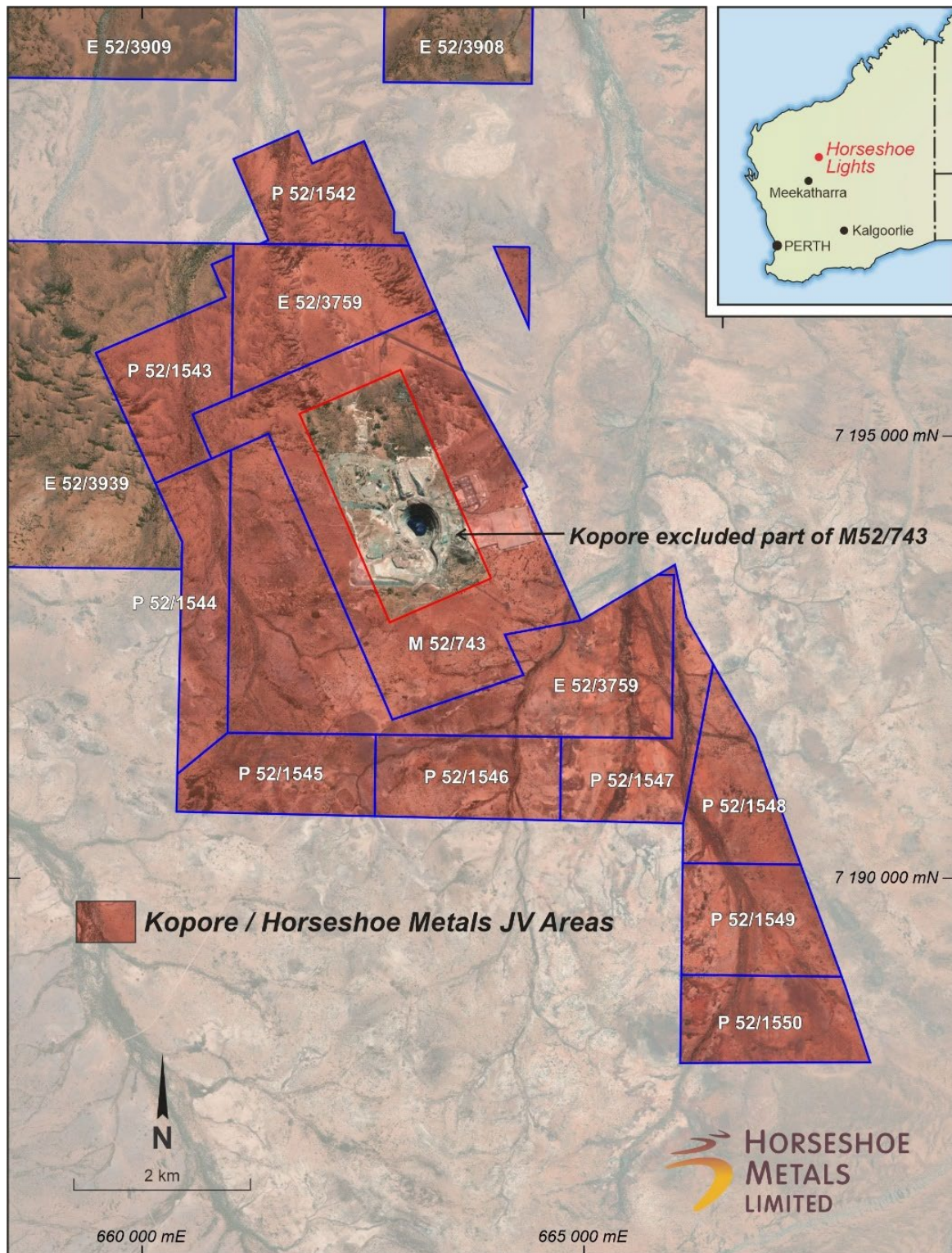


Figure 2: Horseshoe Lights Copper-Gold Tenure, with Kopore Farm-In/JV area highlighted

These targets are under investigation for early development opportunities at the mine site, which might include offsite processing of gold bearing materials. In Phase 1 drilling during July and August 2021, 277 holes totalling 1204.8 m were completed as outlined in Table 1:

- 85 holes into vat leach gold-bearing material from early mining activities prior to the Barrick gold production (Vats 3, 4, 5, and 6);
- 20 holes into initial copper flotation tails pumped into a Barrick-mined gold vat (Vat 2) - the same material forming the flotation tailings resource;
- 72 holes in an area of initial gold production including vats covering by subsequent mining activity (Western Vats);

- 4 holes into the flotation tailings as a grade/depth check and to assess moisture content for materials handling considerations;
- 62 holes to assess the perimeter of material constructed to constrain the gold vats; and
- 34 holes of up to 10m depth being first-pass perimeter drilling of material forming the gold vats

Table 1: Horseshoe Lights 2021 Phase 1 Auger Drillhole Summary

Vat & Stockpile augering	holes	m
Vats 3, 4, 5 6	85	375.3
Vat 2	20	95.2
Western Vats	72	240.7
Flotation Tails	4	29.6
Perimeter augering	holes	m
Vats 1 to 6.	62	302.4
Tails Dams	34	161.6
Totals	277	1204.8

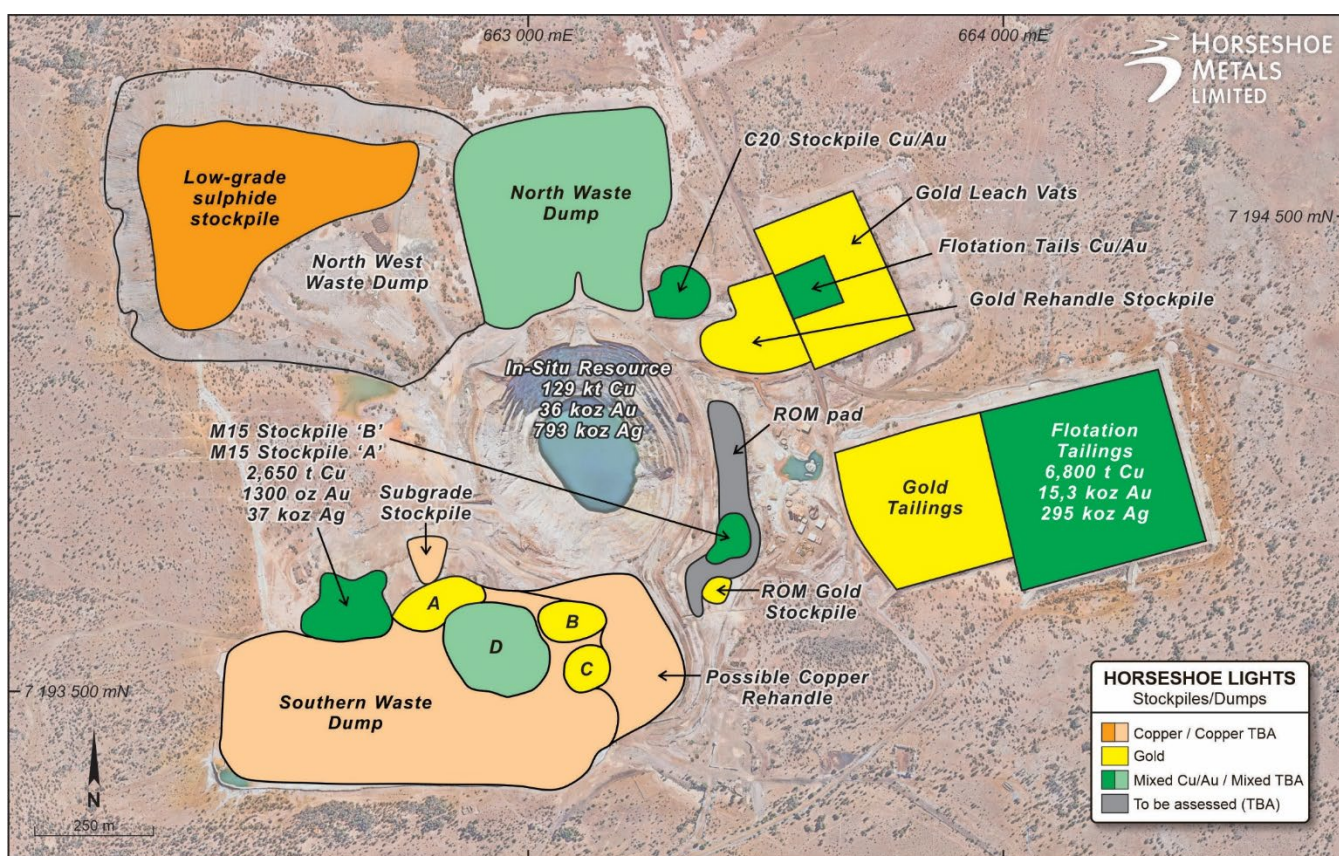


Figure 3: Horseshoe Lights Copper-Gold Project Stockpile Location Plan

Gold vat and stockpile auger sampling was typically sampled every metre, and subset thereof at the bottom of hole, while perimeter sampling was undertaken every two metres down-hole.

The eastern series of gold leach vats (Vats 4, 5 and 6) consists of three large, lined ponds, with surface material demarcating four individual cells per pond. The Company commenced activities in this area, drilling typically five holes per cell, to establish remnant gold concentrations and to assist in determining the geometry and volume of material above the liner. Depths of holes encountered in the centre of the ponds were typically between 4m-5m.

Summary of results: Gold Leach Vats 3, 4, 5 and 6

The remnant gold leach Vats 3, 4, 5 and 6 consist of large blue plastic-lined ponds, with auger holes designed to assess gold concentrations and to assist in determination of the geometry and volume of material above the liner. During the 2021 auger program, blue liner material was noted in 61 of 63 holes in Vats 4, 5 and 6, including three re-drills completed, that allow relatively accurate determination of depth of the remnant gold-bearing vat material. Gravelly material was typically encountered in the last 0.5m-1m of the vats drilled above the liner, typical of the construction of such ponds at the time, allowing flow and recovery of pregnant liquor. The Vat volumes are yet to be modelled and can be estimated after accurate survey of holes on edges of the Vats, and an assessment of the moisture content and density of the material in order to estimate the tonnage of material available.

Depths of holes encountered in the centre of the ponds were typically between 4m-5m for Vats 4, 5 and 6; and 7m in Vat 3. Assay results from Vats 3, 4, 5 and 6 are now complete, averaging 0.57 g/t Au length-weighted for results above the vat liners, and are summarised below in Table 2:

Table 2: Vats 3, 4, 5 and 6 2021 Phase 1 Auger Drillhole Summary

Area	Samples	Ave Grade Au
VAT 3	90	0.53
VAT 4	88	0.53
VAT 5	94	0.73
VAT 6	93	0.50
VATS 3,4,5 and 6	365	0.57

The results compared favourably with historical work undertaken in 1985 to assess the gold content of these and additional vats, which included 4-6 m deep RC drilling of Vats 4, 5, and 6 with 24 holes per vat sampled every 2m. The work noted reasonably homogenous grades across all vats and estimated a remnant grade of 0.58 g/t Au from 63 samples which compares very favourably with the 0.57 g/t Au length-weighted results from the 2021 program.

*As there is currently insufficient information to estimate a Mineral Resource for Vats 3, 4, 5 and 6, an **Exploration Target for Vats 3, 4, 5 and 6** at Horseshoe Lights was considered the most appropriate way to present the results. From the grade assessment preliminary investigation for the vat volume and using an anticipated density an Exploration Target for Vats 3, 4, 5 and 6 of 140,000 – 210,000 t grading between 0.55 – 0.60 g/t Au for 2,475 - 4,050 oz Au.*

This Exploration Target does not represent an estimate of a Mineral Resource or Ore Reserve. The potential quantity and grade is conceptual in nature, since 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.

Vat 2 and Gold Rehandle area

Analysis of results from auger holes of Vat 2 confirmed the vat had been fully excavated of original gold-bearing material and filled with initial tailings material from the Copper Plant circuit (Figure 4). Some 92 samples within the now better-defined Vat 2 averaged 1.04 g/t Au and 0.88% Cu as depicted in Table 3. Some minor contamination of the surface of Vat 3 from Copper Flotation Tails from Vat 2 in the NE corner could be observed in the results and is considered easily rectifiable ahead of any processing of either material.

Table 3: Vat 2 - Gold Rehandle area, Auger Summary Vats 1-6 Perimeter

Area	Samples	Ave Grade Au	Ave Grade Cu
Vat 2	92	1.04	0.88
Gold Rehandle Area	194	1.13	0.16
Vat Perimeter	166	0.58	N/A

As there is currently insufficient information to estimate a Mineral Resource for Vat 2, an **Exploration Target for Vat 2** at Horseshoe Lights was considered the most appropriate way to present the results. From the grade assessment preliminary investigation for the vat volume and using an anticipated density an Exploration Target for Vat 2 of 55,000 – 75,000 t grading between 0.9 – 1.1 g/t Au and 0.8 – 1.0 %Cu for 1590 -2650 oz Au and between 440 – 750t Cu metal.

This Exploration Target does not represent an estimate of a Mineral Resource or Ore Reserve. The potential quantity and grade is conceptual in nature, since 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.

The area to the west of the Gold Vat area, now renamed the Gold Rehandle area, consistently returned significant gold values averaging 1.13 g/t Au over a coherent mineable volume, increasing in depth from the west to the east, where it achieves a maximum height of 4m, in the vicinity of two now-covered (smaller) original gold leach Vats (referred to previously as Vats 7 and 8). The results confirmed some minor associated copper in the near surface, averaging 0.16% Cu over the samples analysed.

As there is currently insufficient information to estimate a Mineral Resource for the Gold Rehandle area, an **Exploration Target for the Gold Rehandle area** at Horseshoe Lights was considered the most appropriate way to present the results. From the grade assessment preliminary investigation for the vat volume and using an anticipated density an Exploration Target for the Gold Rehandle area of 7,000 – 120,000 t grading between 1.0 – 1.2 g/t Au for 2,400 - 4,600 oz Au.

This Exploration Target does not represent an estimate of a Mineral Resource or Ore Reserve. The potential quantity and grade is conceptual in nature, since 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.

Vats 1-6 perimeter augering, Tails Dam augering

The results of perimeter auger drilling of Vats 1-6 on a variable but typically sub-10m spacing confirmed the likelihood that the construction material for the vats consisted of low-grade gold-mineralised material, as suggested by initial results from sub-drill below the liner associated with Vats 4, 5 and 6. Results from 166 generally 2m samples from the perimeter of the Vats were variable but average 0.58 g/t Au. Further infill drilling is planned for the Vat perimeter to better assess its volume. No exploration target estimate is currently possible.

Results from the tails perimeter auger drilling generally confirmed sub-economic concentrations of mineralisation, not warranting further investigation. Results from the four tailings holes to primarily assess moisture content for materials handling purposes returned lower than average resource grade values but generally comparable to local values.

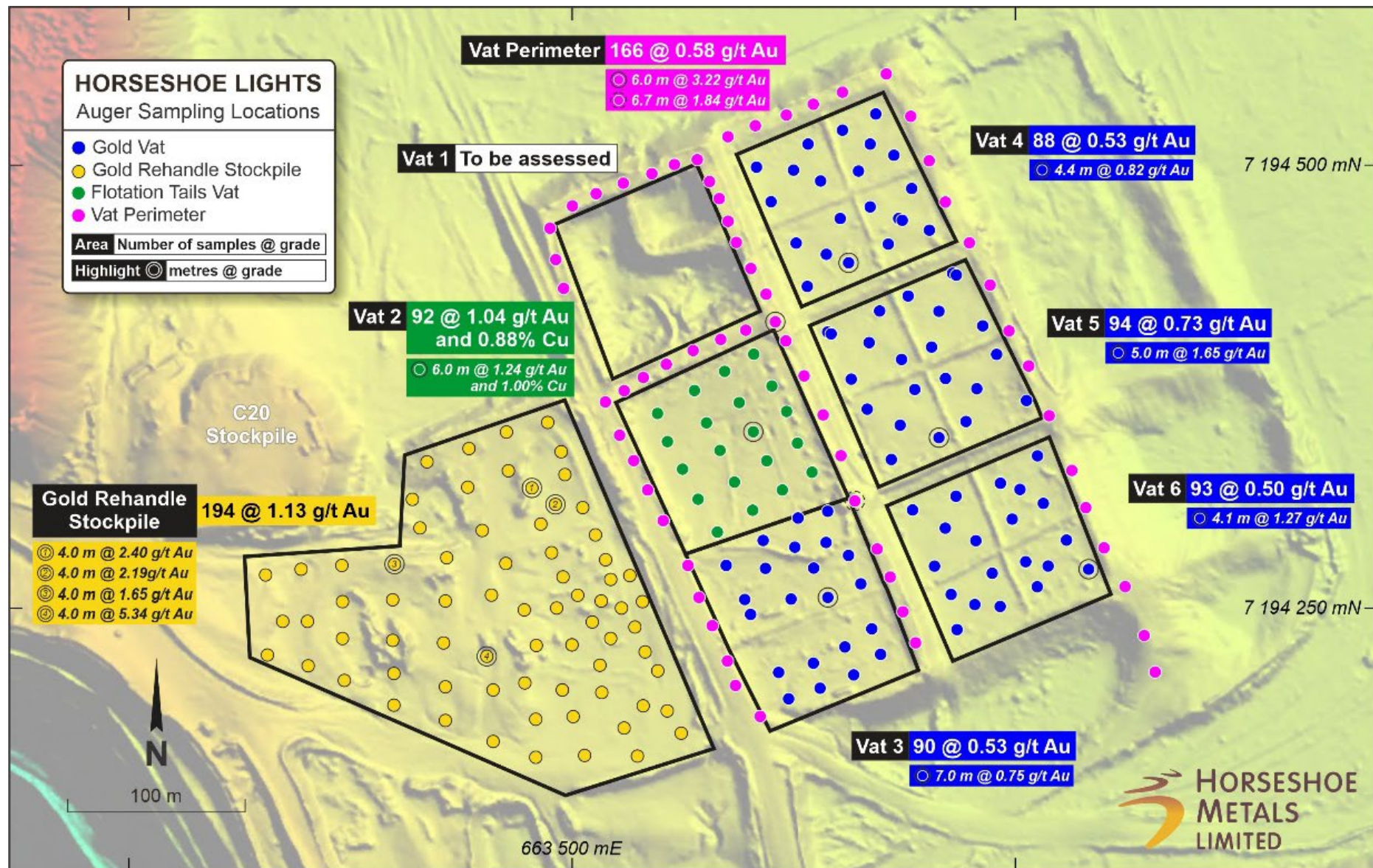


Figure 4: Horseshoe Lights Gold Rehandle and Vat Leach Average length-weighted grade hole locations, 2021

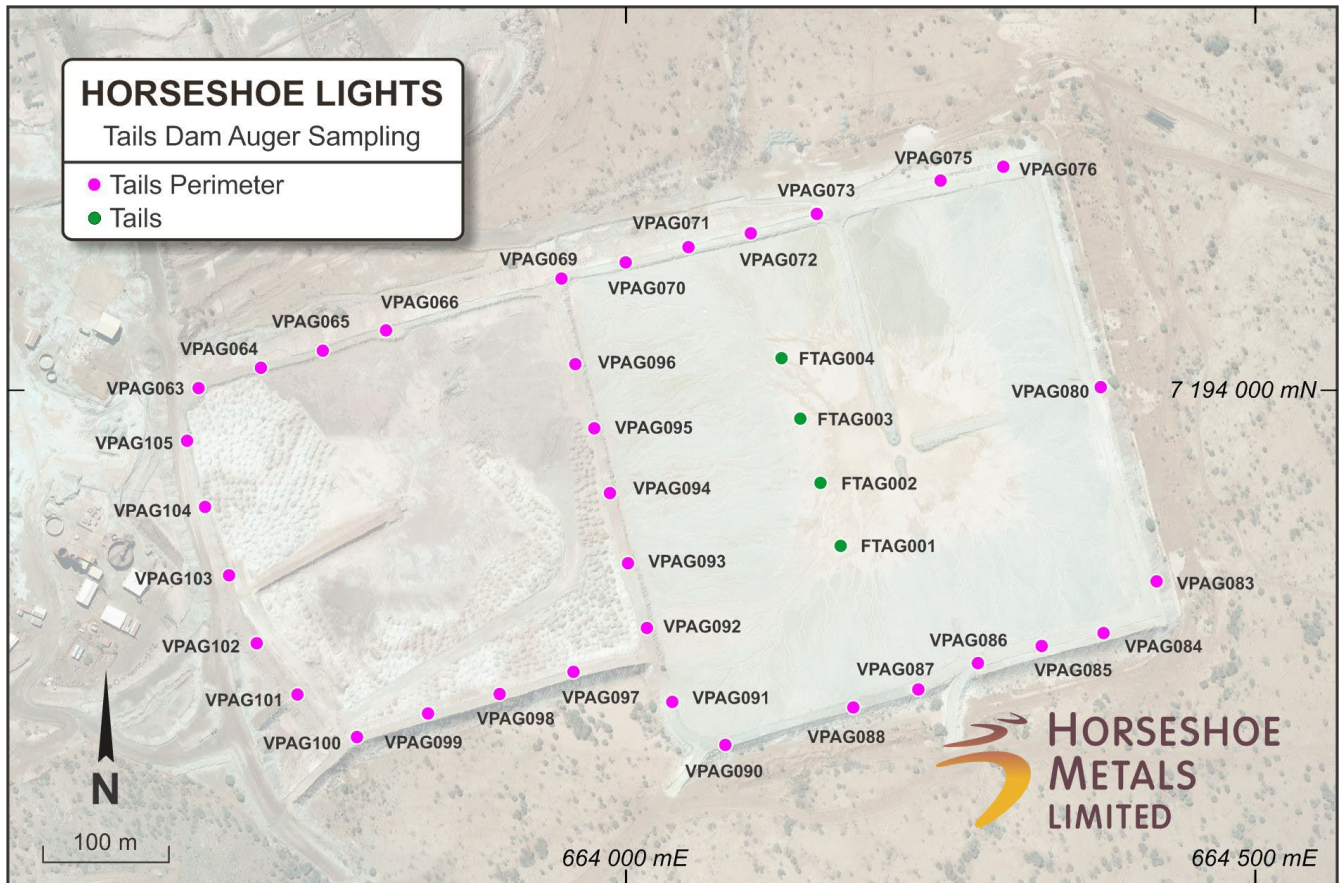


Figure 5: Horseshoe Lights auger drillholes around Gold (L) and Copper Flotation Tailings Dams (R)

C20 Stockpile RC Drilling

The C20 stockpile (Figures 3, 4 and 6) is interpreted to be a low-grade re-handle stockpile created during the gold-only CIP operations phase in the mid to late 1980s. During the subsequent 'Chalcocite' DSO mining phase, the surface of this stockpile was used as a resample area for high grade ore excavated from the margins of the DSO orebody that may have been diluted during mining.

In total up to 21 known 'Chalcocite' stockpiles were utilised during the copper mining episode with drilling undertaken to establish the possible presence of remnant copper-bearing material accessible within the significant remaining C20 stockpile.

Shallow Reverse Circulation (RC) drilling of the C20 stockpile was completed in late August 2021 via 28 shallow vertical RC holes to a maximum depth 10m for 204m. Holes were completed on lines 20m apart with 10m spaced holes, part of a proposed 10m x 10m spaced drill hole pattern designed to confirm the grade and distribution of mineralisation.

Results confirmed significant gold and copper material within the stockpile in coherent minable volumes, as evidenced in results presented in Figures 6 and 7.

Phase 2 activities at Horseshoe Lights will include completion of the 10 x 10 m drill pattern at the C20 stockpile.

