



HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

30 April 2020

QUARTERLY ACTIVITIES REPORT

Horseshoe Metals Limited (ASX:HOR) ("**Horseshoe**", "**HOR**" or "**the Company**") is pleased to present its Quarterly Activities Report for the period ending 31 March 2020.

HIGHLIGHTS

- PCF leading the sale process for Horseshoe Lights Copper-Gold Project.
- Horseshoe recently entered into JV to fund development of Mt Gunson Copper Project in South Australia, operated by CMM.
- Mt Gunson has historically produced >156,000t copper, 62t of silver, and 2,900t of cobalt in concentrates.
- Preparatory work underway to restart oxide copper heap leach production.
- Existing oxide copper stockpiles earmarked for fast-tracking of copper cement production.
- Sale of residual copper cement product stocks agreed with Adchem SA.
- Considerable unsolicited interest is being received from various potential purchasers for the copper cement.
- Initial review of historic exploration and mining database complete – includes 20,000m of drilling.
- Priority shallow oxide targets identified for drilling to expand production base.
- Recent significant rainfall has increased fresh water resources delaying the need for planned capital purchase to improve water quality.
- HOR acquisition of interests in exploration tenements covering the historic Glenloth Goldfield in South Australia nearing completion.

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Carol New
*Non-Executive Director,
Joint Company Secretary*

Ms Kate Stoney
Joint Company Secretary

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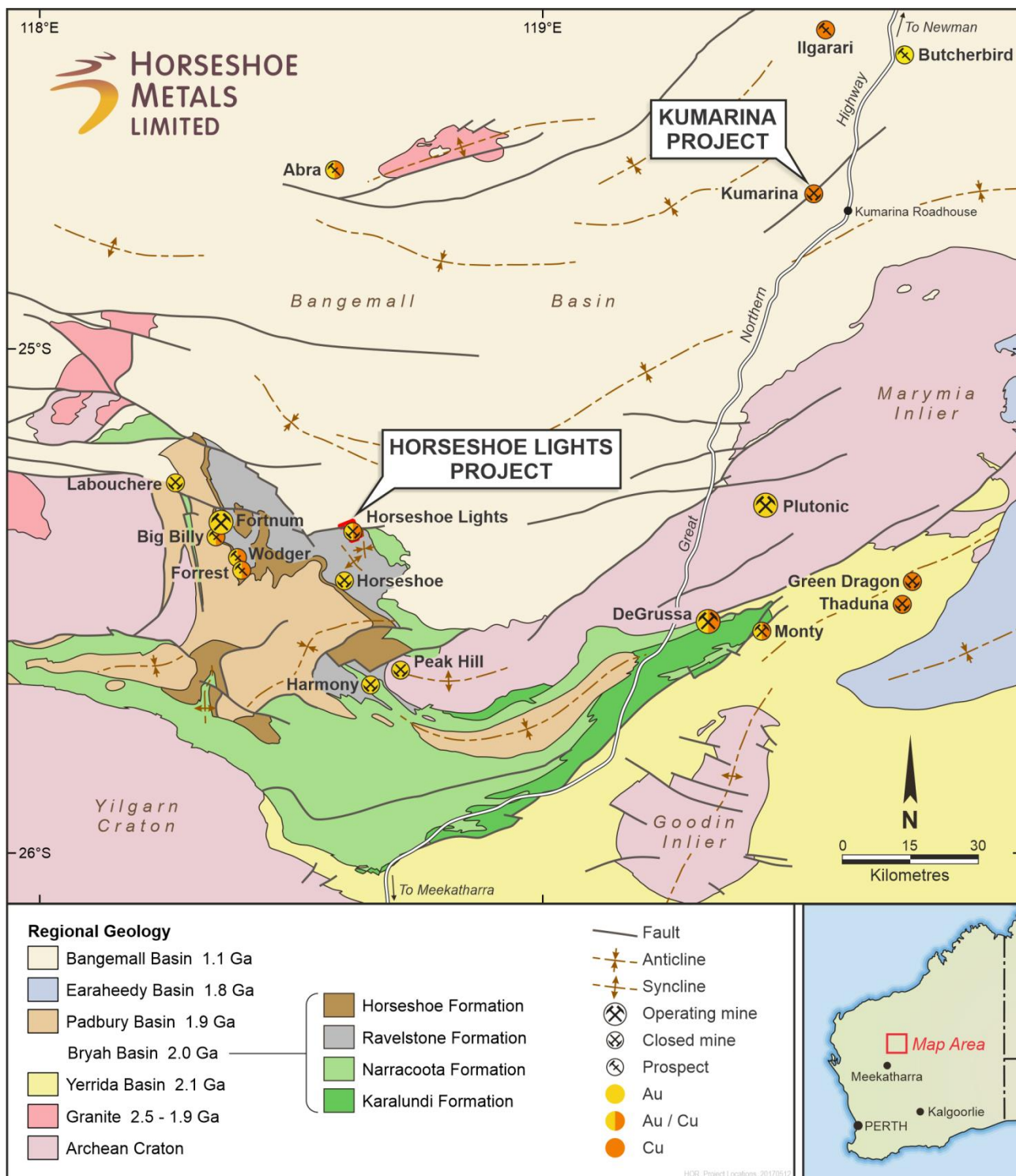