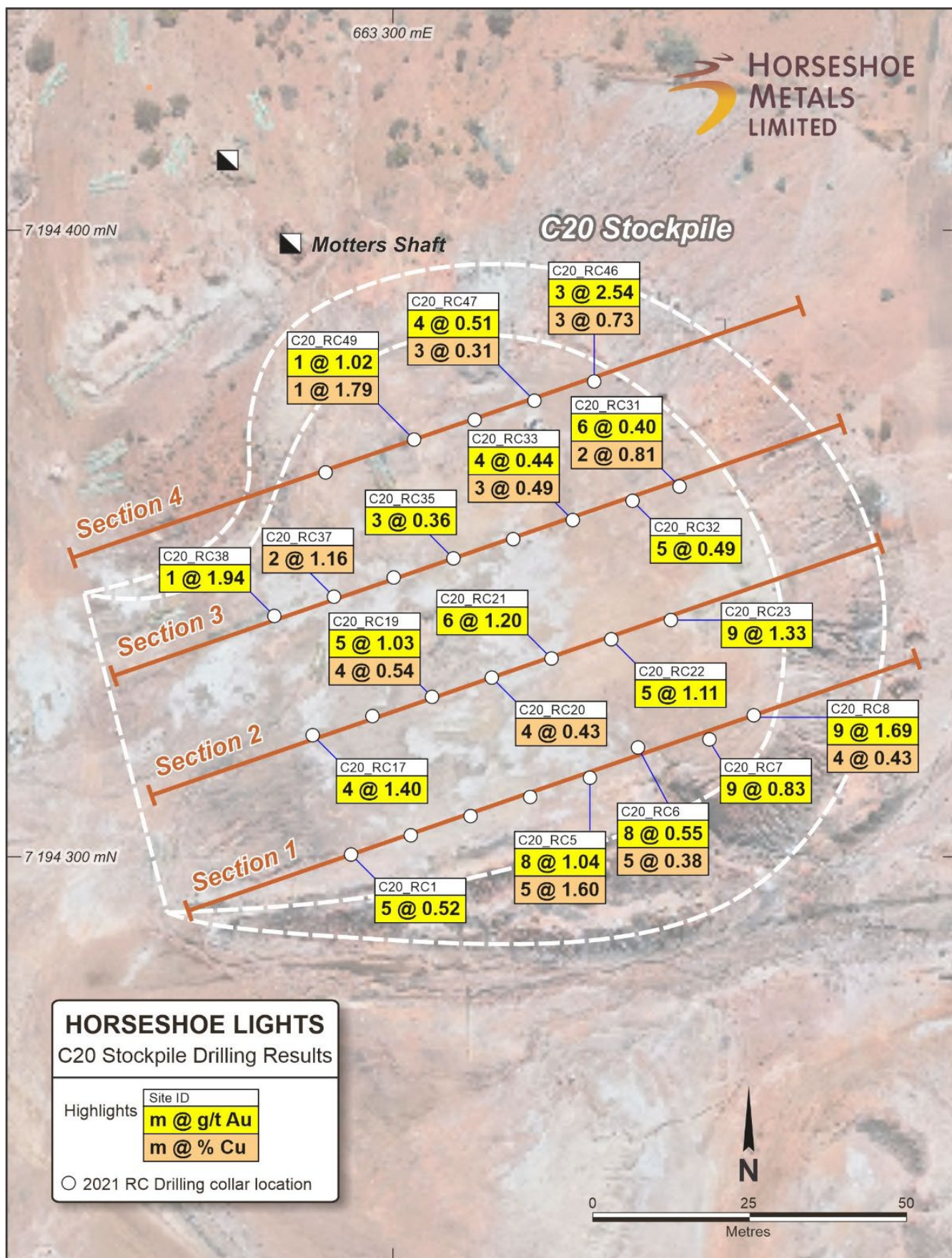


Figure 6: Horseshoe Lights C20 Stockpile RC drillhole location and results

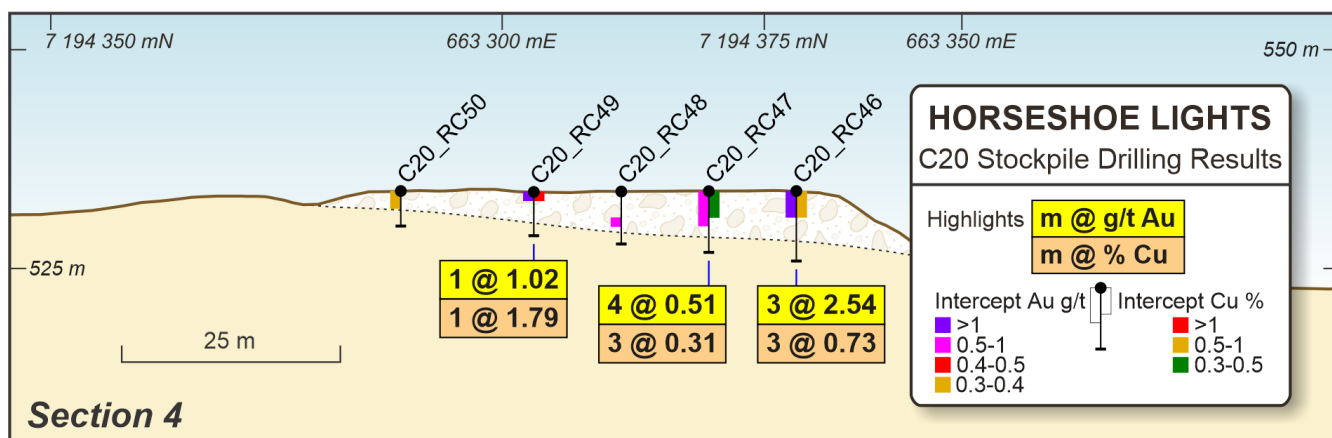
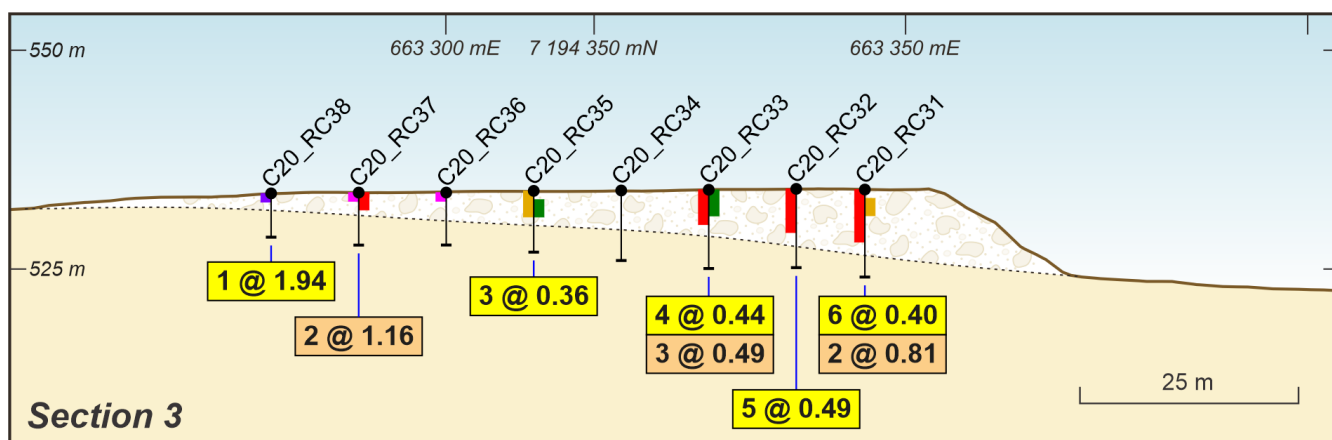
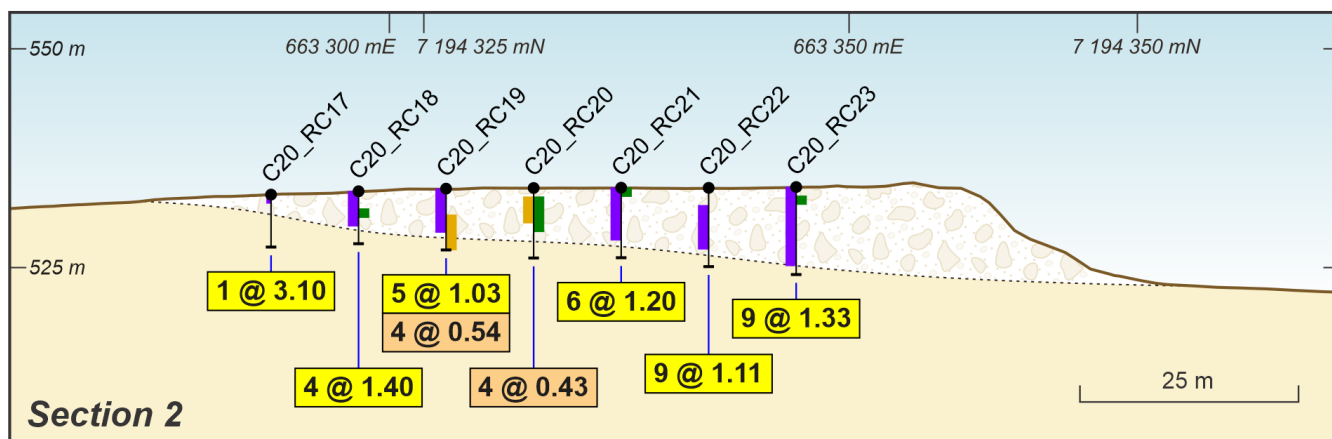
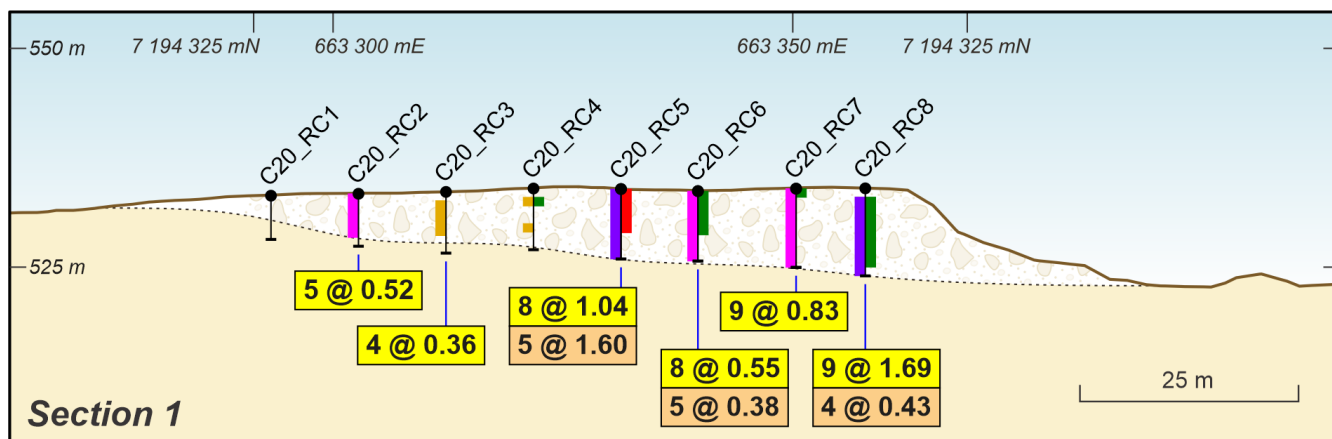


Figure 7: Horseshoe Lights C20 Stockpile RC drill sections and results

Motters Zone RC Drilling

From late August to September 2021 a track-mounted RC drill rig was mobilised to site to complete a RC drill definition program, intended to confirm and extend known resources, improve the confidence in the classification of the resource, and to more tightly constrain the oxide-sulphide transition.

Fifteen holes were completed for a total of 1,143 m, to a maximum depth of 139m downhole (Figure 8). Drilling targeted the wide NNW/SSE striking Motters Shear Zone which is interpreted as the eastern limb of a folded VMS horizon within the Narracoota Formation volcanics.

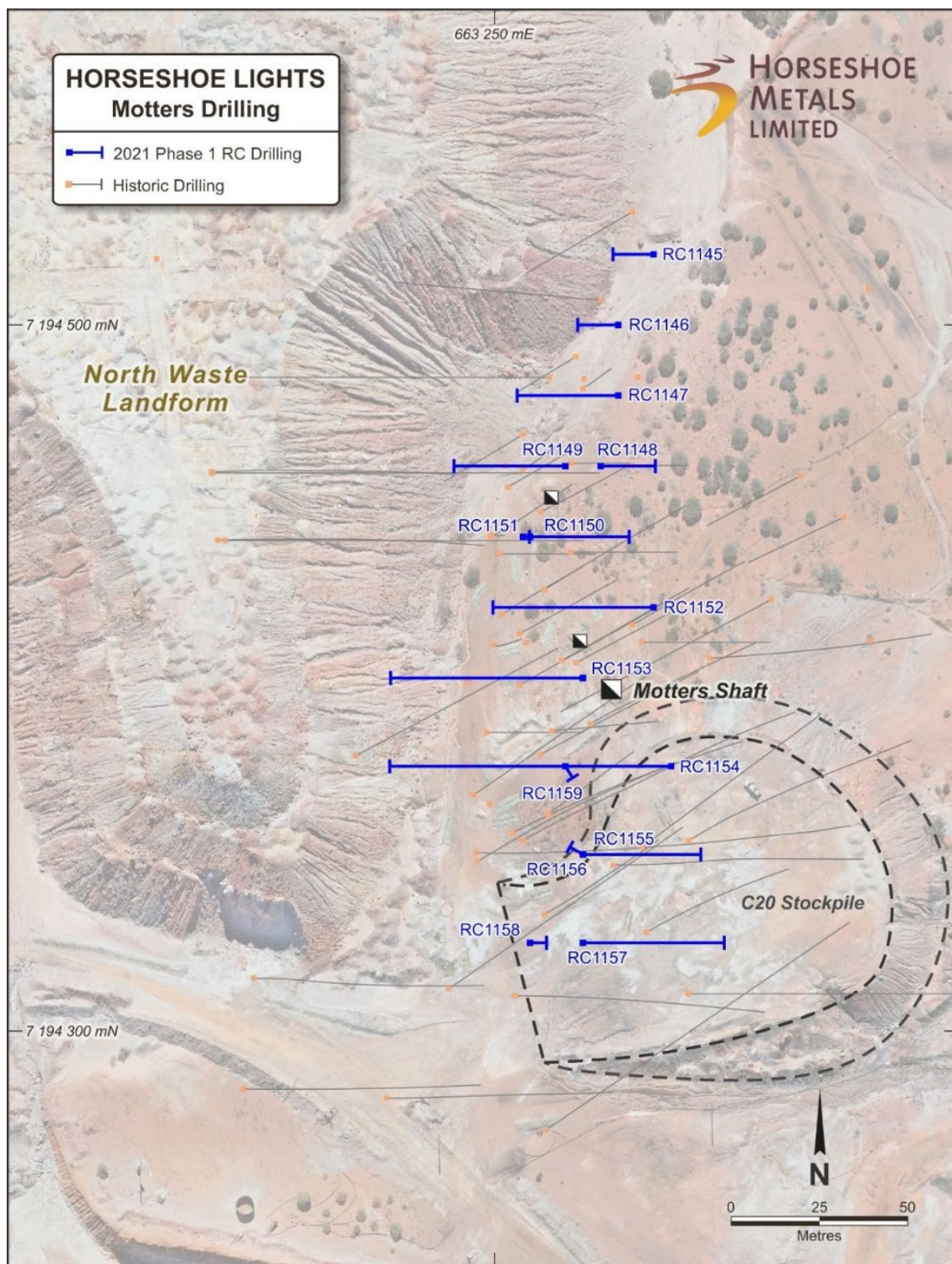


Figure 8: Horseshoe Lights Motters Zone RC drillhole locations

Thirteen of the fifteen holes drilled were designed to terminate in the post-mineralisation Proterozoic dolerite inferred to be around 110 m thick. The outcropping dolerite is heavily oxidised near-surface and typically carries low grades of 0.5-1.0 % Cu on strike from the primary mineralised zone. Significant results are presented in Table 4 and summarised in Figure 9 with cross sections presented in Figures 10 and 11.

Drilling confirmed the interpreted mineralisation and the various geological controls are now better constrained. Some local upgrading of earlier results was also observed. All intervals listed report as oxide, except 74-76 m in Hole RC1153, and 59-72 m in Hole RC1159. Only one significant gold assay was received, being 1 m at 1.23 g/t Au from 70 m in Hole RC1157 in quartz veining.

Table 1: Horseshoe Lights Motters Zone 2021 significant RC drillhole assays

Site ID	North MGA	East MGA	RL AHD	Dip	Azi	Depth	From	To	Length	Cu %
RC1145	7194517.1	663292.8	518.6	-55	270	20	NSI			
RC1146	7194499.5	663281.3	519.5	-55	270	20	1	7	6	0.71
RC1147	7194478.4	663280.0	520.1	-55	270	50	0	3	3	0.66
							13	14	1	0.50
							20	29	9	0.97
RC1148	7194460.4	663281.5	520.9	-60	90	31	1	2	1	0.56
RC1149	7194459.9	663266.6	521.6	-55	270	55	6	32	26	1.31
RC1150	7194442.5	663255.7	523.7	-55	90	49	0	16	16	1.15
							27	28	1	0.50
RC1151	7194442.4	663253.0	523.5	-88	90	52	2	47	45	1.22
RC1152	7194419.3	663273.1	526.5	-60	270	91	12	34	22	1.87
							37	38	1	0.77
RC1153	7194398.1	663294.8	528.5	-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	7194372.4	663296.7	535.0	-55	270	139	23	25	2	2.08
							28	34	6	0.76
							37	38	1	0.61
							44	54	10	0.95
RC1155	7194349.0	663274.8	534.9	-65	90	79	NSI			
RC1156	7194349.0	663269.4	534.9	-88	300	123	35	36	1	0.61
							39	45	6	0.78
							69	70	1	1.17
							74	75	1	0.51
RC1157	7194323.6	663275.0	534.0	-60	90	80	NSI			
RC1158	7194323.5	663259.3	533.3	-88	90	134	18	23	5	0.58
							34	35	1	0.57
							47	48	1	0.59
							54	62	8	1.03
RC1159	7194373.0	663269.0	532.4	-88	148	111	35	36	1	0.74
							40	44	4	1.69
							50	52	2	0.57
							59	72	13	0.89

With Cu >+ 0.50 % Cu and highlighted zones >10 = m x %

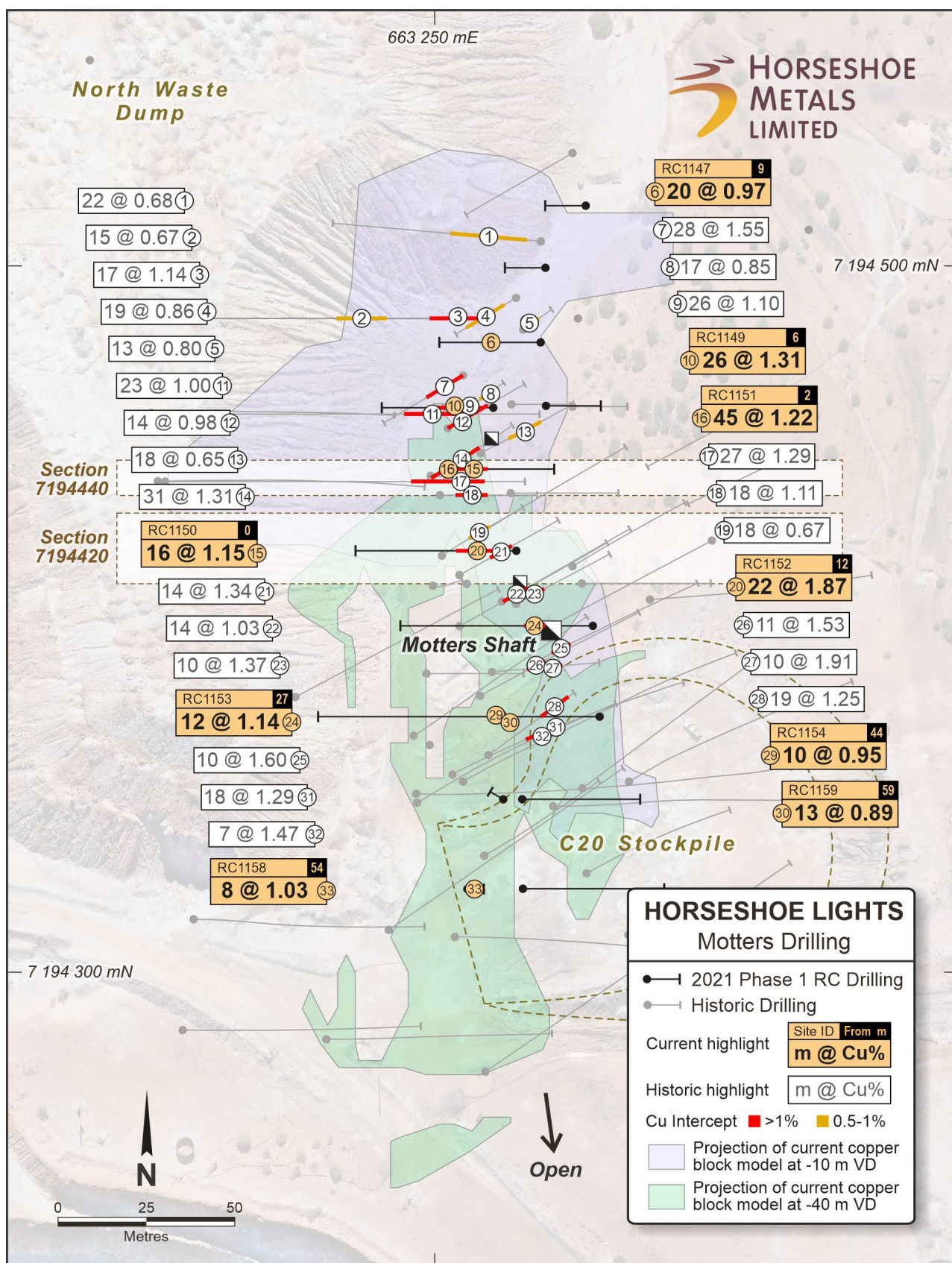
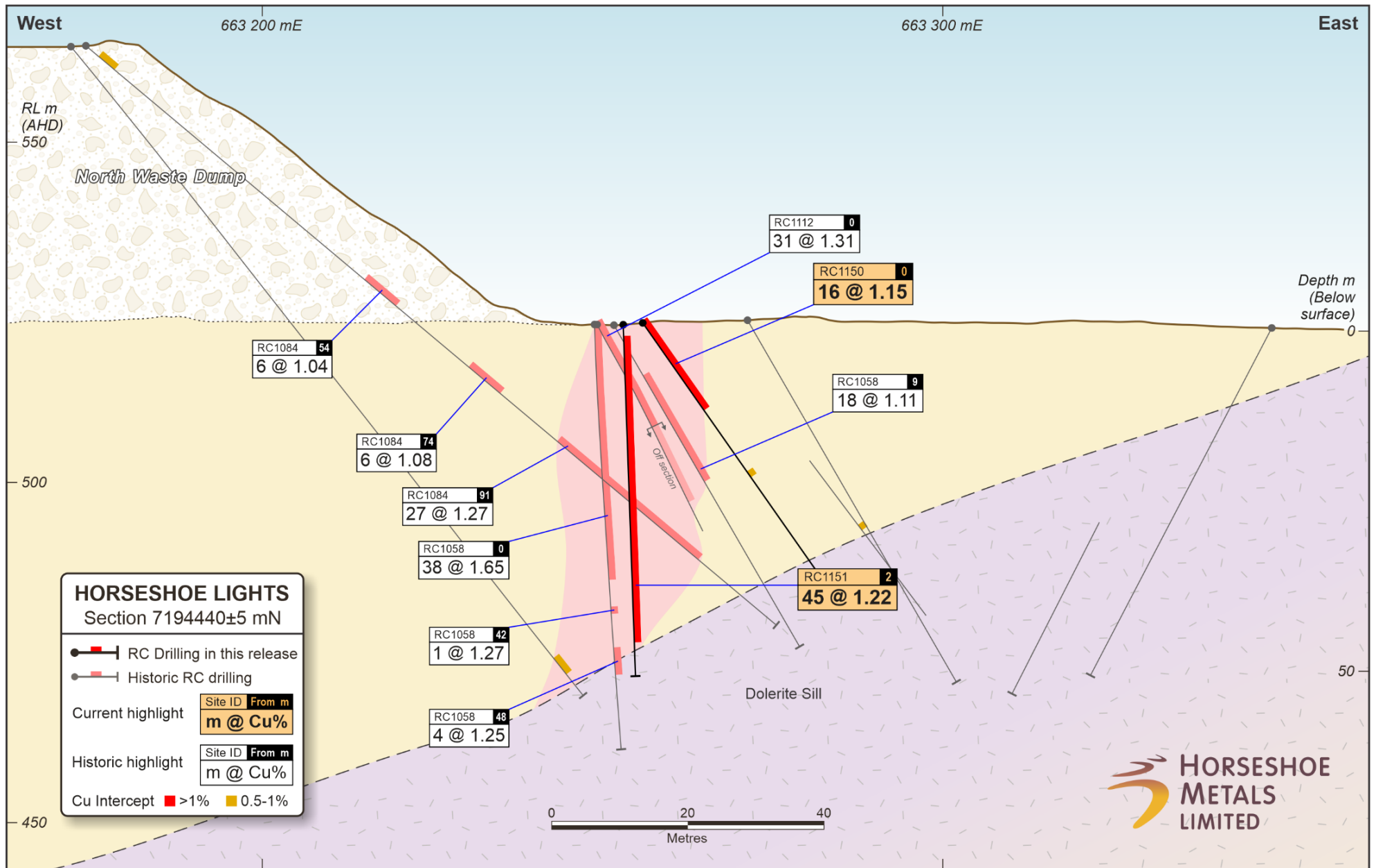


Figure 9: Drill Plan, Phase 1 RC Drilling, Motters Zone, Horseshoe Lights Copper-Gold Project



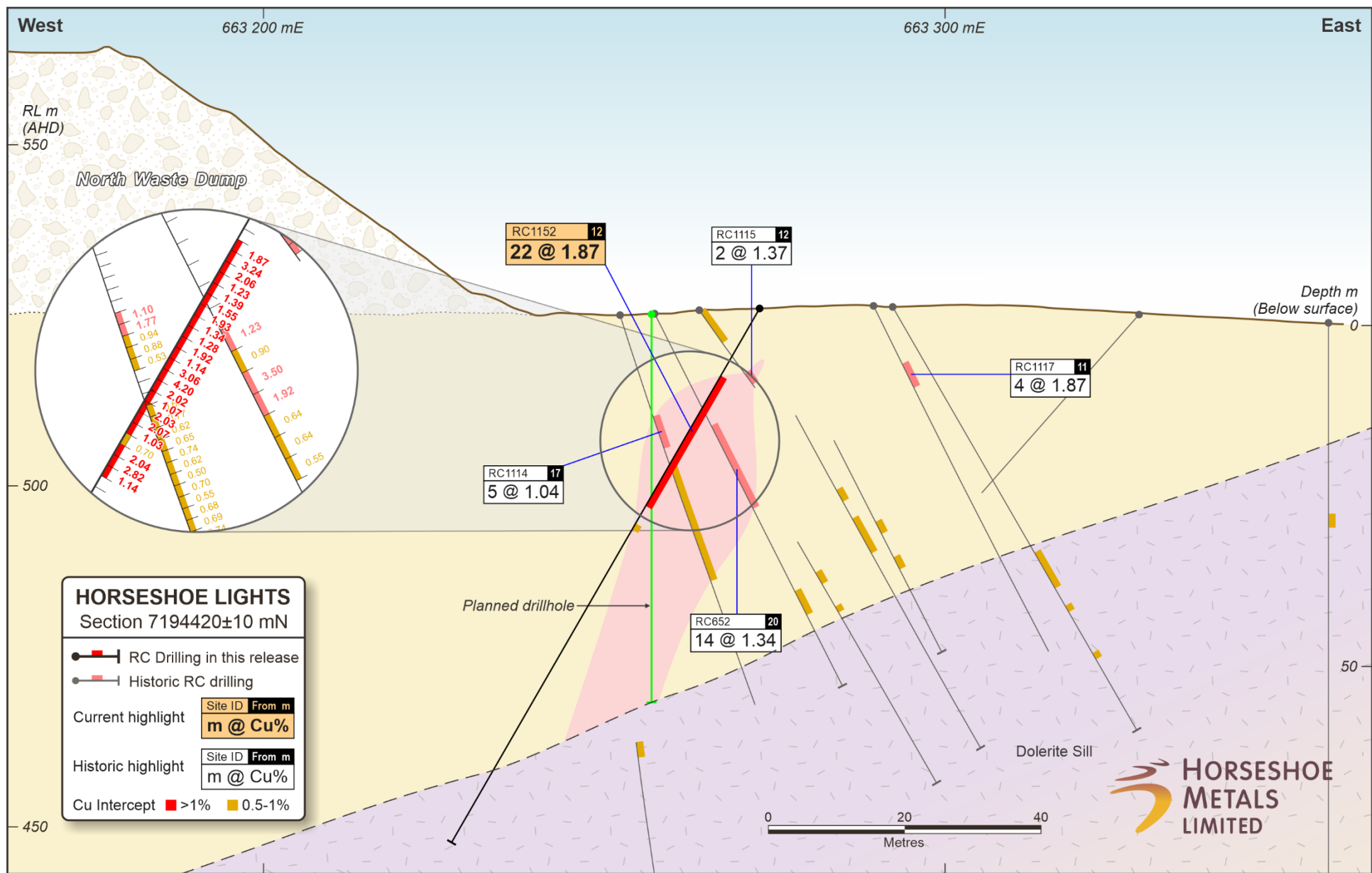


Figure 11: Cross Section 7194420mN, Phase 1 RC Drilling, Motters Zone, Horseshoe Lights Copper-Gold Project; proposed Phase 2 hole in green

Discussion: BTD conceptual target

In 2017 the Company's geologists reviewed targets within the mine footprint and developed what is internally referred to as the "Below the Dolerite" ("BTD") target. The VMS Cu-Au mineralisation in the host Narracoota Formation is terminated by a younger dolerite intrusion, which strikes roughly east-west, and dips variably to the SSW. This dolerite has traditionally been seen as the limit of exploration potential that was consistently used as a marker to terminate drilling, and the dolerite thickness was unknown to a number of recent workers.

The dolerite is interpreted to occupy a thrust fault that pushes the Narracoota over the Bangemall Group sediments, which means that the Narracoota Formation should re-appear beneath it, and the formation may continue to host VMS mineralisation below the BTD target. Investigations highlighted the paucity of understanding in relation to the nature of the relationship between these units, which has a significant impact on the deeper prospectivity of the project.

The Company re-investigated holes that could determine the thickness of the dolerite and found two: a diamond hole HLD-2 re-entry on an original RC hole drilled in 1976, which penetrated 134m of dolerite before passing into a "metasedimentary rock of unknown character"; and Hole RC702, drilled in 1988, penetrating 120m of dolerite before passing briefly into 14m of black pyritic shale before being terminated. It was then unclear if the logged shale can be interpreted as Bangemall sediments, or internal to the Narracoota Formation, which can occur and is observed locally at Horseshoe within the Narracoota Formation.

The Company considered that the thickness of the dolerite should not necessarily be considered a heavy impediment to exploration targeting, particularly as it daylights up-dip to the north, and that the sequence below the dolerite should be drill tested with more rigor to establish if prospective horizons can be established within newly-located and untested Narracoota Formation, below the Bangemall sediments (Figure 12). The dolerite also impacts surface geophysical techniques and drilling below the dolerite may provide a platform to identify non-shale anomalies through downhole techniques.

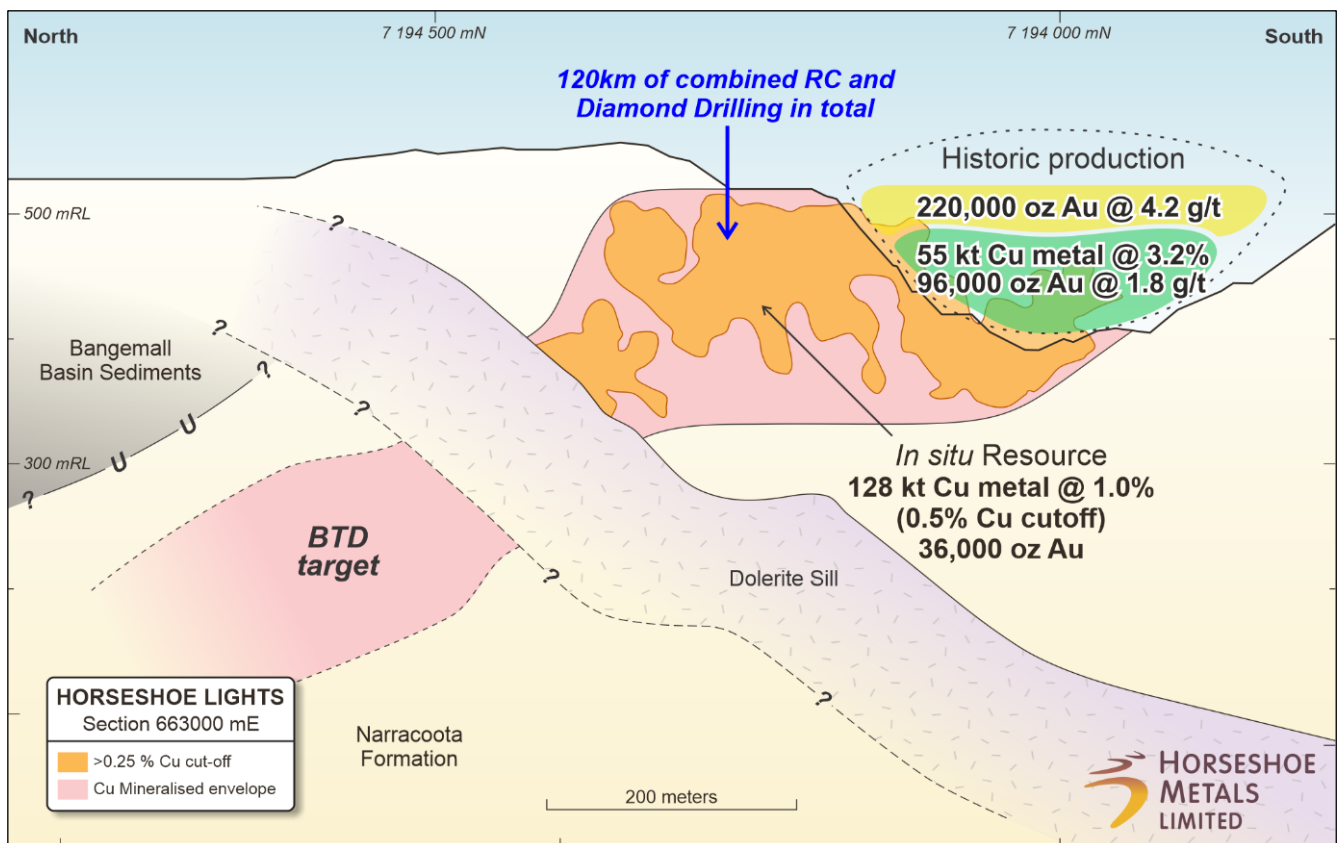


Figure 1: Horseshoe Lights Conceptual BTD target in long section

2013 Resource Model Summary

Post year-end, the Company released information regarding the current JORC Resource Estimate which was reported and classified at a cut-off grade of 0.5% Cu in June 2013 (refer ASX release dated 5 June 2013 under JORC 2004, the Quarterly Report dated 31 July 2013 under JORC 2012, and Table 8).

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 5 below. The Company has provided interpolated values for cut-off grades between 0.25% and 0.5% Cu using a curve of best fit to highlight the effect of lower cut-off grades on the current copper resource.

Table 5. Summary of Grade and Tonnage relationship, Copper metal at Horseshoe Lights Deposit

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
<i>interpolated</i>	<i>0.3</i>	<i>22.63</i>	<i>0.74</i>	<i>167,800</i>
<i>interpolated</i>	<i>0.35</i>	<i>19.43</i>	<i>0.81</i>	<i>157,700</i>
<i>interpolated</i>	<i>0.4</i>	<i>16.86</i>	<i>0.87</i>	<i>147,800</i>
<i>interpolated</i>	<i>0.45</i>	<i>14.70</i>	<i>0.94</i>	<i>138,100</i>
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 14 and 15, with the interpolated points highlighted. The Company noted 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. As shown in Table 5, and Table 6 below, 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.

Table 6. 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

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 16) totalling 6075m, with results summarised in Table 7.

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 drillholes had been selected for grade interpolation, and that the exploration grid density was close to 20m x 20m. Those areas of the deposit that were explored with the density of between 20m x 40m and 40m x 40m 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 13).

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; and
- Subsequent model updates to employ further modelling of internal dilution.

The Company noted the recommendations, and either is or intends to incorporate these directions into Phase 2 and additional activities prior to commissioning of an updated MRE for the Horseshoe Lights in situ mineralisation.

In the released "Horseshoe Lights Activities Update" dated 3 March 2022, the Company intends updating inputs for the 2014 Scoping Study (released to the market on the 19 December 2014), 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, as suggested by CSA above. The Scoping Study will utilise the current MRE.

Phase 2 RC drilling is to commence in late March 2022, primarily targeting the Motters zone (refer blue encircled area, Figure 16), following up significant shallow copper mineralisation highlighted in Phase 1 activities. The unmined southern extension of the Motters structure which is proximal to the eastern wall of the open pit will also be further assessed during this programme.

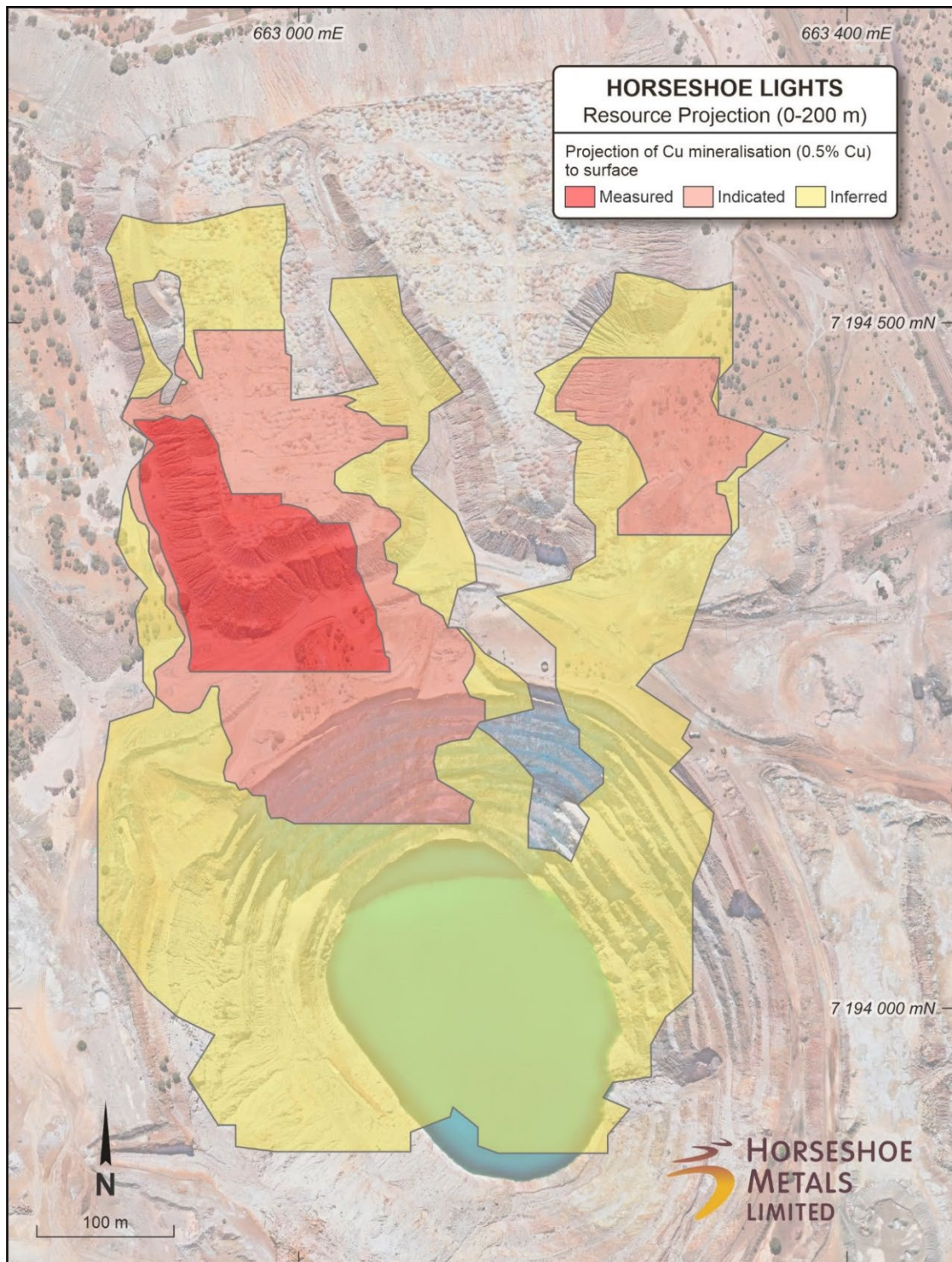


Figure 13: Horseshoe Lights Deposit – vertical resource projection highlighting spatial relationship of resource confidence classifications

Horseshoe Lights - Grade-tonnage curve with Cu metal (t)

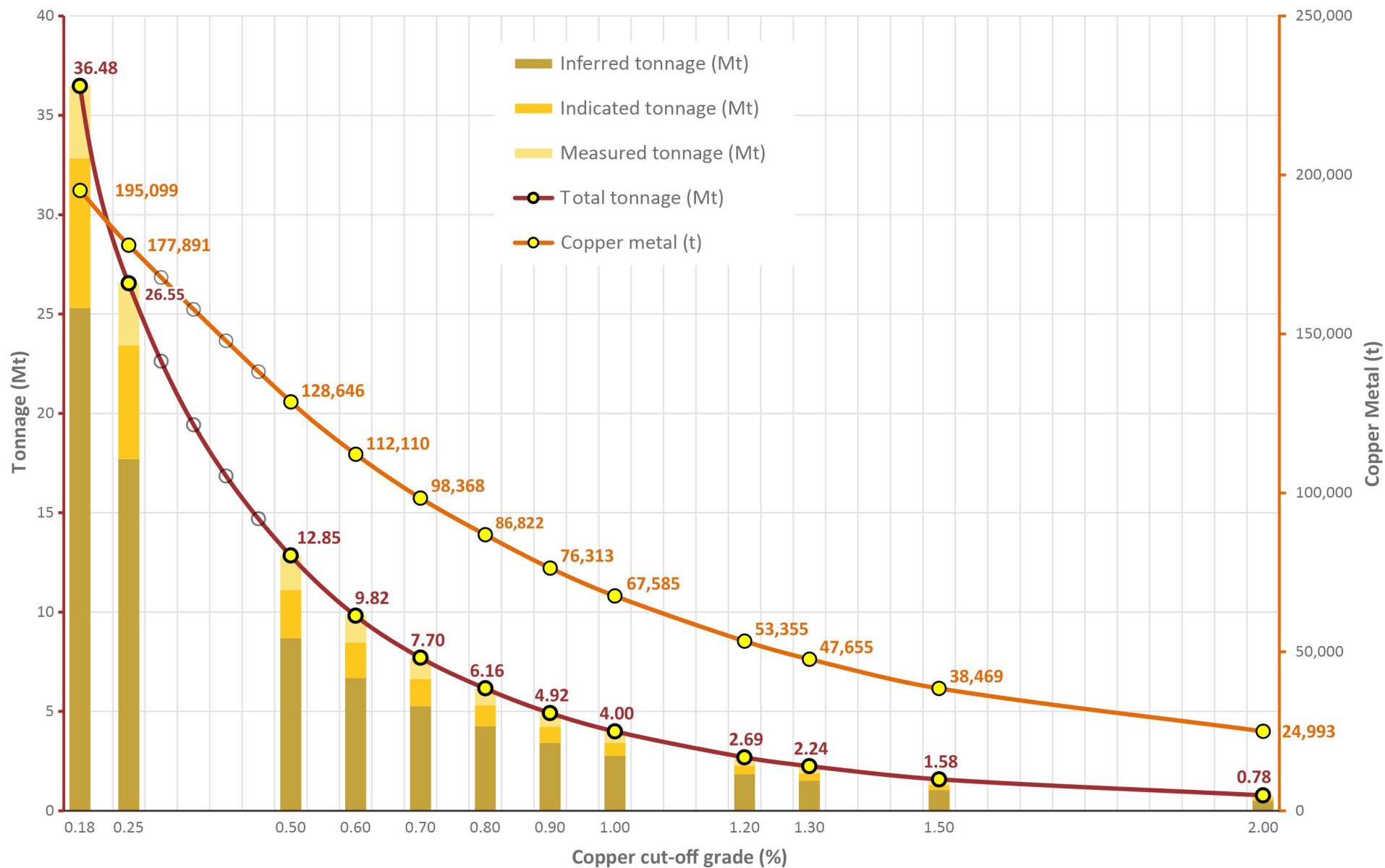


Figure 14: Horseshoe Lights Deposit – grade tonnage curve with Cu metal

Horseshoe Lights - Grade-tonnage curve with Cu grades

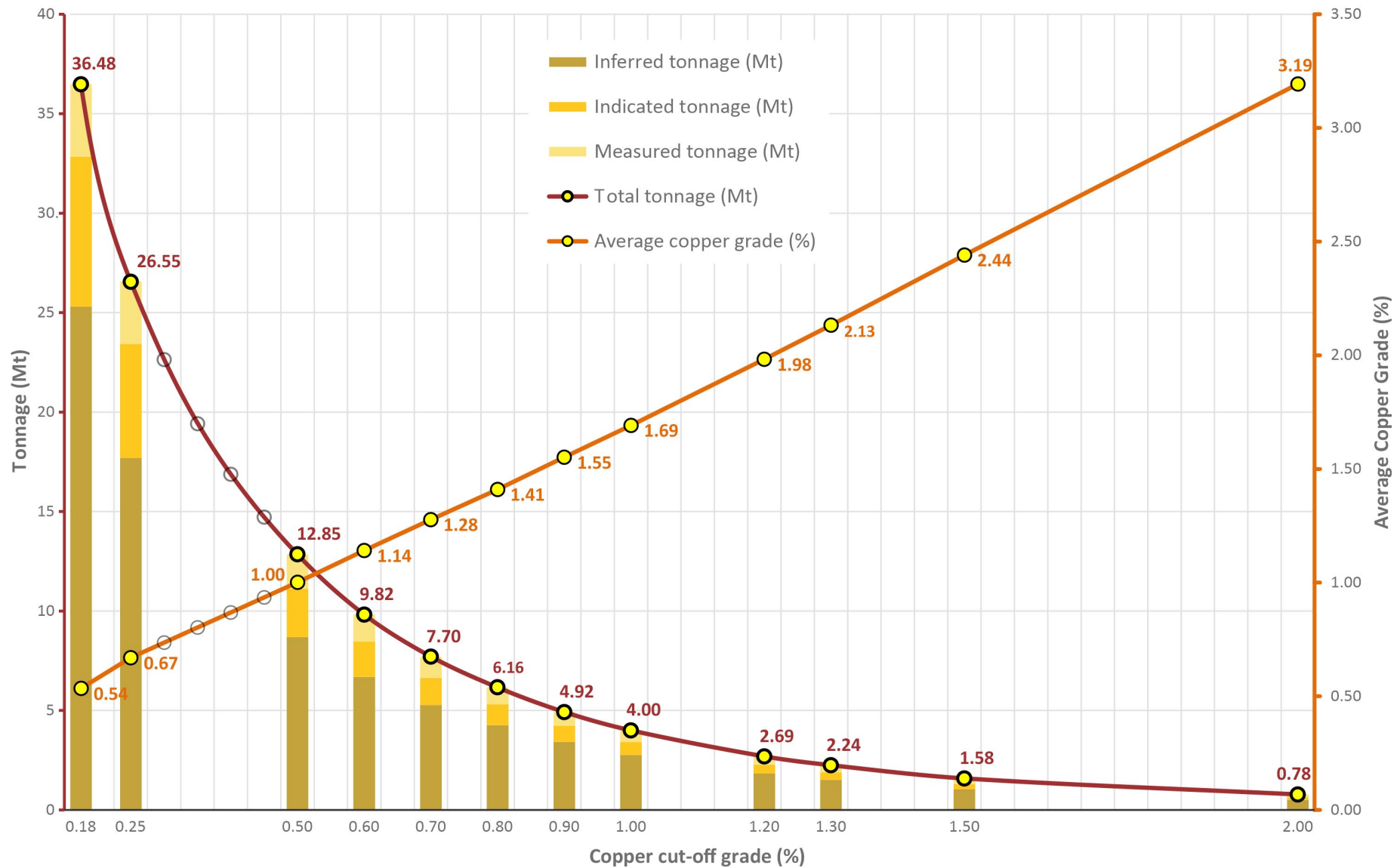


Figure 15: Horseshoe Lights Deposit – grade tonnage curve with Cu grades

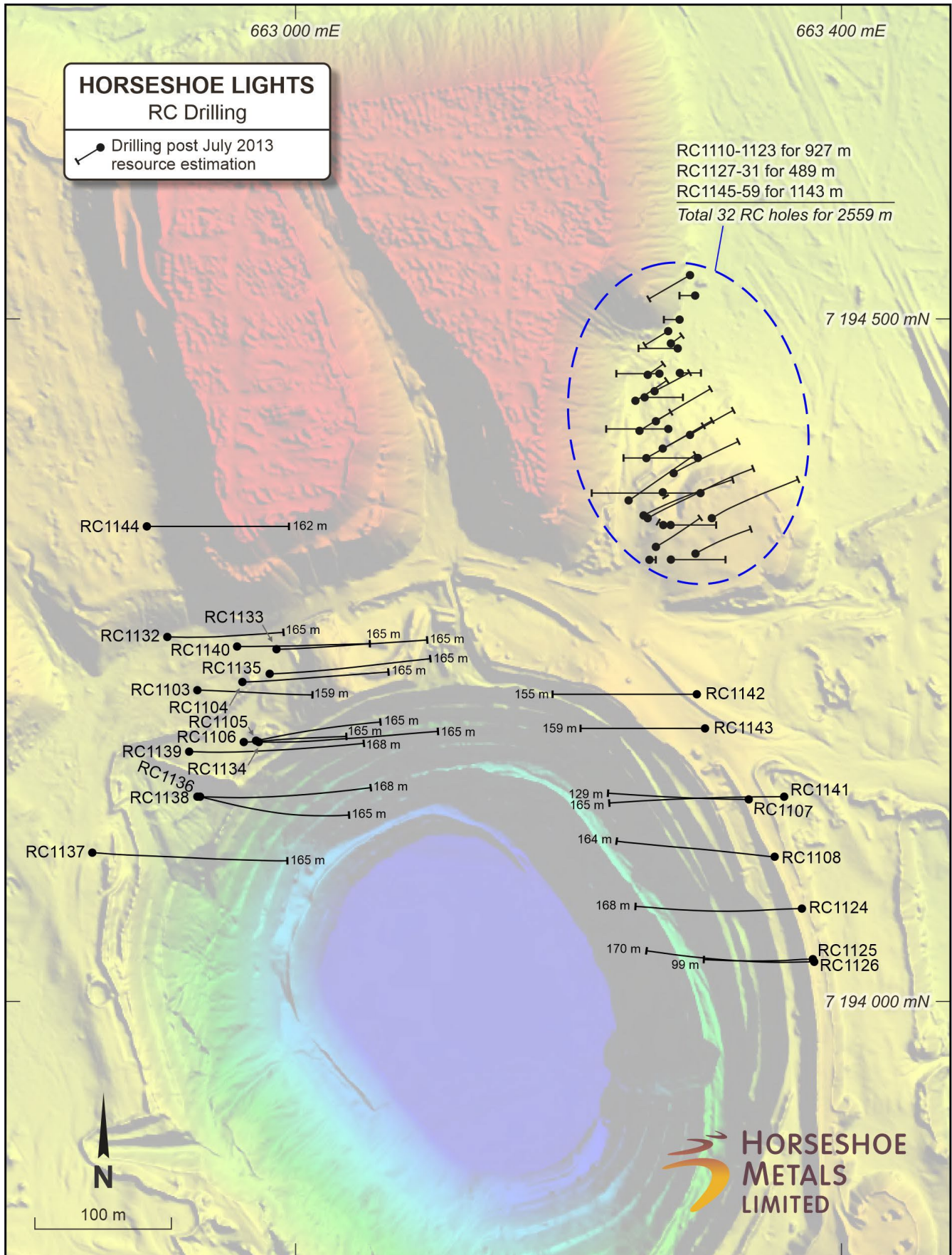


Figure 16: Horseshoe Lights Deposit – location drilling completed after July 2013 Resource Estimation