Figure 1: Location map and geology, Horseshoe Lights and Kumarina Projects

EXPLORATION AND EVALUATION

Mt Horseshoe Lights Copper/Gold Project (HOR: 100%) (GRR: 3% NSR Royalty – refer to Appendix 1)

The Horseshoe Lights Project covers an area of approximately 60 km² including the previously mined Horseshoe Lights copper-gold mine, which is located 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine (see Figure 1).

As part of a strategic review process, leading Perth advisory firm PCF Capital Group has continued to lead a sale process for the asset. Difficult capital market conditions in 2019 were not conducive to completing a transaction, however the start of 2020 saw renewed interest in the Project, including a number of unsolicited approaches and

the Board will be seeking to complete a suitable transaction in the first half of 2020. Any potential sale may be subject to shareholder and regulatory approvals.

Kumarina Copper Project (HOR: 100%)

The Kumarina Project consists of an exploration licence and one mining lease covering approximately 120km². 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 Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27. No active field work was undertaken during the quarter.

Mt Gunson Copper Project (HOR earning to 50%)

On the 16th October 2019, the Company announced that it had agreed key terms to acquire interests in Copper Mining and Metallurgy Pty Ltd ("CMM") which has rights to produce copper metal from oxide material at the historic Mt Gunson Copper Mine. 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.

The Company released a Mt Gunson Copper project update to market on the 28th February 2020, announcing the recommencement of oxide-copper heap leaching activities at the Mt Gunson copper project in South Australia, under the direction of CMM Operations Manager Mr Steven Sickerdick. In conjunction with a recent site visit by representatives from Horseshoe, surface stockpiles were identified for priority leach pad construction and were expected to provide an early boost in planned copper-cement production.

Recent substantial rainfall in January has provided significant fresh water, (refer Figure 6) deferring the need for a planned capital purchase to improve water quality thereby preserving capital for other activities. While CMM still intends to purchase equipment to ensure stable quality water supply, the requirement can now be deferred to a less capital-intensive period.

Some residual bags of copper cement product remained on site from the previous pilot-scale operation and under the term sheet agreement with Adchem, CMM is making arrangements for the sale of this product. CMM continues to receive considerable unsolicited interest from alternative purchasers for the copper cement.

The Company has now also collated and commenced review activities of a significant project database of historical drilling with a view to identifying residual oxide targets in proximity to the Main Open Cut (MOC) area. The data confirms the persistent, elongate tabular form of flat-lying shallow oxide mineralisation (refer Figures 9 and 11). The extensive database totals around 20,000m of drilling, which (excluding Cattlegrid drilling on ML5599) is mostly made up of holes less than 15m in depth, as outlined in Table 1 below. For important historical intersections of copper mineralisation taken from this database, referenced within the figures in this report, please refer to HOR:ASX "Mt Gunson Copper Project Update- Table 2" released 28/2/2020.

Remnant oxide material extending immediately outside the current MOC pit boundary (refer Figures 4, 7 and 8) is open and presents a priority drill target. In addition, oxide mineralisation is present in the 'Gap' area between MOC and House prospects, where a series of four holes confirmed shallow copper mineralisation for possible mining (refer Figures 5, 8, 9, 10 and 11). The Company is planning drilling of these and other available areas in the near term.