Table 7: 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
RC1105	7194191	662971	525	-62	80	165	140	149	9	0.88
							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
RC1106	7194190	662962	525	-67	90	165	159	163	4	0.66
							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
RC1107	7194148	663332	530	-35	270	129	156	159	3	1.47
							70	72	2	0.90
							95	100	5	1.72
							104	105	1	1.08
							110	114	4	1.04
RC1108	7194106	663351	530	-40	270	164	120	121	1	0.82
							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
RC1114	7194418	663252	526	-70	60	71	15	33	18	0.65
							17	22	5	1.04
							25	43	18	0.67
RC1115	7194425	663264	526	-50	60	71	63	64	1	0.78
							0	6	6	0.99
							12	14	2	1.37
RC1116	7194398	663257	529	-60	60	87	42	43	1	0.59
							22	23	1	0.61
							26	40	14	1.03
							50	52	2	0.64
RC1117	7194415	663289	527	-60	60	72	56	57	1	0.71
							11	15	4	1.86
RC1118	7194405	663269	528	-60	60	78	10	12	2	2.35

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
							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
							0	3	3	1.04
							6	25	19	0.86
RC1120	7194491	663273	521	-50	240	30	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
							14	25	11	1.60
							32	35	3	0.92
							45	55	10	0.54
							29	30	1	0.70
							32	33	1	0.54
							42	60	18	1.29
							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			
							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
							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			
							0	1	1	0.65
							25	26	1	1.65
							103	116	13	1.01
							133	138	5	0.58
							148	154	6	0.85
							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
							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
							9	33	24	3.77
							54	60	6	1.26
							64	70	6	1.50
							73	77	4	0.57
							81	82	1	0.64

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
							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
							NSI			
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
							64	65	1	0.55
RC1139	7194183	662922	525	-40	90	168	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
							28	29	1	3.07
RC1140	7194260	662957	526	-60	90	165	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
							0	3	3	1.08
							104	105	1	0.85
RC1141	7194150	663358	529	-40	270	165	114	115	1	0.56
							122	139	17	0.66
							141	142	1	0.63
							42	43	1	0.76
							58	59	1	0.51
RC1142	7194225	663294	531	-47	270	155	74	75	1	0.61
							51	56	5	0.96
							132	133	1	1.01
							136	137	1	0.75
RC1143	7194200	663300	532	-55	270	159	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
RC1144	7194348	662891	532	-50	90	162	NSI			
RC1145	7194517	663293	519	-55	270	20	1	7	6	0.71
RC1146	7194499	663281	519	-55	270	20	0	3	3	0.66
RC1147	7194478	663280	520	-55	270	50	13	14	1	0.50
							20	29	9	0.97
							1	2	1	0.56
RC1148	7194460	663282	521	-60	90	31	6	32	26	1.31
RC1149	7194460	663267	522	-55	270	55	0	16	16	1.15
RC1150	7194442	663256	524	-55	90	49	27	28	1	0.50
							2	47	45	1.22
							12	34	22	1.87
RC1151	7194442	663253	524	-88	90	52	37	38	1	0.77
RC1152	7194419	663273	527	-60	270	91				

Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	From	To	Length	Cu %
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 27th May 2015- "High Grade Copper in First Drillholes at Horseshoe Lights"
RC1105-1108 refer ASX release 5th June 2015- "Further High Grade Copper in Drilling at Horseshoe Lights"
RC1110-1114 refer ASX release 22nd June 2015- "Further Significant Copper in Drilling at Horseshoe Lights"
RC1115-1124 refer ASX release 27th July 2015- "Additional Copper Mineralisation at Horseshoe Lights Project"
RC1127-1135 refer ASX release 11th August 2015- "27 metres @ 3.4% Copper in Horseshoe Lights Drilling"
RC1138-1141* refer ASX release 19th August 2015- "Further High Grade Copper Intersected at Horseshoe Lights"*pXRF preliminary
RC1138-1140 refer ASX release 3rd September 2015- "27 Metres @2.42% Copper in Horseshoe Lights Drilling"
RC1142-1144 refer ASX release 12th September 2018- "Exploration Update- Horseshoe Lights Project"
RC1145-1159 refer ASX release 13th 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)

Surface Stockpiles Discussion

Also post-year end, the Company released documentation on surface stockpiles at Horseshoe Lights. The surface materials have been broadly grouped as follows (refer Figure 2):

Copper-Gold	Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
Copper	Low-grade sulphide, subgrade, rehandle and South Dump
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 previously reported in ASX releases dated 10 September and 26 November 2021 and are more fully discussed earlier in this report.

Copper-Gold Materials Discussion

Flotation tailings – SMART Project

The flotation tailings comprise an inferred resource of 1.42 Mt at 0.48% Cu, 0.34g/t Au and 6.5g/t Ag for 6,800t Cu, 15,300oz Au and 295,000oz Ag (Figure 2 and Table 9). Metallurgical test work completed in 2015 (see ASX releases dated 7 April and 21 May 2015) successfully confirmed that wet table concentrates up to 6% Cu could be produced. Further detailed metallurgical test work is planned to determine the optimal low-cost gravity recovery process required to produce saleable Cu-Au-Ag concentrates from reprocessing of the tailings material.

M15 Stockpiles

M15 stockpiles comprise an inferred resource of 243,000 t at 1.1% Cu, 0.17 g/t Au and 4.7 g/t Ag for 2650 t Cu, 1,300 oz Au and 37,000 oz Ag (Figure 2 and Table 9). Historical leaching test work (see ASX release dated 20 August 2015) demonstrated that oxide copper material is very amenable to acid leaching with copper recoveries up to 80% achieved. The M15 stockpiles are predominantly oxide copper and will be assessed as part of a metallurgical study aimed at assessing all surface oxide material including C20 stockpile (C20), North Waste Dump (NWD), Southern Waste Dump (SWD) and Copper Re-handle Stockpile (CRS).

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' DSO mining phase, the surface of this stockpile was used as 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 significant oxide gold and copper mineralisation, significant recent drilling results (Figures 6 and 7) include:

- **9m @ 1.69g/t Au and 0.4 % Cu from 1m** in hole C20_RC8
- **6m @ 1.20g/t Au from surface** in hole C20_RC21
- **3m @ 2.54g/t Au and 0.73% Cu from surface** in hole C20_RC46

North Waste Dump

The North Waste Dump (NWD) was created during the early CIP gold production phase of the project during the mid to late 1980's and it is apparent any low grade oxide copper mineralisation mined adjacent to the gold-only mineralisation was deposited in the NWD.

There has been wide-spaced sampling of the dump by Reverse Circulation (RC) drilling as part of historic programmes targeted at bedrock mineralisation below the dump. A number of significant results were obtained during this phase (refer Figures 17 and 18, and Table 8) including:

- **13m @ 1.15% Cu from surface** in hole RC878
- **12m @ 1.03% Cu from surface** in hole RC883
- **6m @ 0.88% Cu from 6m** in hole RC1083

Infill drilling of the NWD is planned to allow assessment for inclusion in resource estimations.

Copper Materials Discussion

Low-Grade Sulphide Stockpile (North West Dump)

Low-grade copper sulphide material was deposited in a stockpile located on the top of the North West Waste Dump (Figures 17 and 18) during the latter stages of mining the open pit in the early 1990's. This material appears to be around 4m-5m in thickness and has only been tested by three drill holes with a best result of **4m @ 1.16% Cu from surface in WRL11** (see ASX release dated 12 September 2018). Further RC drilling is required to allow completion of a resource estimate for this stockpile.

Subgrade, Re-handle Stockpiles and Southern Waste Dump

These stockpiles (Figures 2 and 19) were created during the Direct Ship Ore (DSO) phase of mining in the upper parts of the Cu orebody during the late 1980, 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 Southern Waste Dump (SWD) appears to comprise low grade Cu oxide and Cu mineralised wasted mined from the mineralised halo adjacent to the high-grade Cu mineralisation. These stockpiles and the Southern Waste Dump have not been adequately tested and require auger and/or RC drilling to allow further assessment.

Gold Materials Discussion

Gold Stockpiles

Stockpiles A, B, C and the ROM stockpile were created during the CIP gold mining phase of operations in the mid to late 1980s. Historic drilling is limited to one hole in each of the stockpiles (Figure 19) whilst the ROM gold stockpile remains untested. RC drilling of these stockpiles is required to allow resource estimation. Results from the three holes include:

- **6m @ 0.73g/t Au from 2m** in hole WRL09
- **5m @ 1.89g/t Au from 1m** in hole WRL05
- **5m @ 0.52g/t Au from surface** in hole WRL03

Gold Leach Vats

Vat leach gold bearing material from early 1980's open pit mining activities prior to Barrack mines open pit and CIP gold operations during the mid to late 1980's has been auger drill tested (see ASX releases dated 6 August, 10 September and 26 November 2021). Material in **Vats 3,4,5 and 6 averages 0.57 g/t Au** whilst Vat 2 contains Cu-Au sulphide tailings and Vat 1 requires further assessment, having been substantially excavated (Figure 4).

Gold Rehandle Stockpile

The area to the west of the Gold Vat area, now renamed the Gold Rehandle stockpile, consistently returned significant gold values averaging 1.13 g/t Au over a coherent mineable volume, increasing in depth from the west to the east, where it achieves a maximum height of 4m, in the vicinity of two now-covered (smaller) original gold leach Vats (referred to previously by the Company as Vats 7 and 8 – see ASX release dated 26 November 2021 and Figures 2 and 4).

Gold Tailings

The gold tailings require further sampling and assessment to determine the amount of coarse gravity recoverable gold still contained within this material, which has not been formally assessed for gold grade on an appropriate scale. The gold tailings also have small stockpiles of copper-mineralised material dumped on the surface of the landform which require further assessment.

Discussions are underway regarding potential offsite treatment of gold stockpiles remaining from the gold mining activities in the 1980s. Further evaluation of these stockpiles may be required including auger drilling or RC drilling.

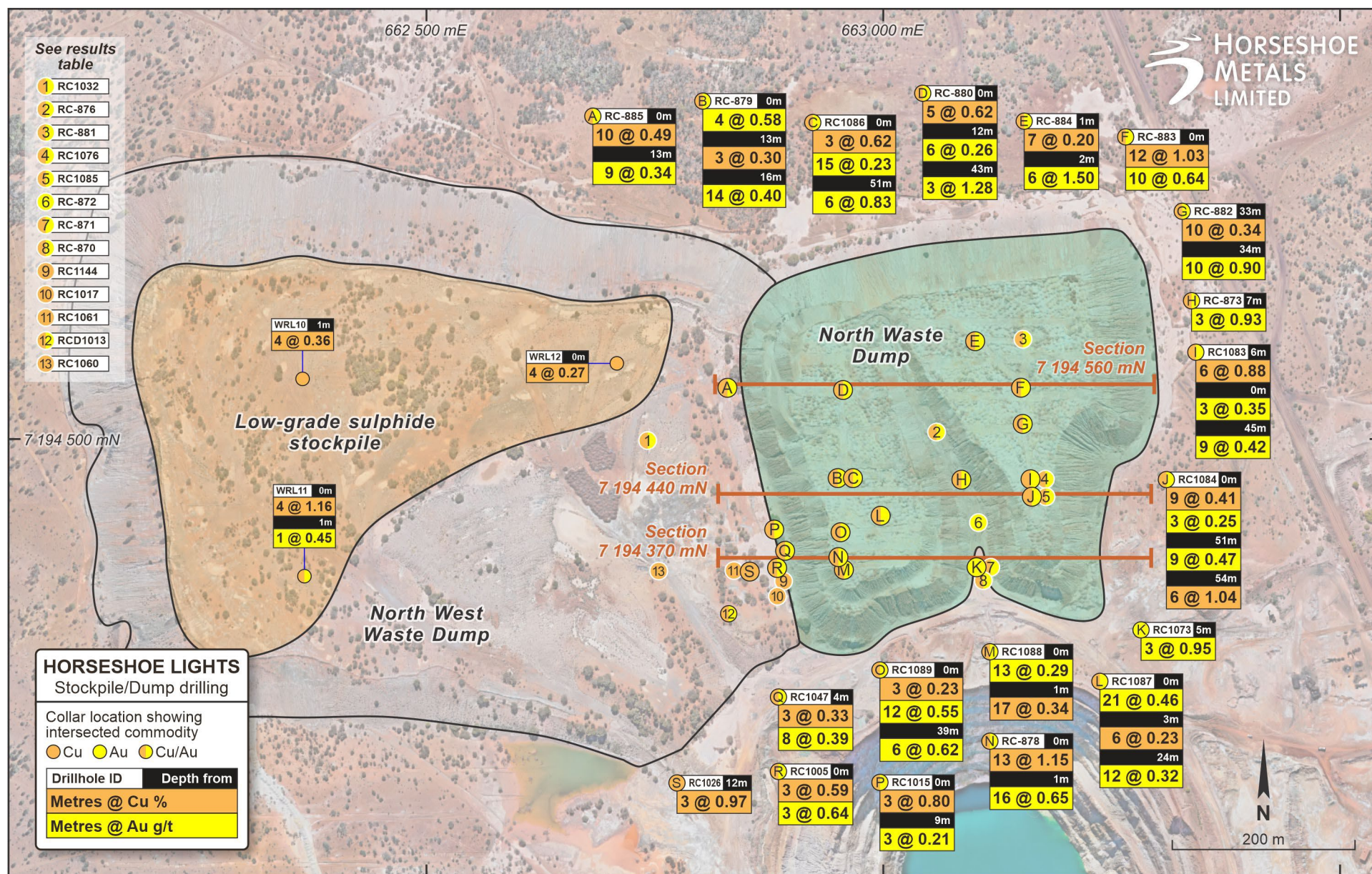


Figure 17 – North Stockpile and Dump significant results

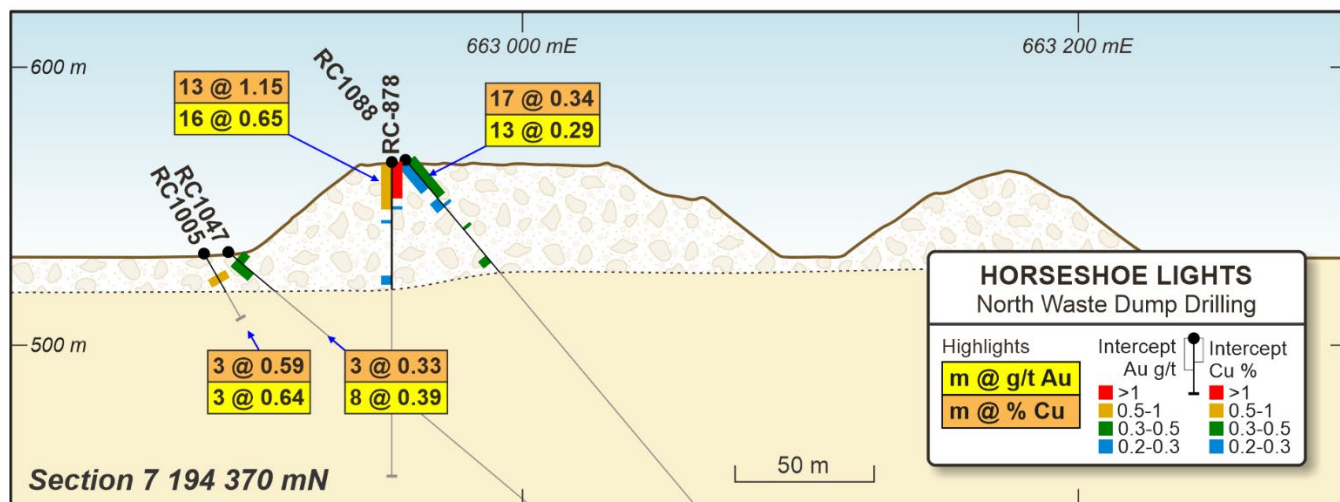
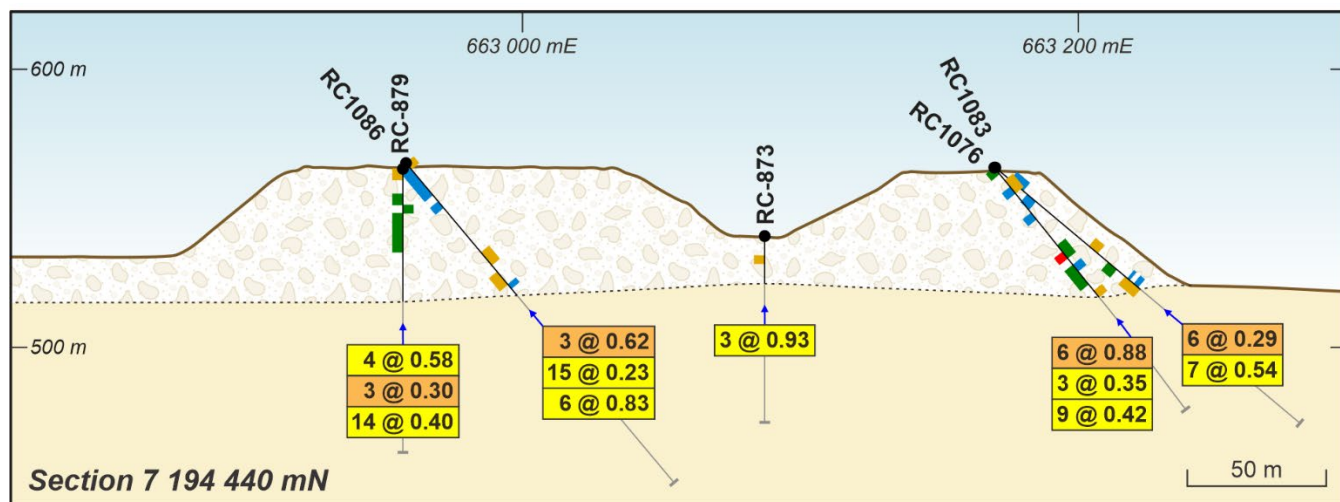
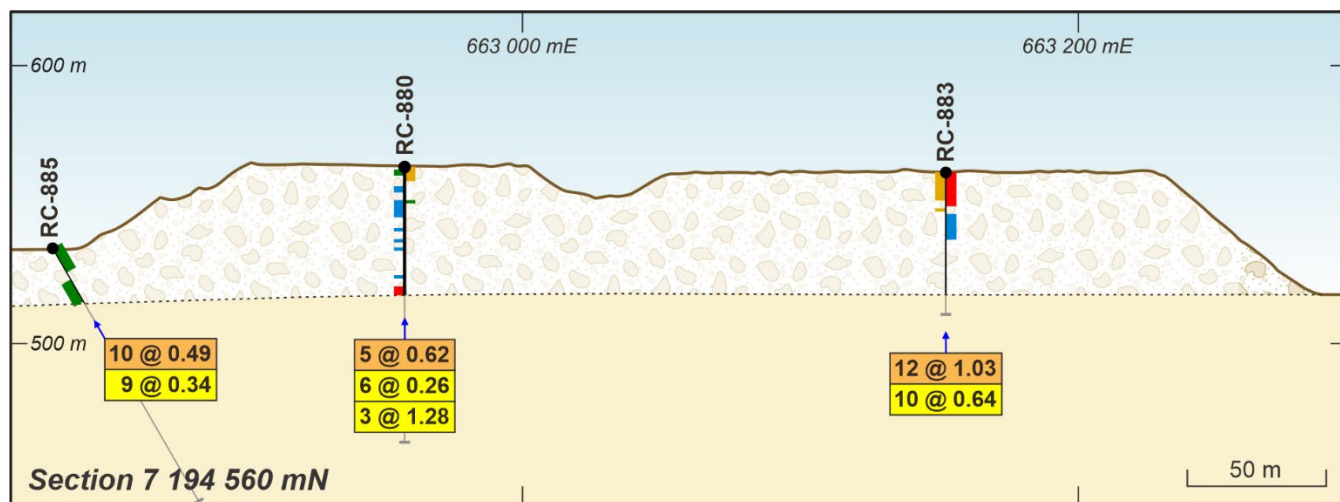