Table 1: Mt Gunson Drill Database details

Prospect	Number of Holes	Number of metres		Average depth	Number of samples
Main Open Cut	528	6,864.5		13	5,476
House	256	2,673		10	3,201
Core Shed	117	895		7	887
Carriage	27	420.5		16	359
Total	1,102	10,853		10	9,923

Cattlegrid					
Exploration	394	16,936		43	5,724
Grade Control	923	2,987		3	3,755

Total	1,317	19,922			9,479
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Glenloth Gold Project (EL6301 and rights to explore and develop ML5848, ML5849, ML5885 & MPL62):

Stockworks Exploration and Mining Pty Ltd (“SEM”) owns 100% of EL6301 and has a right to explore and develop the other tenements listed above. The tenement owners retain the right to conduct small scale mining activities on the ML’s and MPL. Completion of the acquisition by the Company of the Glenloth tenement EL6301 remains subject to receipt of Ministerial consent under section 83(1) of the South Australian Mining Act 1971. The Company has signed all relevant transfer documentation and expects to complete this transaction shortly.

During the quarter the Company compiled available data and reviewed previous exploration of the area to prioritise planned drilling of priority targets.

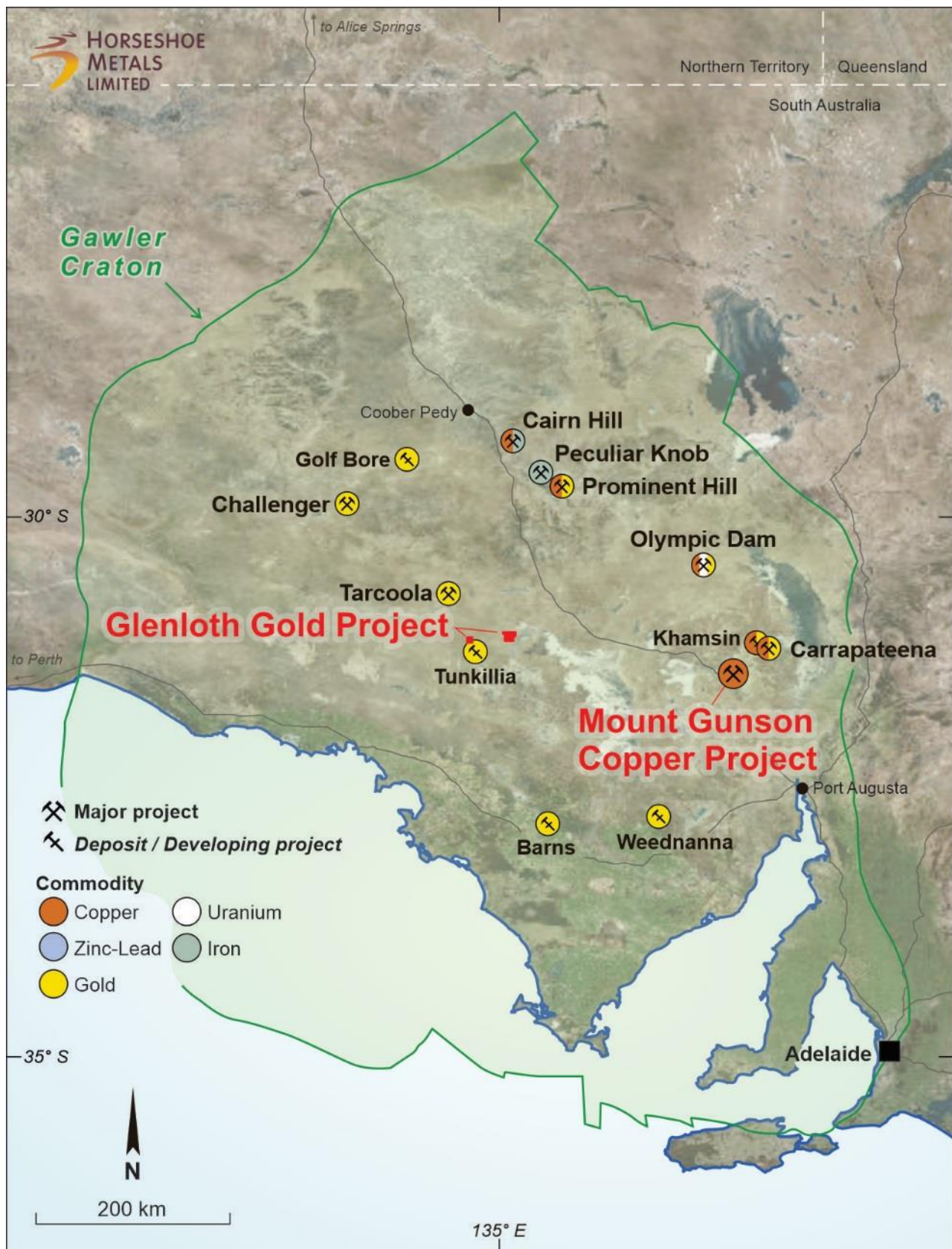


Figure 2: Location of Mt Gunson Copper Project and Glenloth Gold Project, with significant local deposits, South Australia