Figure 18 – North Dump significant results in cross sections

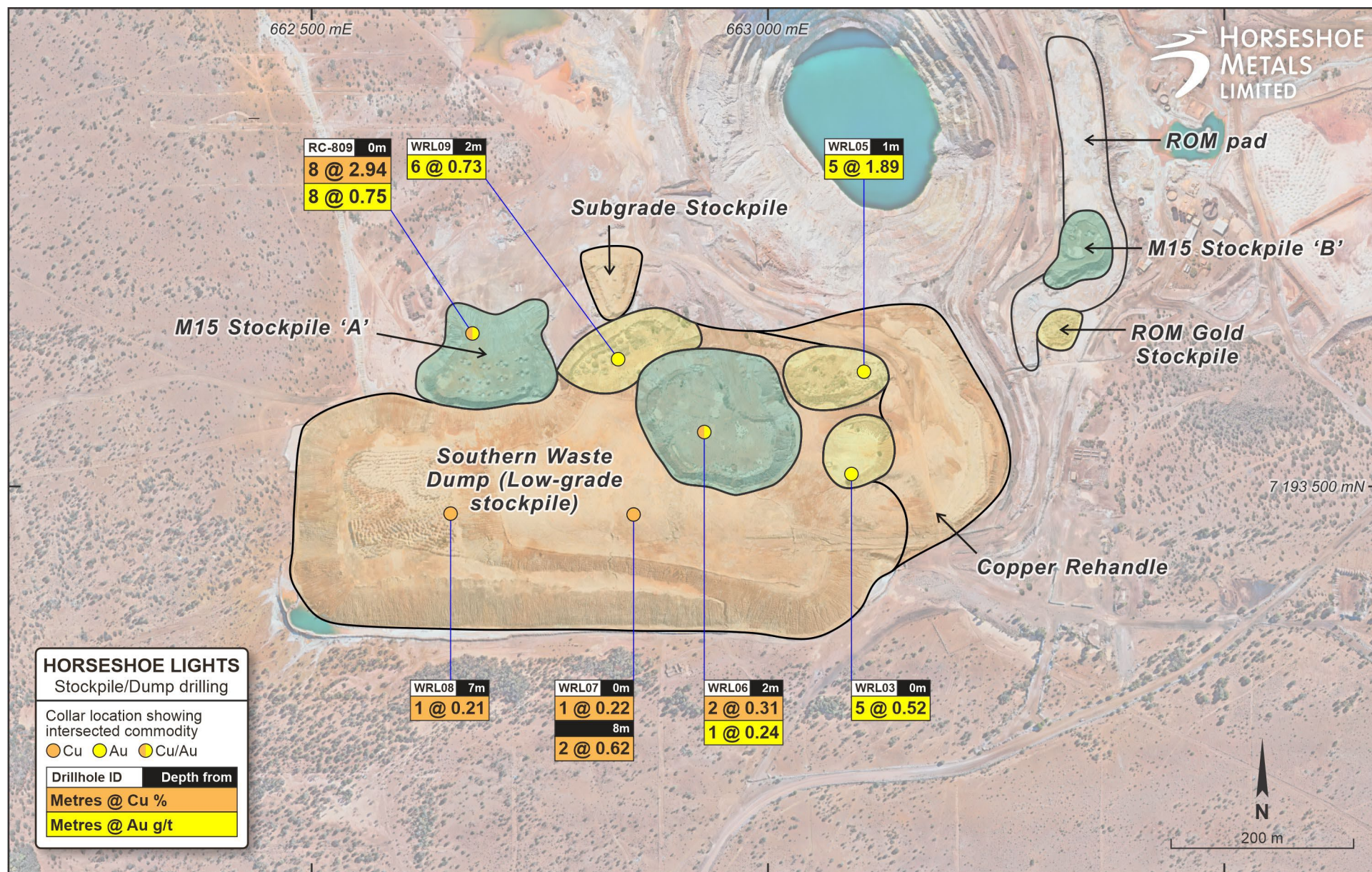


Figure 19 – Southern Stockpiles and Dump significant results

Table 8: Surface Stockpile and Dump Results, ≥ 0.20 % Cu and ≥ 0.20 Au g/t

Image Ref	Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	Copper				Gold				Operator
								From	To	Length	Cu %	From	To	Length	Au g/t	
Figure 4 *	RC-809	7193710	662600	536	-90	0	8.0	0.0	8.0	8.0	2.94	0.0	8.0	8.0	0.75	Sabminco
Figure 2-8	RC-870	7194359	663109	530	-60	96	105.0	0.0	1.0	1.0	0.30	0.0	2.0	2.0	0.23	
												4.0	5.0	1.0	0.23	
Figure 2-7	RC-871	7194359	663107	530	-90	0	99.0	0.0	1.0	1.0	0.20					
Figure 2-6	RC-872	7194411	663106	535	-90	0	81.0					1.0	7.0	6.0	0.20	
Figure 2-H	RC-873	7194458	663087	540	-90	0	67.0					7.0	10.0	3.0	0.93	
Figure 2-2	RC-876	7194510	663060	546	-90	0	51.0	8.0	9.0	1.0	0.30	6.0	7.0	1.0	0.25	
												10.0	15.0	5.0	0.32	
Figure 2-N	RC-878	7194371	662953	566	-90	0	113.0					23.0	24.0	1.0	0.76	
								0.0	13.0	13.0	1.15	1.0	17.0	16.0	0.65	
Figure 2-B	RC-879	7194459	662957	564	-90	0	102.0	16.0	17.0	1.0	0.20	21.0	22.0	1.0	0.20	
												41.0	44.0	3.0	0.21	
Figure 2-D	RC-880	7194556	662958	564	-90	0	99.0	0.0	1.0	1.0	0.20	0.0	4.0	4.0	0.58	
								13.0	16.0	3.0	0.30	9.0	13.0	4.0	0.31	
Figure 2-3	RC-881	7194611	663154	561	-90	0	80.0					16.0	30.0	14.0	0.40	
												37.0	39.0	2.0	0.21	
Figure 2-G	RC-882	7194519	663154	562	-90	0	49.0	0.0	5.0	5.0	0.62	1.0	3.0	2.0	0.34	
								12.0	13.0	1.0	0.40	7.0	9.0	2.0	0.24	
Figure 2-F	RC-883	7194558	663152	562	-90	0	51.0					12.0	18.0	6.0	0.26	
												22.0	23.0	1.0	0.22	
Figure 2-E	RC-884	7194609	663102	561	-90	0	47.0					26.0	27.0	1.0	0.26	
												29.0	30.0	1.0	0.22	
Figure 2-A	RC-885	7194558	662831	534	-60	91	105.0					39.0	40.0	1.0	0.21	
Figure 2-R	RC1005	7194361	662885	533	-60	90	200.0	0.0	8.0	8.0	0.44	43.0	46.0	3.0	1.28	
Figure 2-P	RC1015	7194403	662882	533	-60	90	165.0	12.0	14.0	2.0	0.25	0.0	1.0	1.0	0.41	
								17.0	22.0	5.0	0.26	4.0	5.0	1.0	0.26	
								28.0	29.0	1.0	0.50	33.0	34.0	1.0	0.22	
								32.0	34.0	2.0	0.60	37.0	39.0	2.0	0.49	
								37.0	39.0	2.0	0.55					
								1.0	2.0	1.0	0.20	8.0	9.0	1.0	0.23	
								3.0	4.0	1.0	0.20	34.0	44.0	10.0	0.90	
								8.0	9.0	1.0	0.40					
								21.0	22.0	1.0	0.50					
								33.0	43.0	10.0	0.34					
								0.0	12.0	12.0	1.03	0.0	10.0	10.0	0.64	
								15.0	24.0	9.0	0.22	13.0	14.0	1.0	0.76	
								1.0	8.0	7.0	0.20	2.0	8.0	6.0	1.50	
								10.0	16.0	6.0	0.20	20.0	21.0	1.0	0.25	
								22.0	28.0	6.0	0.23					
								31.0	32.0	1.0	0.40					
								0.0	10.0	10.0	0.49	13.0	22.0	9.0	0.34	Horseshoe Metals
								9.0	12.0	3.0	0.59	9.0	12.0	3.0	0.64	
								0.0	3.0	3.0	0.80	9.0	12.0	3.0	0.21	

Image Ref	Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth
Figure 2-10	RC1017	7194330	662886	533	-60	90	208.0
Figure 2-S	RC1026	7194357	662853	533	-65	90	168.0
Figure 2-1	RC1032	7194500	662744	534	-60	90	162.0
Figure 2-Q	RC1047	7194380	662894	533	-40	90	150.0
Figure 2-13	RC1060	7194358	662756	533	-60	90	264.0
Figure 2-11	RC1061	7194311	662832	533	-70	90	324.0
Figure 2-K	RC1073	7194360	663109	532	-40	90	132.0
Figure 2-4	RC1076	7194458	663170	565	-40	90	143.0
Figure 2-I	RC1083	7194458	663170	565	-50	88	111.0
Figure 2-J	RC1084	7194439	663174	565	-40	90	133.0
Figure2-5	RC1085	7194439	663172	564	-50	89	122.0
Figure 2-C	RC1086	7194459	662958	566	-50	90	150.0
Figure 2-L	RC1087	7194418	662999	567	-50	90	155.0
Figure 2-M	RC1088	7194360	662958	567	-50	90	167.0
Figure 2-O	RC1089	7194400	662955	567	-60	90	185.0
Figure 2-9	RC1144	7194348	662891	532	-50	90	162.0
Figure 2-12	RCD1013	7194358	662842	533	-65	90	270.8
Figure 4*	WRL03	7193519	663115	533	-90	0	17.0
Figure 4*	WRL05	7193658	663132	532	-90	0	9.0
Figure 4*	WRL06	7193576	662915	548	-90	0	23.0
Figure 4*	WRL07	7193464	662819	541	-90	0	15.0

Copper			
From	To	Length	Cu %
9.0	15.0	6.0	0.29
12.0	15.0	3.0	0.97
0.0	4.0	4.0	0.22
4.0	7.0	3.0	0.33
0.0	1.0	1.0	0.27
11.0	12.0	1.0	0.27
14.0	15.0	1.0	0.22
9.0	11.0	2.0	0.24
7.0	13.0	6.0	0.29
44.0	48.0	4.0	0.67
62.0	63.0	1.0	0.25
65.0	67.0	2.0	0.23
6.0	12.0	6.0	0.88
36.0	42.0	6.0	0.44
45.0	48.0	3.0	0.21
57.0	60.0	3.0	0.51
0.0	9.0	9.0	0.41
30.0	36.0	6.0	0.28
54.0	60.0	6.0	1.04
0.0	12.0	12.0	0.32
27.0	30.0	3.0	0.24
36.0	42.0	6.0	0.36
45.0	51.0	6.0	0.34
0.0	3.0	3.0	0.62
42.0	48.0	6.0	0.52
57.0	59.0	2.0	0.20
3.0	9.0	6.0	0.25
15.0	18.0	3.0	0.22
27.0	30.0	3.0	0.27
1.0	18.0	17.0	0.34
21.0	22.0	1.0	0.27
32.0	33.0	1.0	0.42
0.0	3.0	3.0	0.23
4.0	8.0	4.0	0.22
0.0	3.0	3.0	0.47
9.0	11.0	2.0	0.31
0.0	1.0	1.0	0.22

Gold			
From	To	Length	Au g/t
16.0	20.0	4.0	0.47
4.0	12.0	8.0	0.39
14.0	17.0	3.0	0.32
5.0	8.0	3.0	0.95
9.0	10.0	1.0	0.24
15.0	19.0	4.0	0.23
53.0	57.0	4.0	0.49
61.0	68.0	7.0	0.54
0.0	3.0	3.0	0.35
9.0	12.0	3.0	0.28
21.0	24.0	3.0	0.22
39.0	42.0	3.0	1.03
45.0	54.0	9.0	0.42
0.0	3.0	3.0	0.25
21.0	27.0	6.0	0.29
30.0	33.0	3.0	0.22
51.0	60.0	9.0	0.47
42.0	48.0	6.0	0.46
51.0	52.0	1.0	0.26
0.0	15.0	15.0	0.23
18.0	21.0	3.0	0.28
51.0	57.0	6.0	0.83
0.0	21.0	21.0	0.46
24.0	36.0	12.0	0.32
0.0	13.0	13.0	0.29
18.0	22.0	4.0	0.21
45.0	48.0	3.0	0.37
0.0	12.0	12.0	0.55
15.0	18.0	3.0	0.64
24.0	27.0	3.0	0.47
30.0	33.0	3.0	0.20
39.0	45.0	6.0	0.62
0.0	5.0	5.0	0.52
1.0	6.0	5.0	1.89
2.0	3.0	1.0	0.24

Operator

Image Ref	Site ID	North MGA	East MGA	RL AHD	Dip	Azimuth	Depth	Copper				Gold				Operator
								From	To	Length	Cu %	From	To	Length	Au g/t	
								8.0	10.0	2.0	0.62					
								7.0	8.0	1.0	0.21					
Figure 4*	WRL08	7193465	662573	537	-90	0	14.0									
Figure 4*	WRL09	7193675	662798	536	-90	0	12.0									
Figure 2*	WRL10	7194568	662366	534	-90	0	20.0									
Figure 2*	WRL11	7194352	662368	534	-90	0	14.0									
Figure 2*	WRL12	7194585	662710	534	-90	0	26.0									
								1.0	5.0	4.0	0.36					
								0.0	4.0	4.0	1.16					
								0.0	4.0	4.0	0.27					
												2.0	8.0	6.0	0.73	
												1.0	2.0	1.0	0.45	

Notes

* Results labelled on plan
 Only showing results for material contained within stockpiles or dumps
 No upper cut applied, 0.20 % Cu and 0.20 g/t Au lower cuts, allowing 2m internal waste
 Coordinate system GDA94z50

Horseshoe West Copper Project, WA (KMT earning to 70%)

On 28 January 2021, the Company announced (ASX:HOR "Horseshoe West Copper/Gold Farm-in and Joint Venture Agreement") that its wholly-owned subsidiary Murchison Copper Mines Pty Ltd (**MCM**) had executed a binding farm-in and joint venture agreement (**Agreement**) with Kopore (WA) Pty Ltd (**Kopore**), a wholly-owned subsidiary of Kopore Metals Limited (ASX:KMT), providing for an earn in and joint venture in relation to certain tenements surrounding the historical Horseshoe Lights Copper-Gold Mine (**Horseshoe Lights Mine**), whereby Kopore can earn up to 70% by spending up to \$3 million on exploration. This allows Horseshoe to focus on exploration and development of its existing copper-gold resource which is excluded from the joint venture with Kopore, while remaining leveraged to local exploration success.

The Agreement relates to an area of 32.4km² of largely unexplored land surrounding the Horseshoe Lights Mine (**Agreement Area**) (see Figure 2). The Agreement Area is approximately 75km west of Sandfire Resources' Degussa mine in the Bryah Basin region of Western Australia and Sandfire has recently been active nearby, including submitting an application for an exploration licence immediately to the south of and contiguous with the Agreement Area. The Agreement Area comprises one exploration licence, nine prospecting licences and part of one mining lease (M52/743) external to the defined Horseshoe Lights Copper-Gold Project resources and infrastructure (refer Figure 2).

Excluded from the Agreement Area is part of M52/743 upon which the historical open pit and existing copper resource is located (shown as the "Excluded Zone" in Figure 2) as well as waste dumps and stockpiles tailings from the historical operation. Kopore will not acquire any rights in respect of minerals contained in the Excluded Zone or such waste dumps and stockpiles, which will continue to be owned by MCM. Under the Agreement or the Co-operation Deed Kopore is not responsible for any reclamation or rehabilitation costs related to the historical operation of the Horseshoe Lights Mine.

The exploration and prospecting tenements in the Agreement Area were acquired by MCM in late 2020, but the prospecting licences were subject to forfeiture proceedings resulting from a minor underspend from the previous owners during a weather and CoVid-19 affected field season. The matter was resolved after a hearing at the Warden's Court on 20 January 2021 and the tenure subjected to small fines, since paid. Exploration licence E52/3759 was transferred to the Company during the year.

Agreement Terms

The material terms of the Agreement are summarised below:

Upfront Payment: Non-refundable \$50,000 to be paid by Kopore to MCM upon either E52/3759 being registered in the name of MCM, or confirmation from the existing holder that MCM is entitled to grant the earn-in rights in respect of that tenement to Kopore under the Agreement. This payment was made.

Stage One: Earn in of \$1.45 million expenditure to earn a 51% beneficial interest in the Agreement Area over a two-year period. Stage One includes a minimum expenditure amount of \$250,000 to be spent in Year 1 (in addition to the upfront payment referred to above). Kopore were to expend this minimum expenditure amount before it can withdraw from the earn-in. This minimum expenditure was met during the first year. The period to spend \$1.45M has since been mutually agreed to be extended to 30 June 2023, allowing for delays to confirm extension.

Kopore Guarantee: Kopore Metals Limited guarantees performance of Kopore's obligations under the Agreement and the Co-ordination Deed during the Stage One earn-in period.

Joint Venture: Upon completion of the Stage One earn-in, Kopore and MCM will form an unincorporated joint venture in relation to the exploration of the Agreement Area. The parties' initial respective interest in the Joint Venture will be Kopore 51% and MCM 49%.

Stage Two: Within 20 days of completing Stage One, Kopore can elect to expend an additional \$1.5 million within a further 2 years to earn into an additional 19% beneficial interest in the Agreement Area. If Kopore completes the stage 2 earn in, the parties' respective interest in the Joint Venture will be Kopore 70% and MCM 30%.

Joint Venture expenditure: Following the earn-in, the parties must each contribute to Joint Venture expenses in proportion to their respective percentage interest in the Joint Venture or their interest will be diluted in accordance with a prescribed formula.

As outlined in their release on the transaction (ASX:KMT “Kopore earn into Horseshoe West Copper/Gold Project” 28 January 2021), Kopore were well advanced in priority targeting of areas in the Agreement Area, and working towards meaningful exploration of the targets, including drilling. Kopore completed heritage surveys across their priority areas in April before commencing on ground activity.

In late May 2021, Kopore commissioned a drone airborne magnetic survey of 265-line km flown across an area of approximately 9.8 km² west of Horseshoe Mine, and provided ultra-high resolution magnetic detail, complemented by field mapping and previous geophysical programs. Perth-based geophysicists Southern Geoscience Consultants (“Southern Geoscience”) completed processing and modelling of the survey, with results released to market on 29 July 2021 (KMT: “Horseshoe West Project Update”).

The processed imagery provided a wealth of detail within the Horseshoe West stratigraphy, and has highlighted several priority targets, discussed below:

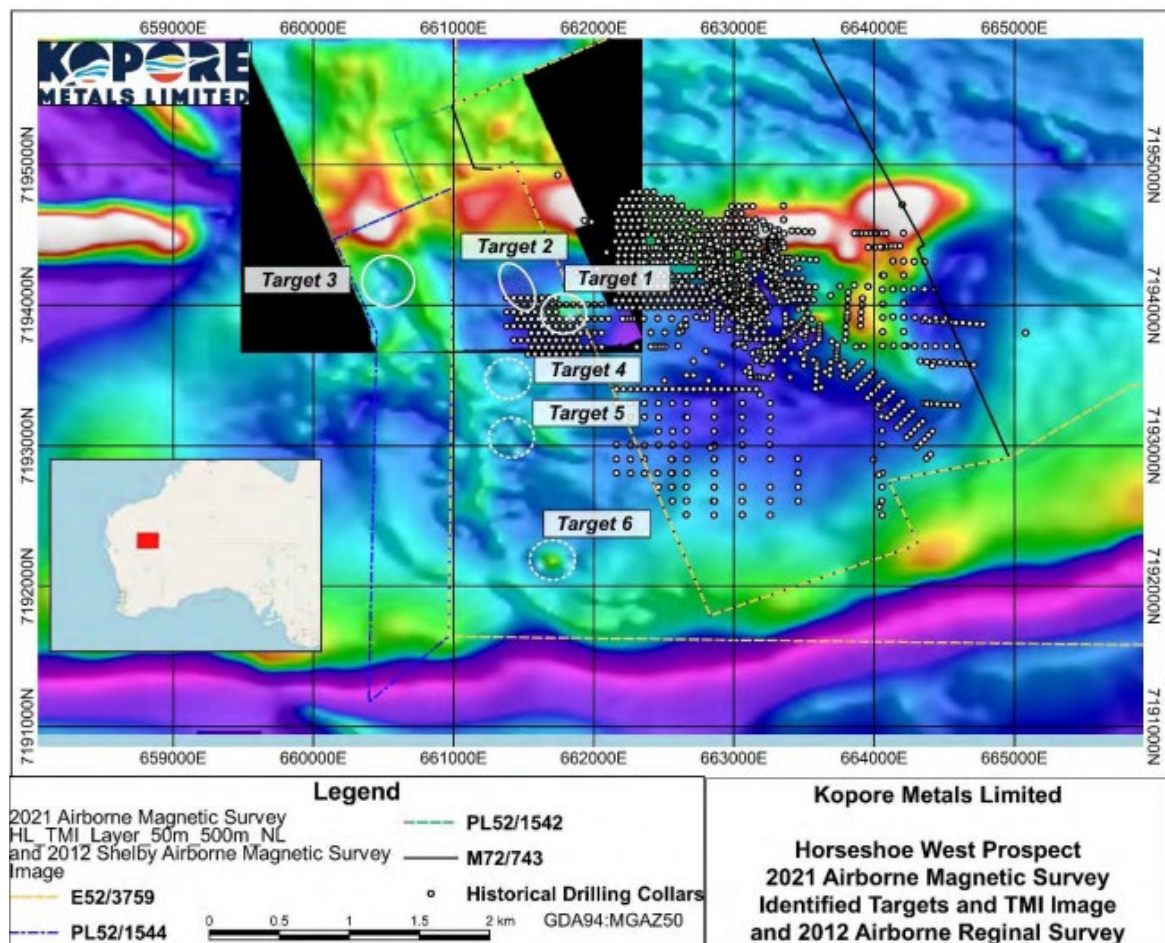


Figure 20 – Kopore 2021 Airborne Magnetic Survey with identified targets

- Mag Target 1 is a discrete bullseye anomaly ~300 min diameter identified along the interpreted western margin of a northwest NW-SE trending syncline. Depth to interpreted higher magnetic target is approximately 150m.
- Mag Target 2 – An inferred NW/SE parallel structure to the west of the mine has been interpreted based on a similar magnetic signature to the historical high-grade mine.
- Mag Target 3 –The westernmost prospect has been identified along a NW/SE interpreted structure, approximately 3.3km in strike length and a target for potential shear zone hosted gold mineralisation. The initial area along this structure will seek to test the position where a Ne-SW structure cross cuts the major interpreted structure and a coincident 2012 gravity survey low.
- Mag Targets 4 and 5 –identified by Southern Geoscience. interpreted potential geological and structural setting to those described in Mag Target 2.
- Mag Target 6 – At the southern end of the exploration portfolio is interpreted as a potential target for investigation, magnetic high which is located on an interpreted splay from the same major structure described in Mag Anomaly 3.

Kopore completed geochemical augering of the area in August 2021, covering approximately 2.9km² at a 100m x 60m grid spacing. A total of 451 samples were collected from a total of 270m of augering, drilled to refusal and a maximum of 2.5m depth.

On 15 November 2021, Kopore announced the results of the auger programme (KMT: "Horseshoe West Soil Anomalies identified"), highlighting gold and copper soil anomalies:

- Priority anomaly has a strike of approximately 500m, with coincident silver and gold anomalism.
- Additional subtle soil gold anomaly over western magnetic anomaly.
- Copper-gold anomalies identified have not been drill tested.
- Based upon the Auger geochemical results, with an IP and drilling program being designed.

Kopore are currently finalising geophysical surveys over the anomalism, ahead of planned drilling.

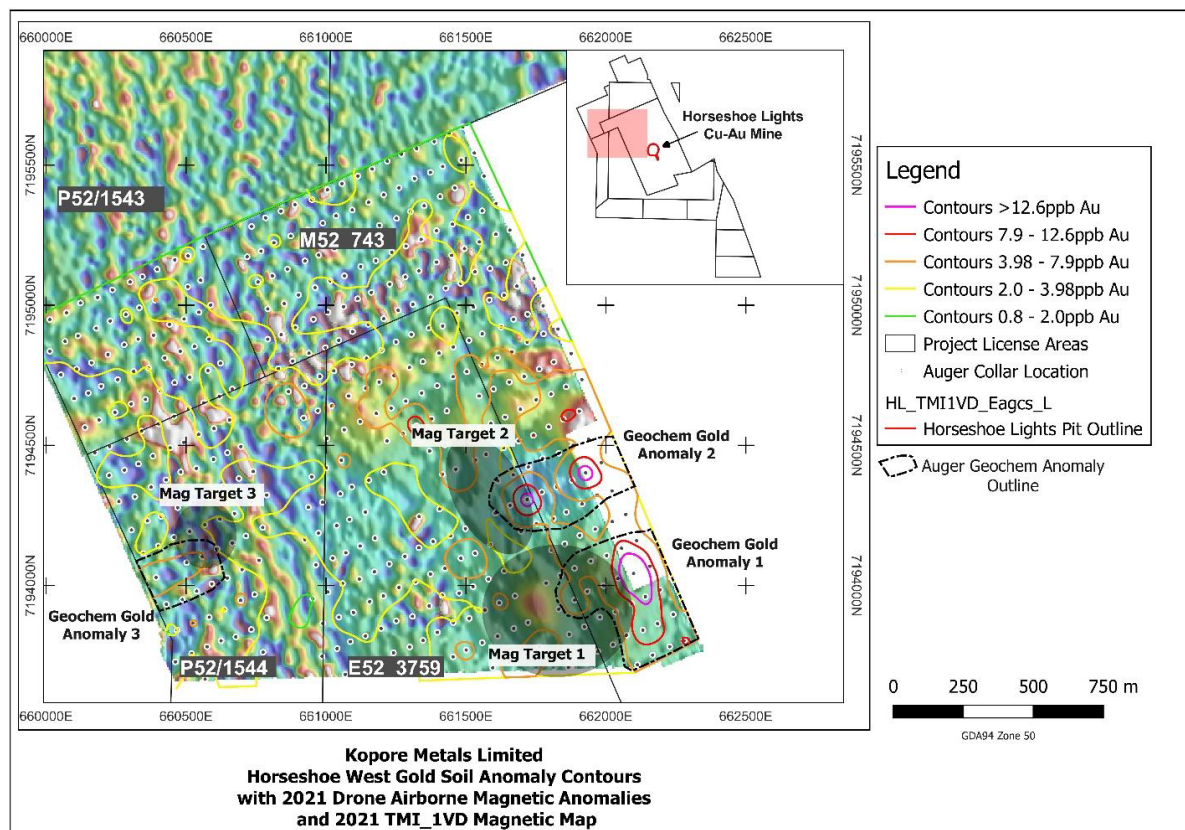


Figure 21 – Kopore 2021 auger drilling results overlain on Airborne Magnetic Survey image

Kumarina Copper Project, WA (HOR: 100%)

The Kumarina Project consists of a small mining lease (M52/27) and a mining lease application (MLA52/1078) covering approximately 3.2km². The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia (see Figure 1). The mining lease application covers the Rinaldi resource (refer Figures 22, 23, and Table 10), contiguous with M52/27. The Company continues to progress a Project Agreement as part of the application process with the Native Title Party and its lawyers.

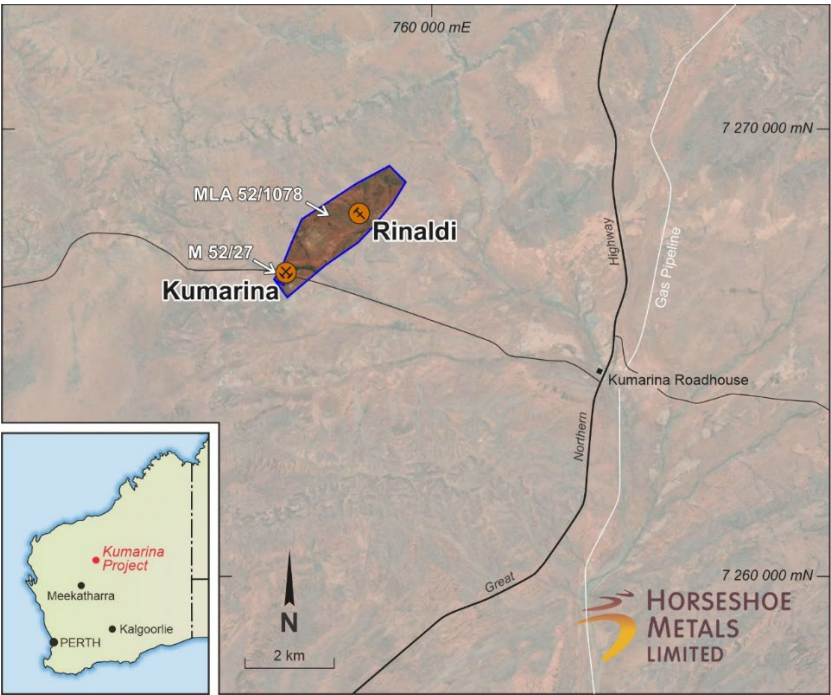


Figure 22: Kumarina Project tenure location map

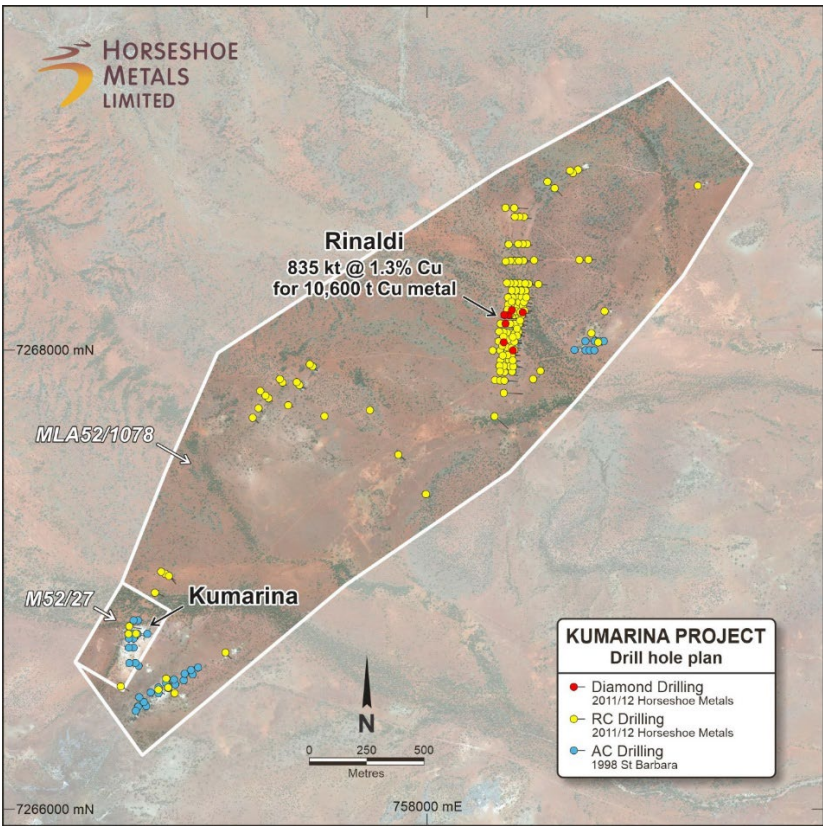


Figure 23: Kumarina drillhole location plan

Glenloth Gold Project (EL6301 and rights to explore and develop ML5848, ML5849, ML5885 & MPL62):

At Glenloth, within the Central Gawler Craton in South Australia (CGC- refer Figure 24), the Company compiled available geological data, and undertook preparations for drill activity.

After further data review, the Company has proposed an RC drilling programme to test at several priority targets within EL6301. Hole collars are to be finalised after further field reconnaissance. The Company has access to a base camp to facilitate the start of drilling operations. The Company considers the Glenloth Project as a value-based entry into a dominant position of a very prospective area; that previous exploration of the both areas was piecemeal and inadequate; and that larger, high grade gold deposits could be uncovered by systematic exploration and a more considered approach to drilling.

The CGC has outstanding potential for the discovery of significant gold deposits, as indicated by the Tunkillia deposit (965,000 ounces gold resource, refer Figure 25), which adjoins the western portion of EL6301 and proximal to the historical mining centre of Tarcoola, where historic production and current resource total approximately 190,000 ounces. Both Tarcoola and Tunkillia are now owned by Barton Gold Pty Ltd. In addition, Barton Gold also owns the Challenger Gold deposit (located 250km north-west of Glenloth) which historically produced more than 1,000,000 ounces.

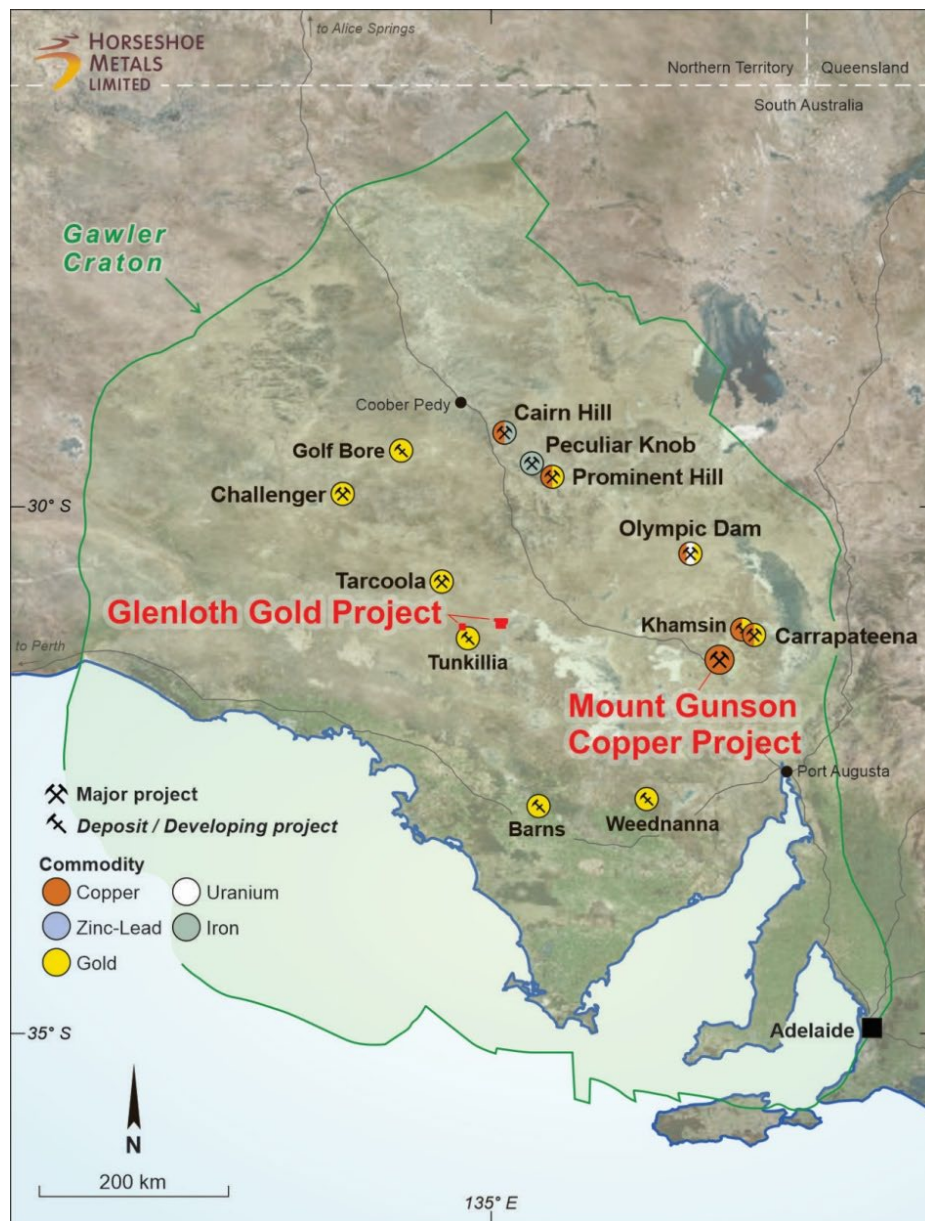


Figure 24: Location of Glenloth Gold Project and Mt Gunson Copper Project in South Australia, in relation to significant local deposits

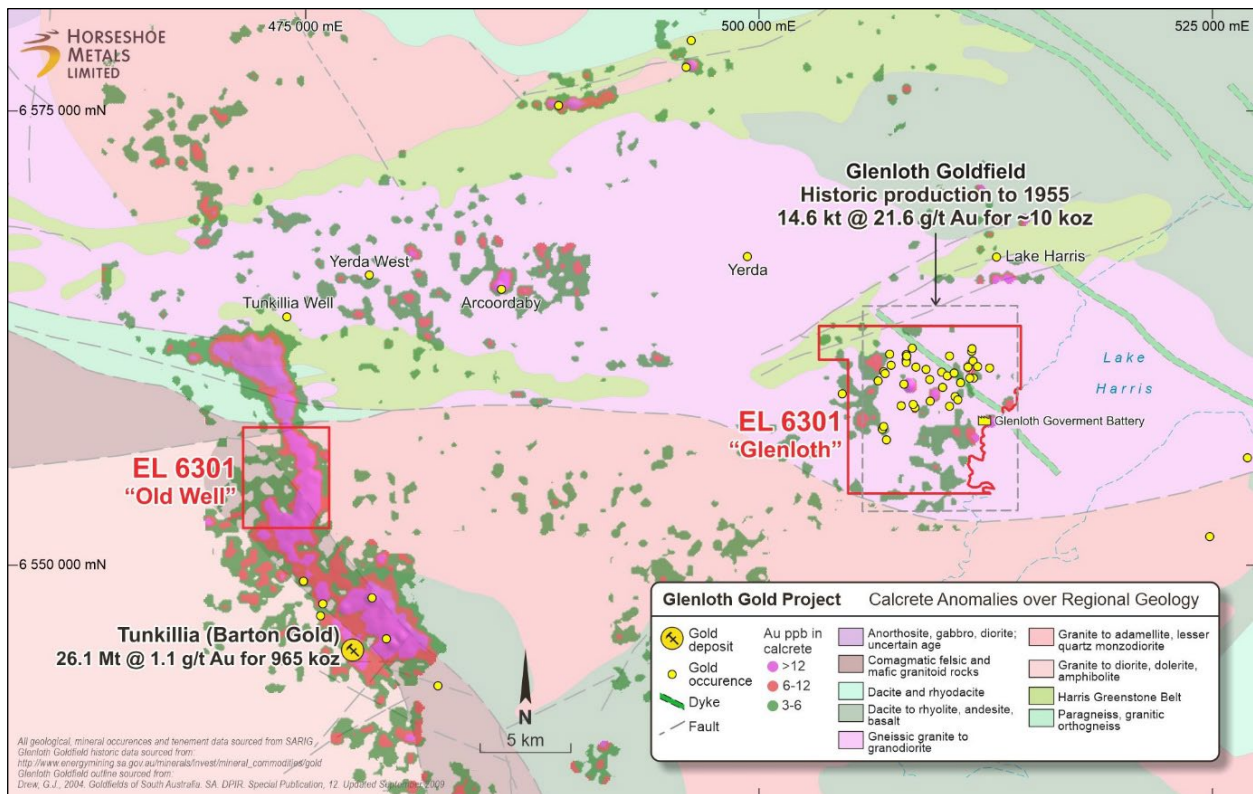


Figure 2: Glenloth Gold Project regional setting with highlighted gold occurrences and calcrete sampling anomalism



Figure 3: Glenloth Goldfield East Block Location over regional geology, with known gold occurrences.

Excised ML5848, ML5849, ML5885 and MPL62 lease outlines in red stripped boxes.

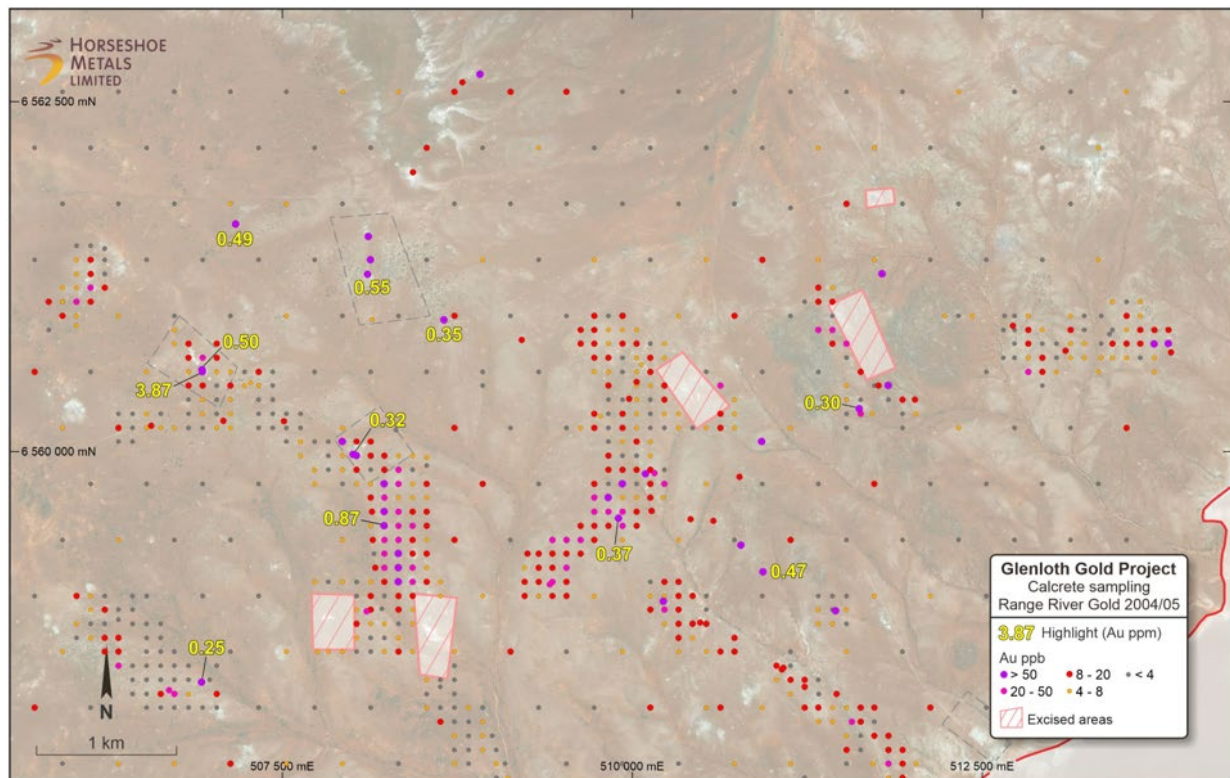


Figure 4: Glenloth Goldfield Calcrete Geochemical Samples > 250 ppb Au highlighted

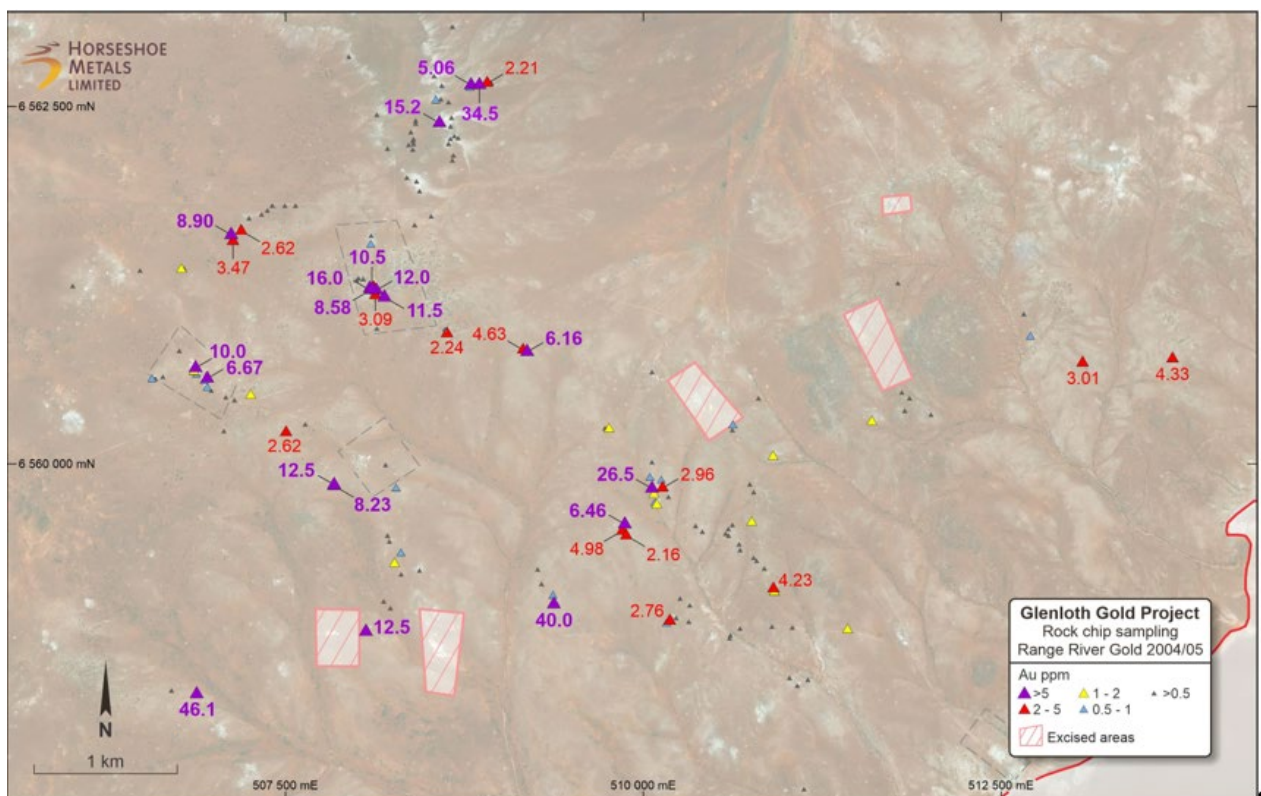


Figure 5: Glenloth Goldfield Rock Chip results > 2 g/t Au highlighted

Mt Gunson Copper Project, SA (HOR earning to 50%)

The Mt Gunson Copper Project has historically produced >156,000t copper, 62t of silver, and 2,900t of cobalt in concentrates, and has existing oxide copper stockpiles earmarked for fast-tracking of copper cement production. Horseshoe has the right to earn up to a 50% interest in a right to produce copper at Mt Gunson Copper Mine through contribution to expenditure and has the immediate rights to 50% of all surplus cashflow from any copper operation conducted under the agreement with a partner whom operates under agreement with the licensor. The initial term of the agreement between the partner and the Licensor, who holds the tenements, expired on 29 June 2020 and can be extended by CMM for a period of a further two years to 29 June 2022. Further extension beyond 29 June 2022 can be negotiated during the term of this lease. The Company is still re-negotiating the terms of an extension with the partner and the Licensor.

About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold-focused Company with a package of tenements covering approximately 500km² in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australian and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the historic open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of contained copper including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

The Horseshoe Lights ore body is interpreted as a deformed Volcanogenic Hosted Massive Sulphide (VMS) deposit that has undergone supergene alteration to generate the gold-enriched and copper-depleted cap that was the target of initial mining. The deposit is hosted by quartz-sericite and quartz-chlorite schists of the Lower Proterozoic Narracoota Formation. Past mining was focused on the Main Zone, a series of lensoid ore zones, which passed with depth from a gold-rich oxide zone through zones of high-grade chalcocite mineralisation into massive pyrite-chalcopyrite. To the west and east of the Main Zone, copper mineralisation in the Northwest Stringer Zone and Motters Zone consists of veins and disseminations of chalcopyrite and pyrite and their upper oxide copper extensions. Table 9 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 31 December 2021.

TABLE 9 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021								
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)
In-situ Deposit (0.5% Cu cut-off grade)	<i>Measured</i>	1.73	1.04	0.0	0.5	18,000	1,900	28.8
	<i>Indicated</i>	2.43	0.95	0.0	0.7	23,200	3,400	52.2
	<i>Inferred</i>	8.69	1.01	0.1	2.6	87,400	30,700	712.4
	Total	12.85	1.00	0.1	1.9	128,600	36,000	793.4
Flotation Tailings	Inferred	1.421	0.48	0.34	6.5	6,800	15,300	294.8
M15 Stockpiles	Inferred	0.243	1.10	0.17	4.7	2,650	1,300	36.7
Note: At 0% Cu cut-off grade unless otherwise stated					TOTAL	138,050	52,600	1,124.9

The above Mineral Resource Estimates all meet the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

About the Kumarina Project

The copper deposits at the Kumarina Project were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 5km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine, the workings are entirely underground with drives from the main shaft extending for some 200m in the upper levels and for about 100m in the lower levels at a depth of 49m below surface.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper Mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu. An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate as at 30 December 2021 is shown in Table 10 below.

TABLE 10 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	415,000	1.46	6,100
	<i>Indicated</i>	307,000	1.16	3,500
	<i>Inferred</i>	114,000	0.9	1,000
	Total	835,000	1.3	10,600

The Mineral Resource Estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

Forward Looking Statements

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Hall is a director and contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5 June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited, and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Kumarina Project (Rinaldi Prospect) Mineral Resources is based on information compiled by or under the supervision of Mr Robert Spiers, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company's ASX announcement "Horseshoe releases Maiden Mineral Resource Estimate for Kumarina", released to the ASX on 4 March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

FINANCIAL POSITION

The net assets of the Group have increased from a net asset deficiency of \$2,805,554 at 31 December 2020 to a net asset deficiency of \$1,663,287 at 31 December 2021. This increase is largely due to the following factors:

- Proceeds from issue of share capital during the period

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Group is focused on the exploration and development of its mineral assets and as such, needs to issue equity to raise exploration funds. No significant changes in the Group's state of affairs occurred during the year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 25 January 2022, the Company announced the closure of its non-renounceable entitlement offer under the prospectus dated 15 December 2021, under which eligible shareholders were offered one fully paid ordinary share for every four shares held, at an issue price of \$0.02 per share. On 2 February 2022, the Company issued 47,479,831 shares to eligible shareholders who accepted their entitlements, to raise \$949,596 before costs.

On 4 February 2022, the Company announced the closure of the shortfall offer to the rights issue under the prospectus dated 15 December 2021, under which eligible shareholders and other interested parties were offered the opportunity to apply for shortfall shares at an issue price of \$0.02 per share. On 9 February 2022, the Company issued 61,618,745 shares to successful applicants, to raise \$1,232,375 before costs.

On 10 February 2022, the Company issued 10,000,000 options exercisable at \$0.03, expiring on 10 February 2025, in partial consideration for lead manager services provided by Merchant Capital Partners Pty Ltd to elements of the Company's capital raisings.

On 18 February 2022, the Company's shares were reinstated to quotation by the ASX, following confirmation that the Company had met the conditions precedent for reinstatement set out by ASX.

LIKELY DEVELOPMENTS

The Directors have excluded from this report any further information on the likely developments in the operations of the Group and the expected results of those operations in future financial periods, as the Directors believe that it would be speculative and prejudicial to the interests of the Group to include any such information in this report.

ENVIRONMENTAL ISSUES

The Group's operations are subject to various environmental laws and regulations under government legislation. The exploration tenements held by the Group are subject to these regulations and there have been no breaches of the Group's environmental obligations in this regard.

At the Horseshoe Lights Project, there are several unrehabilitated legacy areas including dumps, stockpiles and tailings storage facilities associated with previous mining operations. A review of the cost to rehabilitate these areas has been completed during the reporting period and the financial statements of the Group adjusted where required. A remediation programme to address possible standing water in the immediate mine environs after heavy rainfall is planned in the current year.

REMUNERATION REPORT (AUDITED)

Directors and Key Management Personnel disclosed in this report (see page 1 for details about each Director). During the financial year there were no Key Management Personnel other than the Directors.

Name	Position
Alan Still	Non-Executive Director
Craig Hall	Non-Executive Director
Kate Stoney	Non-Executive Director and Company Secretary (appointed 16 February 2021)
Carol New	Non-Executive Director and Company Secretary (resigned 16 February 2021)

The information provided in this Remuneration Report has been audited as required under Section 308 (3C) of the Corporations Act 2001.