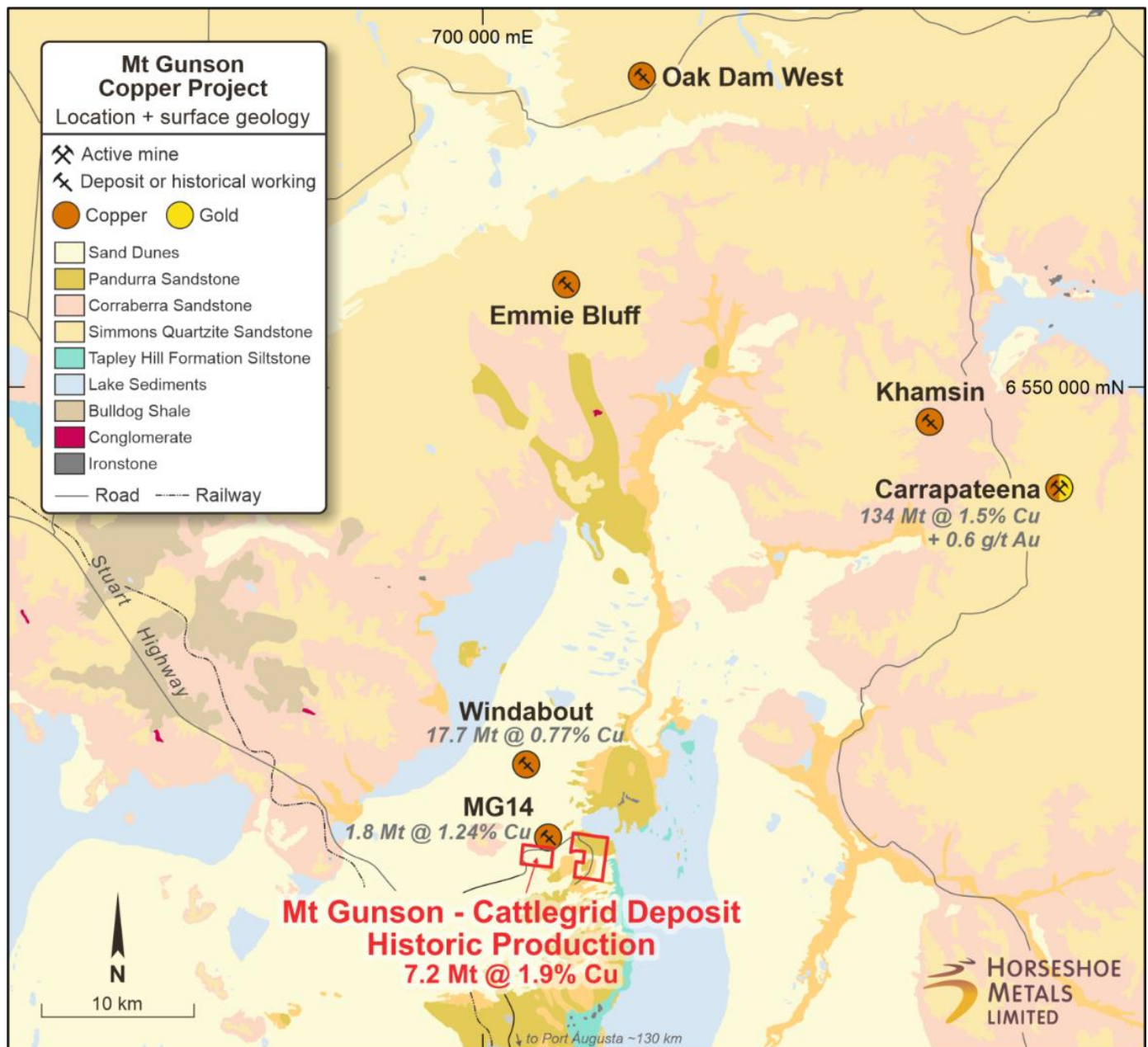


Figure 3: Location of Mt Gunson Copper Project and significant local deposits

Carrapateena Resource:

https://www.ozminerals.com/uploads/docs/170824_ASX_Release_Resource_and_Reserve_Statement_-_Carrapateena_August_2017.pdf p5

Windabout Resource:

<https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf> p1

MG14 Resource:

<https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf> p1

Cattlegrid Historic Production:

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.697.4826&rep=rep1&type=pdf> p5