Assessing performance and claw-back of remuneration

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team. There were no remuneration consultants engaged by the Group during the financial year. The Board's policy for determining the nature and amount of remuneration for Board members and senior Executives of the Group (if any) is as follows:

Remuneration Policies for Non-Executive Directors

The Board will adopt remuneration policies for Non-Executive Directors (including fees, travel and other benefits). In adopting such policies, the Board will take into account the following guidelines:

- Non-Executive Directors should be remunerated by way of fees – in the form of cash, non-cash benefits or superannuation contributions;
- Non-Executive Directors should not participate in schemes designed for remuneration of executives;
- Non-Executive Directors should not receive bonus payments;
- Non-Executive Directors should not be provided with retirement benefits other than statutory superannuation.

The maximum aggregate annual remuneration is approved by shareholders.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is currently \$200,000 which was approved at a General Meeting held on 22 January 2008. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group and are able to participate in employee option plans.

Remuneration Policies for Executive Directors and Executive Management

The Board will adopt remuneration policies for Executive Directors and Executive Management, including:

- Fixed annual remuneration (including superannuation) and short term and long-term incentive awards (including performance targets);
- Any termination payments (which are to be agreed in advance and include provisions in case of early termination); and
- Offers of equity under Board approved employee equity plans. Any issue of Company shares or options (if any) made to Executive Directors are to be placed before shareholders for approval.

The Board's objectives are that the remuneration policies:

- Motivate Executive Directors and Executive Management to pursue the long-term growth and success of the Company;
- Demonstrate a clear relationship between performance and remuneration; and
- Involve an appropriate balance between fixed and incentive remuneration, to reflect the short and long-term performance objectives appropriate to the Company's circumstances and goals.

Performance based remuneration

There was no performance-based remuneration paid to Directors during the financial year. Based upon the present stage of development of the Company, performance-based remuneration is not considered appropriate.

Group performance, shareholder wealth and Directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors and Executives' performance. Currently, this is facilitated through the issue of options to Executives

to encourage the alignment of personal and shareholder interests. No market-based performance remuneration has been paid in the current year.

Details of remuneration

The amount of remuneration of the Directors (as defined in AASB 124 Related Party Disclosures) is set out below. During the financial year there were no Key Management Personnel other than the Directors.

	Short-Term Salary & Fees \$	Post- Employment Superannuation \$	Share-based Payments Shares \$	Share-based Payments Options \$	Total \$
Directors					
Alan Still					
2021	29,500	-	12,000	5,507	47,007
2020	24,000	-	-	-	24,000
Craig Hall					
2021	29,500	-	12,000	5,507	47,007
2020	24,000	-	-	-	24,000
Kate Stoney ¹					
2021	44,250	-	12,000	5,507	61,757
2020	18,000	-	-	-	18,000
Carol New ²					
2021	5,250	-	-	-	5,250
2020	42,000	-	-	-	42,000
Total Key Management Personnel compensation					
2021	108,500	-	36,000	16,521	161,021
2020	108,000	-	-	-	108,000

¹ Kate Stoney was appointed a Company Secretary on 16 February 2021. ² Carol New resigned as a Company Secretary on 16 February 2021.

As at 31 December 2021 the following amounts owed to the directors remained unpaid:

• Alan Still	\$108,500
• Craig Hall	\$44,000
• Kate Stoney	Nil
• Carol New	\$82,224

There are no cash bonuses or non-monetary benefits relating to any of the Directors and Key Management Personnel during the year other than the share-based payments detailed above.

Shareholdings of Key Management Personnel

31 December 2021	Balance at beginning of year	Granted as remuneration	On exercising of options	Balance at end of year
Directors				
Mr Alan Still	-	1,000,000	-	1,000,000
Mr Craig Hall	-	1,000,000	-	1,000,000
Ms Kate Stoney	-	1,000,000	-	1,000,000
Ms Carol New ¹	-	-	-	-
	-	3,000,000	-	3,000,000

¹ Carol New resigned 16 February 2021

Option holdings of Key Management Personnel

31 December 2021	Balance at beginning of year	Granted as remuneration	Granted as remuneration – not yet vested	On exercising of options	Balance at end of year
Directors					
Mr Alan Still	-	1,000,000	2,000,000	-	3,000,000
Mr Craig Hall	-	1,000,000	2,000,000	-	3,000,000
Ms Kate Stoney	-	1,000,000	2,000,000	-	3,000,000
Ms Carol New	-	-	-	-	-
	-	3,000,000	6,000,000	-	9,000,000

Service agreements

As at the date of this report there are no executives or Key Management Personnel, other than the Directors, engaged by the Company. Formal appointment letters are in place with Non-Executive Directors, each of which are entitled to a fee of \$36,000 per annum effective from 1 January 2022 (\$30,000 per annum previous year). There are no termination payments payable.

The Board has determined that should a Non-Executive Director incur or be asked to incur excessive time in assisting the Company on specific matters, the Non-Executive Director is entitled to charge the Company for this additional time. The Board has also agreed that payments to Non-Executive Directors for the provision of such services shall be on reasonable commercial terms.

Share-based compensation**Options granted to Directors and Officers of the Company**

The Company approved the issue of incentive options to Directors. On 26 November 2021 Horseshoe Metals Limited issued each Director:

- 1,000,000 options with a strike price of \$0.03 expiring 26 November 2023
- 1,000,000 options with a strike price of \$0.06 expiring 26 November 2024, exercisable from 26 November 2023 subject to the condition that the Director remain employed by the Company at that date; and
- 1,000,000 options with a strike price of \$0.09 expiring 26 November 2025, exercisable from 26 November 2024 subject to the condition that the Director remain employed by the Company at that date.

Response to first strike at 2020 AGM

At the Company's most recent AGM, held on 26 June 2020, 26 percent of votes were cast against the non-binding resolution for the adoption of the remuneration report, constituting a "first strike" under section 250U of the Corporations Act 2001. The Board considers this to have largely been a protest vote rather than a genuine objection to the Company's remuneration policies, noting that (a) a substantial percentage of shareholders voted in favour of the resolution, (b) no specific feedback was received from shareholders voting against the remuneration report, (c) the 2020 AGM was held during a period of suspension of trading and a few months after an unsuccessful spill of the board under a section 249D notice, and (d) the remuneration payable to Key Management Personnel is comparable with that of similar companies.

This is the end of the audited remuneration report.

Signed in accordance with a resolution of the Board of Directors:



Craig Hall
Non-executive Director
31 March 2022



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

As lead auditor of the audit of Horseshoe Metals Limited for the year ended 31 December 2021, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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

Rothsay Auditing

Daniel Dalla
Partner
31 March 2022



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
Rental income		32,590	-
Other income		60,715	4,405
		93,305	4,405
Administrative expenses		(428,961)	(284,439)
Consulting expenses		(151,494)	(194,416)
Depreciation expense		(3,967)	(5,131)
Directors' remuneration	19	(161,021)	(90,000)
Interest expense		(175,459)	(113,242)
Project exploration and evaluation expenses		(1,481,863)	(489,169)
Loss before income taxes		(2,309,460)	(1,171,992)
Income tax expense	4	-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		(2,309,460)	(1,171,992)
Total comprehensive income attributable to members of the parent entity		(2,309,460)	(1,171,992)
Loss per share			
Basic and diluted loss per share (cents)	15	(0.87)	(0.54)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,373,995	98,270
Trade and other receivables	6	127,987	72,037
Other assets	7	322	29,425
TOTAL CURRENT ASSETS		1,502,304	199,732
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,998	17,965
Exploration and evaluation expenditure	9	6,708,801	6,708,801
Investments		243,000	243,000
TOTAL NON-CURRENT ASSETS		6,965,799	6,969,766
TOTAL ASSETS		8,468,103	7,169,498
CURRENT LIABILITIES			
Trade and other payables	10	2,167,973	1,459,444
Borrowings	11	26,953	-
TOTAL CURRENT LIABILITIES		2,194,926	1,459,444
NON-CURRENT LIABILITIES			
Trade and other payables	10	684,784	1,065,678
Borrowings	11	1,611,790	1,637,040
Provisions	12	5,812,890	5,812,890
TOTAL NON-CURRENT LIABILITIES		8,109,464	8,515,608
TOTAL LIABILITIES		10,304,390	9,975,052
NET ASSETS		(1,836,287)	(2,805,554)
EQUITY			
Issued Capital	13	21,374,429	18,152,393
Reserves	14	56,691	-
Accumulated losses		(23,267,407)	(20,957,947)
TOTAL EQUITY		(1,836,287)	(2,805,554)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

2021

	NOTE	ISSUED CAPITAL \$	ACCUMULATED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	TOTAL EQUITY \$
Balance at 1 January 2021		18,152,393	(20,957,947)	-	(2,805,554)
Comprehensive loss for the year					
Losses attributable to members of the parent entity		-	(2,309,460)	-	(2,309,460)
Transactions with owners in their capacity as owners					
Shares issued during the year	13	3,530,632	-	-	3,530,632
Options issued during the year	14	-	-	56,691	56,691
Capital raising costs	13	(308,596)	-	-	(308,596)
Balance at 31 December 2021		21,374,429	(23,267,407)	56,691	(1,836,287)

2020

		ISSUED CAPITAL \$	ACCUMULATED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	TOTAL EQUITY \$
Balance at 1 January 2020		17,358,393	(19,785,955)	-	(2,427,562)
Losses attributable to members of the parent entity		-	(1,171,992)	-	(1,171,992)
Shares issued during the year		794,000	-	-	794,000
Options issued during the year		-	-	-	-
Balance at 31 December 2020		18,152,393	(20,957,947)	-	(2,805,554)

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 \$	2020 \$
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		97,007	-
Payments to suppliers and employees		(195,959)	(82,280)
Interest paid		(18,256)	(19,598)
Payments for exploration and evaluation expenditure		(838,321)	(391,424)
Net cash used by operating activities	24	(955,529)	(493,302)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		-	(38,000)
Net cash used by investing activities		-	(38,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	13	1,500,000	284,000
Share application monies		173,000	-
Proceeds from borrowings		804,000	345,099
Payment for costs of raising capital		(245,746)	-
Net cash provided by financing activities		2,231,254	629,099
Net (decrease)/increase in cash and cash equivalents		1,275,725	97,797
Cash and cash equivalents at beginning of the year		98,270	473
Cash and cash equivalents at the end of the year	5	1,373,995	98,270

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

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

This financial report includes the consolidated financial statements and notes of Horseshoe Metals Limited and Controlled Entities (the 'Group'). The financial statements were authorised for issue by the Board of Directors on 31 March 2022.

Horseshoe Metals Limited is a public company limited by shares, incorporated in Australia. The Company is domiciled in Western Australia.

The nature of operations and principal activities of the Company are described in the Directors' Report. The registered office and principal place of business of the Company is 24 Mumford Place, Balcatta WA 6021.

2. BASIS OF PREPARATION

(a) General information

This financial report:

- Has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- Has been prepared on a historical cost basis.
- Is presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 January 2021.
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

(b) 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.

As disclosed in the financial statements, the Group had cash and cash equivalents on hand as at 31 December 2021 of \$1,373,995 and a net current asset deficiency of \$692,622.

The Directors believe it is reasonably foreseeable that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- After the close of the reporting period, the Company raised \$2,181,972 in cash (before costs) from the issue of 109,098,576 shares under its non-renounceable entitlement offer and accompanying shortfall offer, made at \$0.02 per share under the prospectus dated 15 December 2021;
- The Company has executed a loan facility agreement with entities associated with a former Director of the Company, Mr Michael Fotios. The undrawn loan balance available to the Company as at 31 December 2021 from the entities was \$1,209,764; and
- The Group has the capacity, if necessary, to raise further capital or reduce its operating cost structure in order to manage its working capital requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Horseshoe Metals Limited at the end of the reporting period. A controlled entity is any entity over which Horseshoe Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 21 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Horseshoe Metals Limited and its 100% owned Australian resident subsidiary are a consolidated group for tax purposes.

(d) Property, plant and equipment

Each class of property, plant and equipment is stated at historical cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less accumulated depreciation and impairment.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

- Plant and equipment 5 – 15 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

The Group did not hold any fair value through profit or loss investments in the current or comparative financial year.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(f) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options for immediate are recognised as a deduction from equity, net of any tax effects.

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the Company's option, and any dividends are discretionary.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary.

(g) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information and dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Group would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

Impairment losses are recognised as an expense immediately.

(h) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Exploration and evaluation assets are initially measured at cost and include acquisition of mining tenements, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Deferred exploration and evaluation accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The mining extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation.

Costs of site restoration are provided over the life of the facility from when exploration commences except when rehabilitation obligations are assumed through a business combination. When provisions for closure and rehabilitation are recognised, or remeasured more than one year after being assumed through a business combination, the corresponding cost is expensed. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

A farm-out arrangement typically involves an entity (the farmor) agreeing to provide a working interest in a mining property to a third party (the farmee), provided that the farmee makes a cash payment to the farmor and/or incurs certain expenditures on the property to earn that interest. The Group has entered into a farm-out arrangement. Where the Group is the farmor the Group uses the carrying amount of the interest before the farm-out as the carrying amount for the portion of the interest retained, credits any cash consideration received against the carrying amount, with any excess included as a gain in profit or loss and the Group does not record exploration expenditures on the property made by the farmee.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance includes both current and non-current liabilities.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions relating to the rehabilitation of land as the result of exploration and evaluation activities are expensed in the consolidated statement of comprehensive income rather than capitalised as deferred exploration expenditure.

(l) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Equity-settled compensation

The Group operates equity-settled share-based payment share, right and option schemes. The fair value of the equity to which personnel become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The fair value of the performance rights issued are calculated via a hybrid share option pricing model that simulates the share price as at the expiry date using a Monte-Carlo model. The amount to be expensed is determined by reference to the fair value of the options, rights or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options or rights which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

Key estimates – provisions for rehabilitation

Included in liabilities at the end of each reporting period is an amount that represents an estimate of the cost to rehabilitate the land upon which the Group has carried out its exploration and evaluation for mineral resources. Provisions are measured at the present value of management's best estimate of the costs required to settle the obligation at the end of the reporting period. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

Key judgments – exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or

where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$6,708,801.

(p) New Accounting Standards

New Standards, Interpretations and Amendments

In the year ended 31 December 2021, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2021. Again, the result of this review determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

4. INCOME TAX EXPENSE

- (a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2021 \$	2020 \$
Statement of comprehensive income		
Current income tax	-	-
Current income tax charges/(benefits)	-	-
Deferred tax expense		
Relating to the origination and reversal of temporary differences	-	-

- (b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2021 \$	2020 \$
- Loss for the year at 26%	(542,350)	(311,172)
Add:		
- tax losses not brought to account as DTA	542,350	311,172
	-	-

At 31 December 2021 the Group had unused tax losses for which no deferred tax asset has been recognised in the amount of approximately \$9,797,274 (2020: \$9,196,815). The availability of these losses is subject to satisfying Australian taxation legislation requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial statements because the Directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.

5. CASH AND CASH EQUIVALENTS

The following table details the components of cash and cash equivalents as reported in the statement of financial position.

	2021	2020
	\$	\$
Cash at bank	1,373,995	98,270
	<u>1,373,995</u>	<u>98,270</u>

6. TRADE AND OTHER RECEIVABLES

The following table details the major components of current trade and other receivables as reported in the statement of financial position.

	2021	2020
	\$	\$
Trade receivables	5,574	8,835
ATO receivables	122,413	63,202
	<u>127,987</u>	<u>72,037</u>

The Group expects the above trade and other receivables to be recovered within 12 months of 31 December 2021 and therefore considers the amounts shown above at cost to be a close approximation of fair value.

Trade and other receivables expose the Group to credit risk as potential for financial loss arises should a debtor fail to repay their debt in a timely manner. Disclosure on credit risk can be found at Note 17(a).

7. OTHER ASSETS

	2021	2020
	\$	\$
CURRENT		
Prepayments	322	29,425
	<u>322</u>	<u>29,425</u>

8. PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Plant and equipment		
At cost	219,663	219,663
Accumulated depreciation	(205,665)	(201,698)
	<u>13,998</u>	<u>17,965</u>

MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	PLANT AND EQUIPMENT	TOTAL
	\$	\$
Balance at 31 December 2021		
Balance at the beginning of year	17,965	17,965
Additions	-	-

Depreciation expense	(3,967)	(3,967)
	13,998	13,998
Balance at 31 December 2020		
Balance at the beginning of year	23,096	23,096
Additions	-	-
Depreciation expense	(5,131)	(5,131)
31 December 2017	17,965	17,965

9. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the movement in deferred exploration and evaluation expenditure reported in the statement of financial position during the year ended 31 December 2021.

	2021 \$	2020 \$
Carrying amount at beginning of year	6,708,801	6,508,801
Capitalised expenditure during the year	-	200,000
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.

10. TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
CURRENT		
Trade payables	1,795,578	1,303,822
Other payables ¹	372,395	155,622
	2,167,973	1,459,444
NON-CURRENT		
Related party creditors	684,784	1,065,678
<i>Reconciliation of carrying amount of related party creditors</i>		
Delta Resource Management Pty Ltd	576,284	934,178
Michael Fotios Family Trust	-	11,000
Zedsee Enterprises (Private) Limited	108,500	120,500
	684,784	1,065,678

¹ Other payables comprise \$44,000 in accrued director's fees, \$173,000 in share subscriptions received in advance, and \$155,395 in other accrued expenses.

11. BORROWINGS

	2021	2020
	\$	\$
CURRENT		
Loan – Other	26,953	-
	<u>26,953</u>	<u>-</u>
NON-CURRENT		
Loan – Delta Resource Management Pty Ltd	791,767	711,118
Loan – Investmet Limited	684,071	641,359
Loan – Whitestone Minerals Pty Ltd	89,754	84,412
Loan – Apollo Corporation (WA) Pty Ltd	-	11,670
Loan – Azurite Corporation Pty Ltd	24,522	22,873
Loan – Other	21,676	165,608
	<u>1,611,790</u>	<u>1,637,040</u>

The Company has executed a loan facility agreement with entities associated with Mr Michael Fotios, a former Director of the Company who resigned on 30 April 2019, including Delta Resource Management Pty Ltd (“Delta”). The facility is for \$2 million and it bears interest of 8% p.a., with an undrawn loan balance of \$1,209,764 as at 31 December 2021. 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 requirements to seek shareholder approval where necessary. During the reporting period, the repayment date for the loan with Delta was extended to 31 December 2023 in consideration for the issue of 20,000,000 options, exercisable at \$0.05 and expiring on 14 December 2024.

Between 2 December 2019 and 24 November 2021, the Company entered into a series of loan agreements with various parties to provide short-term working capital prior to the completion of an expected capital raising. The principal on these loans was converted to shares on 26 November 2021, following approval by shareholders. The balances included in current and non-current borrowings reflect interest accrued on the loans to 31 December 2021, which was paid in cash after the end of the reporting period.

12. PROVISIONS

	2021	2020
	\$	\$
NON-CURRENT		
Environmental rehabilitation	5,812,890	5,812,890
	<u>5,812,890</u>	<u>5,812,890</u>

Rehabilitation obligations in relation to the Company’s tenements exist. The majority of the outstanding rehabilitation obligations are associated with tenement M52/743 at the Company’s Horseshoe Lights Project, in particular the flotation tailings dam, the waste dumps, and the plant and camp site.

In July 2013 the Group successfully applied for participation in the State Government of Western Australia’s Mine Rehabilitation Fund (“MRF”), which administered by the Department of Mines, Industry Regulation and Safety (DMIRS). Through this application process a calculation of rehabilitation costs is determined by DMIRS and this was used to establish the Group’s contribution amount to the MRF.

The provision is measured at the present value of management’s best estimate of the costs required to settle the obligations. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

13. CONTRIBUTED EQUITY

	2021	2020
	\$	\$
Ordinary shares 436,394,305 (31 December 2020: 254,252,190)	22,737,269	19,206,637
Share issue costs written off against issued capital	(1,362,840)	(1,054,244)
	21,374,429	18,152,393

MOVEMENT IN ORDINARY SHARES

	No.	\$
Balance at 1 January 2021	254,252,190	19,206,637
Share placement 15 December 2021	75,000,000	1,500,000
Shares issued to Directors as performance incentive	3,000,000	36,000
Shares issued in satisfaction of debt	104,142,115	1,994,632
Balance at 31 December 2021	436,394,305	22,737,269

14. RESERVES

	2021	2020
	\$	\$
Director Options ¹	6,191	-
Director Options – not yet vested ¹	10,331	-
Further Debt Satisfaction Options ²	40,169	-
	56,691	-

¹ On 26 November 2021, the Company issued three tranches of Options to Directors as performance incentives (**Director Options**), as approved by shareholders at the General Meeting of the Company held on 25 November 2021. These comprise 3,000,000 Options exercisable at \$0.03, expiring 26 November 2023; 3,000,000 Options exercisable at \$0.06 two years from the date of issue, expiring 26 November 2024; and 3,000,000 Options exercisable at \$0.09 three years from the date of issue, expiring 26 November 2025. The tranches expiring on 26 November 2024 and 26 November 2025 are subject to the vesting condition that the recipient must remain employed by the Company at the date they become exercisable.

² On 15 December 2021, the Company issued 20,000,000 options exercisable at \$0.05 in consideration for the extension of the repayment date on a loan owed to Delta Resource Management Pty Ltd (**Further Debt Satisfaction Options**), as approved by shareholders at the General Meeting of the Company held on 25 November 2021.

MOVEMENT IN RESERVES

	No.	\$
Balance at 1 January 2021	-	-
Issue of Director Options	3,000,000	6,191
Issue of Director Options (subject to vesting conditions)	6,000,000	10,331
Issue of Further Debt Satisfaction Options	20,000,000	40,169
Balance at 31 December 2021	29,000,000	56,691

15. EARNINGS PER SHARE

	2021	2020
	\$	\$
Earnings used to calculate overall earnings per share	(2,309,460)	(1,171,992)
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	2021	2020
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	264,491,154	217,800,683
Anti-dilutive options on issue not used in EPS calculation	-	-

16. COMMITMENTS

The Group is required to meet certain minimum expenditure commitments on the mineral exploration assets in which it has an interest. Exploration commitments at the date of this report were determined with regard to the annual minimum expenditure required on tenements and the number of expenditure periods before expiry.

	2021	2020
	\$	\$
EXPLORATION EXPENDITURE COMMITMENTS		
Payable:		
- no later than 1 year	611,380	197,380
- between 1 year and 5 years	864,560	23,452
- greater than 5 years	1,483,500	10,384
	<u>2,959,440</u>	<u>231,216</u>

17. FINANCIAL RISK MANAGEMENT

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects and ensure that net cash flows are sufficient to support the delivery of the Group's financial targets whilst protecting future financial security. The Group continually monitors and tests its forecast financial position against these objectives.

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk and market risk consisting of interest rate risk and commodity price risk.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries.

The totals for each category of financial instruments as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	1,373,995	98,270
Trade and other receivables	127,987	72,037
Total financial assets	<u>1,501,982</u>	<u>170,307</u>
Financial Liabilities		
Trade and other payables	2,852,757	2,525,122
Borrowings	1,638,743	1,637,040
Total financial liabilities	<u>4,491,500</u>	<u>4,162,162</u>

FINANCIAL RISK MANAGEMENT POLICIES

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Board of Directors is responsible for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Mitigation strategies for specific risks faced are described below:

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

(a) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's receivables.

The Group's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

(b) LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of current financial liabilities with the realisation profile of current financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	2,167,973	2,525,122	684,784	-	-	-	2,852,757	2,525,122
Borrowings	26,953	-	1,611,790	1,637,040	-	-	1,638,743	1,637,040
Total contractual outflows	2,194,926	2,525,122	2,296,574	1,637,040	-	-	4,491,500	4,162,162

The timing of expected outflows is not expected to be materially different from contracted cashflows.

(c) FAIR VALUE ESTIMATION

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	2021		2020	
	NET CARRYING VALUE	NET FAIR VALUE	NET CARRYING VALUE	NET FAIR VALUE
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,373,995	1,373,995	98,270	98,270
Trade and other receivables	127,987	127,987	72,037	72,037
Investments	243,000	243,000	243,000	243,000
Total financial assets	1,744,982	1,744,982	413,307	413,307
Financial liabilities				
Trade and other payables	2,852,757	2,852,757	2,525,122	2,525,122
Borrowings	1,638,743	1,638,743	1,637,040	1,637,040
Total financial liabilities	4,491,500	4,491,500	4,162,162	4,162,162

18. OPERATING SEGMENTS

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 Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (the 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.

19. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

	2021	2020
	\$	\$
Short-term employee benefits	108,500	90,000
Post-employment benefits	-	-
Share-based payments	52,521	-
	161,021	90,000

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 31 December 2021.

20. AUDITORS' REMUNERATION

	2021	2020
	\$	\$
Remuneration of the auditor of the Group, Rothsay Auditing for:		
- auditing or reviewing the financial statements	29,000	29,000

21. CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%) 2021	PERCENTAGE OWNED (%) 2020
Subsidiaries:			
Murchison Copper Mines Pty Ltd	Australia	100	100

22. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2021 (31 December 2020: nil).

23. RELATED PARTY TRANSACTIONS

At 31 December 2021 Horseshoe Metals Limited had a loan receivable from its subsidiary in the amount of \$11,583,811 (2020: \$11,336,206). The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract. The loan balance is eliminated on Group consolidation.

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19.

Mr Alan Still, a Director of the Company, provides technical consulting services to the Company on an ad hoc basis, in accordance with the Board's determination that Non-Executive Directors incurring excessive time in assisting the Company on specific matters be entitled to charge the Company for this additional time, on reasonable commercial terms. During the period ended 31 December 2021 the Company made payments for consulting services of \$39,625 to Zedsee Enterprises (Private) Limited, an entity controlled by Mr Still.

24. CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

	2021 \$	2020 \$
Net loss for the period	(2,309,460)	(1,171,992)
Non-cash flows in profit:		
- interest expense not paid	175,459	93,643
- depreciation	3,967	5,131
- share-based payments	92,691	310,000
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- decrease/(increase) in trade and other receivables	(55,951)	(15,196)
- decrease/(increase) in investment	-	(38,000)
- decrease/(increase) in other assets	(29,103)	-
- increase in trade and other payables	1,166,868	285,110
- increase in borrowings	-	38,002
Cashflow from operations	(955,529)	(493,302)

25. SHARE-BASED PAYMENTS

	2021	2020
	\$	\$
Expensed:		
Shares issued to directors	36,000	-
Options issued to directors	52,522	-
Options issued to other parties	40,169	-
Total share-based payments in statement of comprehensive income	161,021	-

26. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 25 January 2022, the Company announced the closure of its non-renounceable entitlement offer under the prospectus dated 15 December 2021, under which eligible shareholders were offered one fully paid ordinary share for every four shares held, at an issue price of \$0.02 per share. On 2 February 2022, the Company issued 47,479,831 shares to eligible shareholders who accepted their entitlements, to raise \$949,596 before costs.

On 4 February 2022, the Company announced the closure of the shortfall offer to the rights issue under the prospectus dated 15 December 2021, under which eligible shareholders and other interested parties were offered the opportunity to apply for shortfall shares at an issue price of \$0.02 per share. On 9 February 2022, the Company issued 61,618,745 shares to successful applicants, to raise \$1,232,375 before costs.

On 10 February 2022, the Company issued 10,000,000 options exercisable at \$0.03, expiring on 10 February 2025, in partial consideration for lead manager services provided by Merchant Capital Partners Pty Ltd to elements of the Company's capital raisings.

On 18 February 2022, the Company's shares were reinstated to quotation by the ASX, following confirmation that the Company had met the conditions precedent for reinstatement set out by ASX.

27. PARENT ENTITY

The following information has been extracted from the books and records of the parent, Horseshoe Metals Limited, and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, Horseshoe Metals Limited, has been prepared on the same basis as the consolidated financial statements.

	2021	2020
	\$	\$
Statement of Financial Position		
<i>Assets</i>		
Current assets	1,377,498	136,413
Non-current assets (i)	14,142,473	13,897,522
Total Assets	15,519,971	14,033,935
<i>Liabilities</i>		
Current liabilities	1,507,682	777,896
Non-current liabilities	2,286,097	2,702,718
Total Liabilities	3,793,779	3,480,614
Net Assets	11,726,192	10,553,321

Equity

Issued capital	21,374,429	18,152,393
Retained earnings	(9,704,928)	(7,599,072)
Reserves	56,691	-

Total Equity

11,726,192	10,553,321
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Statement of Comprehensive Income

Total comprehensive income	(2,105,856)	(997,542)
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- (i) Included in non-current assets is a loan receivable from the subsidiary in the amount of \$11,583,811 (2020: \$11,336,206)

Contingent Liabilities

The parent entity did not have any contingent liabilities as at 31 December 2021 or 31 December 2020.

Contractual Commitments

The parent entity did not have any commitments as at 31 December 2021 or 31 December 2020 other than as disclosed in Note 16.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 51 to 71, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with International Financial Reporting Standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the Company and consolidated Group;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 December 2021, comply with Section 300A of the Corporations Act 2001, and
4. the Directors have been given the declarations by the Non-executive Chairman and Chief Financial Officer pursuant to Section 295(5) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Craig Hall
Non-executive Director

Perth Western Australia
Dated this 31st day of March 2022



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HORSESHOE METALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Horseshoe Metals Limited ("the Company") and its controlled entity ("the Group") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

HORSESHOE METALS LIMITED (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key Audit Matter - Exploration and Evaluation Expenditure</i>	<i>How our Audit Addressed the Key Audit Matter</i>
The Group incurred significant exploration and evaluation expenditure during the year and it is the most significant asset on the Group's Statement of Financial Position. We do not consider exploration and evaluation expenditure to be a high risk of significant misstatement, or to be subject to a significant level of judgement. However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following: • We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. • We reviewed and agreed the amount of rehabilitation and restoration provision to third party documentation; and • We reviewed management's analysis of the potential need for impairment of the capitalised assets. We have also assessed the appropriateness of the disclosures included in the financial report.
<i>Key Audit Matter - Borrowings</i>	<i>How our Audit Addressed the Key Audit Matter</i>
The Group's borrowings are considered to be key to its ability to continue its operations on going concern basis. We do not consider borrowings to be a high risk of misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.	Our procedures over the completeness of the Group's borrowings and payment terms included but were not limited to: • Documenting and assessing the terms and conditions of the debt agreements; • Agreeing the outstanding debt amounts to the third-party confirmations; and • Reviewing and agreeing interest calculations provided by the management. We have also assessed the appropriateness of the disclosures included in the financial report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HORSESHOE METALS LIMITED (continued)**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HORSESHOE METALS LIMITED (continued)**

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2021.

In our opinion the remuneration report of Horseshoe Metals Limited for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Auditing

Dated 31 March 2022

**Daniel Dalla
Partner**

TENEMENTS

SUMMARY OF MINING TENEMENT INTERESTS AS AT 31 December 2021					
Location	Tenement No.	Interest At Beginning Of Year (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest At End Of Year (%)
Horseshoe Lights, WA	M52/743	100% ¹	- ²	-	100% ¹
Horseshoe Lights, WA	L52/42	100%	-	-	100%
Horseshoe Lights, WA	L52/43	100%	-	-	100%
Horseshoe Lights, WA	L52/44	100%	-	-	100%
Horseshoe Lights, WA	L52/45	100%	-	-	100%
Horseshoe Lights, WA	L52/66	100%	-	-	100%
Horseshoe Lights, WA	P52/1542	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1543	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1544	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1545	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1546	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1547	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1548	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1549	100%	- ²	-	100%
Horseshoe Lights, WA	P52/1550	100%	- ²	-	100%
Horseshoe Lights, WA	E52/3759	100%	- ²	-	100% ²
Erivilla	E52/3906	0%		100%	100%
Erivilla	E52/3908	0%		100%	100%
Erivilla	E52/3909	0%		100%	100%
Horseshoe Lights West	E52/3939	0%		100%	100%
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0%	-	-	0% ³
Glenloth, SA	EL6301	100%	-	-	100%

Notes:

- Horseshoe Gold Mine Pty Ltd (a wholly owned subsidiary of Grange Resources Limited) retains a 3% net smelter return royalty in respect to all production derived from M52/743
- Tenements P 52/1542, P 52/1543, P 52/1544, P 52/1545, P 52/1546, P 52/1547, P 52/1548, P 52/1549, P 52/1550, E52/3759 and a portion of M 52/743 are subject to a Farm-In and Joint Venture Agreement between the Company's wholly owned subsidiary Murchison Copper Mines Pty Ltd and Kopore (WA) Pty Ltd, a wholly owned subsidiary of Kopore Metals Limited (ASX:KMT), as announced to the ASX on 28 January 2021. Under the agreement Kopore is entitled to earn up to a 70 percent interest in the tenements.
- The Company has applied for a Mining Lease to cover the Rinaldi resource within E52/1998, contiguous with M52/27

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the ASX Limited Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 30 March 2022.

A. Distribution of equity security holders

HOLDING	NUMBER OF SHARES	NUMBER OF HOLDERS
1 - 1,000	10,040	38
1,001 - 5,000	271,980	94
5,001 - 10,000	762,250	87
10,001 - 100,000	14,416,144	363
100,000 and over	530,032,467	355
	545,492,881	937

The voting rights attaching to ordinary shares are that on a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Options do not carry any voting rights.

There were 266 holders of less than a marketable parcel of ordinary shares, being 12,821 shares as at 30 March 2022.

B. Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

	NUMBER HELD	% OF ISSUED SHARES
1 Delta Resource Management Pty Ltd	39,695,372	7.277
2 Obsidian Metals Group Pty Ltd	27,000,000	4.950
3 Mr Steven Sickerdick <The Mines A/C>	17,000,000	3.116
4 Mr Eric Peter Murphy & Mrs Kim Lea Murphy <Murphy Family S/F A/C>	12,500,000	2.292
5 Helios Corporation Pty Ltd <The Michael Fotios Family A/C>	12,294,642	2.254
6 Mr Anthony Harold Fotios <Fotios Family A/C>	11,880,693	2.178
7 Whitehall Nominees Pty Ltd <DJ Smith No 2 Family A/C>	11,743,500	2.153
8 Mr Philip Colin Hammond & Mrs Betty Jeanette Moore <MGB Super A/C>	11,489,584	2.106
9 Ms Betty Jeanette Moore & Mr Philip Colin Hammond <BJM Super A/C>	9,500,000	1.742
10 Tarney Holdings Pty Ltd <DP & FL Waddell Family A/C>	8,250,000	1.512
11 Ralmana Pty Ltd	8,000,000	1.467
12 Whimplecreek Pty Ltd <The Stawell Family A/C>	7,666,668	1.405
13 Sharic Superannuation Pty Ltd <Farris Super Fund A/C>	6,754,233	1.238
14 Farris Corporation Pty Ltd <The Peter Farris Super A/C>	6,708,223	1.230
15 Chaleyer Holdings Pty Ltd <Rubben Family A/C>	6,500,000	1.192
16 Botsis Holdings Pty Ltd	6,500,000	1.192
17 Orbit Drilling Pty Ltd	6,230,000	1.142
18 Investmet Limited	6,054,589	1.110
19 Stockworks Exploration & Mining Pty Ltd	6,000,000	1.100
20 Garic Pty Ltd <K A Landon A/C>	6,000,000	1.100
	227,767,504	41.754

C. Substantial shareholders

The number of substantial shareholders and their associates are set out below:

SHAREHOLDER	NO. OF SHARES	% OF ORDINARY SHARES
Delta Resource Management Pty Ltd	39,695,372	7.277

D. Corporate Governance

The Company's Corporate Governance Statement is located on pages 80 to 90 of this report.

E. On-market buy-back

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

Horseshoe Metals Limited's (**HOR or Company**) Board of Directors (**Board**) is responsible for establishing the corporate governance framework of the Company and its related bodies corporate. In establishing this framework, the Board has considered and reports against the Corporate Governance Principles and Recommendations (4th Edition) as published by the ASX Corporate Governance Council (**ASX Corporate Governance Principles**).

This Corporate Governance Statement has been approved by the HOR Board and summarises the corporate governance practices and procedures that were in place throughout the financial year commencing 1 January 2021 and to the date of this Statement. In addition to the information contained in this Statement, the Company's website at www.horseshoemetals.com.au contains additional details of its corporate governance practices and procedures.

The ASX Listing Rules require listed companies to include in their Annual Report or website a statement disclosing the extent to which they have complied with the ASX Corporate Governance Principles in the reporting period. The recommendations are not prescriptive and if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to adopt it. Where HOR considered it was not appropriate to presently comply with a particular recommendation, the reasons are set out in the relevant section of this Corporate Governance Statement.

With the exception of the departures detailed in this Corporate Governance Statement, the corporate governance practices of the Company during the reporting period were compliant with the ASX Corporate Governance Principles (4th Edition).

The table below provides a summary of the Company's compliance with each of the eight ASX Corporate Governance Principles:

Recommendation		Comply Yes/No/ Partly
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes Yes
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to re-elect a director.	Yes Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); and (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's	Yes Yes No Yes Not
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes No
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes Not applicable

Recommendation		Comply Yes/No/ Partly
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose (3) the charter of that committee; and (4) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and	Not applicable Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Recommendations, but the board is of the opinion it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes Yes Yes
2.4	A majority of the board of a listed entity should be independent directors.	Yes
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and, (b) disclose that code or a summary of it.	Yes Yes

Recommendation		Comply Yes/No/ Partly
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner	Not applicable Yes
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes Yes
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	No

Recommendation		Comply Yes/No/ Partly
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes
6.5	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	Yes
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director; and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and	Not applicable Yes
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	No No
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Not applicable Yes
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risk and, if it does, how it manages or intends to manage those risks.	Yes
8.1	The Board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Not applicable Yes

Recommendation		Comply Yes/No/ Partly
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes Yes
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable

(c) Board Responsibilities

The Company has established the functions that are reserved to the Board. The Board acts on behalf of the shareholders and is therefore accountable to the shareholders. It also has other obligations of a regulatory or ethical nature. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to appropriately manage those risks.

The Board's role is to govern the Consolidated Entity. Without limiting the generality of that stated role, the key matters reserved specifically for the Board include:

- Appointment of the Managing Director (or equivalent) and other senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring budget and adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with applicable legislation and ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

For a complete list of the functions reserved to the Board and a copy of the Board's Charter, please refer to the Corporate Governance section of the Company's website.

Due to the size of the Board and the stage of the Company's operations, the Board has opted not to establish an Audit, Risk, Remuneration or Nomination Committee. These duties and responsibilities are discharged by the full Board.

(d) Responsibilities of Senior Executives

The responsibility for the day to day operation and administration of the Company, in accordance with the direction of the Board, is delegated by the Board to the Managing Director (or equivalent) and the executive team. The Board ensures that this team is appropriately qualified and experienced to carry out their responsibilities and has in place procedures to assess the performance of the Managing Director (or equivalent) and the executive team. In delegating this power, the Board must also be satisfied that the Managing Director (or equivalent) and senior executives will exercise their powers reliably and competently, and in accordance with the requirements of the Board.

The matters and functions delegated by the Board to the Managing Director (or equivalent) and other senior executives include:

- Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- Ensuring appropriate funding arrangements are in place for Company activities;
- Operating the Company's businesses and operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses and operations;
- Where proposed transactions, commitment or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval;
- Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board;
- Managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis;
- Implementing the Company's internal controls; establishing procedures for monitoring these controls, and ensuring that these controls and procedures are appropriate and effective;
- Taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- Implementing all policies, procedures and codes approved by the Board.

(e) Performance evaluation of Board and Senior Executives

The Board has adopted a policy for evaluating the performance of the Board and Directors, a copy of which is available on its website. Due to the size and scale of the Group's operations at present, no evaluation of Board performance was undertaken during the reporting period.

The Board has a policy for an annual evaluation of the Managing Director (or equivalent) and other senior executives, a copy of which is available on its website. However, no senior executives were employed by the Group during the reporting period.

For further information regarding the Company's Performance Evaluation Policy please refer to the Corporate Governance section of the Company's website.

(f) Structure of the Board and Skills Matrix

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination, selection, induction and ongoing professional development of Directors. These guidelines include a requirement to undertake appropriate background checks prior to the appointment of a person as a director, including but not limited to undertaking police and solvency checks, a formal induction program to enable new Directors to build their knowledge and make an effective contribution in a timely manner, and the provision of appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively.

The Directors in office and the term of their appointment at the date of this Corporate Governance Statement are:

Name	Position	Date of Appointment
A Still	Independent Non-Executive Director	23 June 2014
C Hall	Independent Non-Executive Director	30 April 2019
K Stoney	Independent Non-Executive Director	16 February 2021

The skills, experience and expertise relevant to the position of Director held by each Director at the date of this Statement are included on page 1 of the Company's 2021 Annual Report.

The composition of the Board is reviewed regularly by the Board to ensure that the Directors between them bring the range of skills, knowledge and experience necessary to direct the Company's operations. The Board has agreed a formal skills matrix identifying the mix of areas the Board should collectively hold across its membership, which includes experience in areas such as: operational management, exploration, geology, finance/accounting, law and capital markets. The Board believes that the Directors between them bring the range of skills, knowledge and experience necessary to direct the Company's current operations.

The appointment of Non-Executive Directors is formalised in accordance with the requirements of the *Corporations Act 2001* and the Company's Constitution.

Non-Executive Directors and senior executives have entered into Letters of Appointment with the Company. The Letter of Appointment summarises the Board policies and terms of appointment, including compensation relevant to the office of Director.

The Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board. All Directors have unfettered access to the Company Secretary. In addition, Directors are entitled, in furtherance of their duties, to seek independent professional advice at the Company's expense.

(g) Independence

Recommendation 2.4 requires a majority of the Board to be independent Directors. The ASX guidance on factors relevant to an assessment of independence includes interests, positions, associations or relationships which might interfere with, or reasonably be seen to interfere with, a director's capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally. In accordance with this guidance, all of the current directors are considered to be independent directors.

(h) Nomination and Remuneration Committee

As noted above, neither a Nomination nor Remuneration Committee has been established and during the financial year, the full Board undertook the responsibilities for determining and reviewing compensation arrangements for the Directors and senior executives and ensuring that the Board continues to operate within the established guidelines. For further details regarding the procedure for the nomination, selection and appointment of new directors and re-election of incumbents, please refer to the Corporate Governance section of the Company's website.

For further details on the remuneration policy of the Company, including a description of the structure of Non-executive Directors' remuneration and Executive Directors' and senior executives' remuneration, see the Remuneration Report starting on page 47 of the 2021 Annual Report.

The Company does not have an equity-based remuneration scheme.

The Company acknowledges that the guidelines to ASX Principle 8.2 recommend that Non-executive Directors do not receive options with performance hurdles attached. However, in the Company's current circumstances, the Directors may consider options to be a cost effective and efficient means for the Company to provide a reward and incentive, as opposed to alternative forms of incentive, such as the payment of additional cash consideration that would be necessary for someone with the experience of the Directors, and may from time to time resolve to issue options to Non-executive Directors, including with performance hurdles, subject to regulatory and shareholder approval.

There is no scheme to provide retirement benefits (other than superannuation) for Non-executive Directors. For additional details please refer to the Corporate Governance section of the Company's website.

(i) Audit and Risk Committee

The Board has not established an Audit and Risk Committee. As noted above, during the financial year, the full Board undertook the responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes such as the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information, as well as non-financial considerations including the benchmarking of operational key performance indicators. The Board is also responsible for the nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year audit review.

The Company does not have any material exposure to economic, environmental or social sustainability risks.

(j) Communication with Shareholders

Pursuant to Principle 6, the Board aims to ensure that the shareholders are provided with full and timely information about the Company's activities. To promote effective communication with shareholders, the Company has designed a Shareholder Communication policy. Information is communicated to the shareholders through:

- The Annual Report which is made available to all shareholders;
- Announcements made through the ASX companies announcements platform;
- The Company's website which has a dedicated Investor Relations section for the purpose of publishing all Important Company information and relevant announcements made to the market; and
- The annual general meeting and any other meetings called to obtain approval for Board action as appropriate.

In addition, shareholders are encouraged to make their views known or to seek clarification on information available in the public arena by contacting the Company (including the Company's share registry, which facilitates electronic correspondence) or attending the annual general meeting. The external auditors also attend, and are available to answer queries on the preparation and content of the independent Audit Report, the accounting policies adopted by the Company in relation to the preparation of accounts and the independence of the Auditor in relation to the conduct of the audit at the Company's annual general meetings.

For further information regarding the Company's Shareholder Communication Policy please refer to the Corporate Governance section of the Company's website.

(k) Diversity Policy

The Company is committed to promoting equality and diversity in the workplace and aims to be an organisation where diversity is valued, respected and celebrated. All decisions relating to employees will be based strictly on merit, without regard to gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

Pursuant to Recommendation 1.5, the Company has established a Diversity Policy a copy of which is available on the Company's website. However due to the small size of the organization and its current stage of operations, the introduction of specific measurable objectives at this stage has not been implemented.

Whilst the Board of the Company strongly endorses the concept of gender diversity, until the Company's human resource base has grown to a point where fully implementing specific measurable objectives will become more meaningful, the Company will, in accordance with its Diversity Policy, continue to recruit the best person for each role, regardless of gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

The Company currently has no employees. In accordance with Recommendation 1.5(c)(1), the figures below show the proportion of women in the whole organisation, women in senior executive positions and women on the Board. The Company defines "senior executive" as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Board: 33%

Senior Executive: 33%

Employees: n/a (no direct employees at the date of this report)

(l) Share Trading

The Constitution of the Company permits Directors and officers to acquire shares in the Company.

In accordance with the provisions of the Corporations Act and the listing Rules of the ASX, Directors must advise the Company and the ASX of any transactions they conduct in securities of the Company.

The Company has established a Securities Trading Policy concerning trading in the Company's securities by Directors and employees. This policy provides a brief summary of the law on insider trading and other relevant laws, sets out the restrictions on dealing in securities by people who work for or who are associated with the Company, and is intended to assist in maintaining market confidence in the integrity of dealings in the Company's securities.

The policy stipulates that the only appropriate time for a Director or employee to deal in the Company's securities is when he or she is not in possession of 'price sensitive information' that is not generally available to the share market. A Director wishing to deal in the Company's securities may only do so after first having received approval from the Chairman. All staff wishing to deal must obtain approval from the Managing Director (or equivalent).

Trading in the Company's securities is also subject to specified blackout periods, which are set out in the Company's Securities Trading Policy or as otherwise determined by the Board from time to time.

The Company prohibits Directors and employees from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

A copy of the Company's Securities Trading Policy is available in the Corporate Governance section of the Company's website.

(m) Integrity of Financial Reporting and Risk Management Policies

The Board has primary responsibility to ensure that the Company presents and publishes accounts which present a true and fair view of its results and financial position and that the accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws.

Under section 295A of the *Corporations Act*, the Managing Director (or equivalent) and the person who performs the Chief Financial Officer function are each required to provide a written statement to the Board that the Company's annual financial report presents a true and fair view, in all material respects, of the Company's financial condition and operational results and that it is in accordance with the relevant accounting standards. Recommendation 4.2 extends this requirement such that it applies to financial statements for any financial period and that the Managing Director (or equivalent) and the person who performs the Chief Financial Officer function must also confirm that this statement is founded on a sound system of risk management and internal compliance which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating effectively in all material respects. The Board confirms that it has received written statements to this effect from the Executive Director and the Chief Financial Officer for the half year, annual financial reports and quarterly reports from 1 July 2018 to the date of this report.

Due to the size of the Company and its current level of activity and operations, the Company does not have a formal internal audit function. Periodically, internal reviews of the Company's financial systems, documents and processes will be undertaken and any recommendation for improvement reported to the Board as part of the Company's risk management processes.

The Company is committed to the management of risks throughout its operations to protect all of its stakeholders. Risk management is carried out through the full Board and the processes and procedures mentioned above.

The Company's Risk Management Policy deals with the management and oversight of material business risks and provides the guiding principle for management in the identification of risks across the organisation as a whole, and within individual business units.

The Risk Management Policy provides a framework for systematically understanding and identifying the types of material business risks that may threaten the Group as a whole or specific business activities within the Company and includes risk mitigation strategies. When the Company's operations increase, the Company intends to establish specific frameworks for operational and organisational risk.

Due to the limited operations of the Group during the reporting period, the Board did not conduct a formal review of the Group's risk management framework but considered risk on an ongoing basis. The Board felt that given the nature and scale of the Company that process was the most appropriate and most robust means of monitoring and managing risk for the Company.

The Board has formed the view that the Company does not currently have any material exposure to economic, environmental or social sustainability risks, other than the risk of obtaining the necessary government and other approvals required for permitting of any proposed project development, that require demonstration by the Company of environmental/social acceptability of the project. The Company will manage these risks by developing its environmental, community and social development programs and communicating with both community and government regarding its development plans and risk management strategies. Also, the Company is subject to the ongoing risks associated with funding its exploration, mining development and other activities.

For a summary of the Company's Risk Management Policy, please refer to the Corporate Policies section of the Company's website.

(n) Code of Conduct and Continuous Disclosure Policy

The Company has a Code of Conduct and Continuous Disclosure Policy, which can be found in the Corporate Governance section of the Company's website.

APPENDIX 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Horseshoe Metals Limited

ABN / ARBN

20 123 133 166

Financial year ended:

31 December 2021

Our corporate governance statement² for the above period above can be found at:³

- ☒ These pages of our annual report: 80 to 90
- ☒ This URL on our website: www.horseshoemetals.com.au

The Corporate Governance Statement is accurate and up to date as at 31 March 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 31 March 2022

Name of Director or Secretary authorising
lodgement: Kate Stoney

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable. Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☒ at www.horseshoemetals.com.au ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the length of service of each director: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at www.horseshoemetals.com.au	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at www.horseshoemetals.com.au	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at www.horseshoemetals.com.au	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☒ at www.horseshoemetals.com.au	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement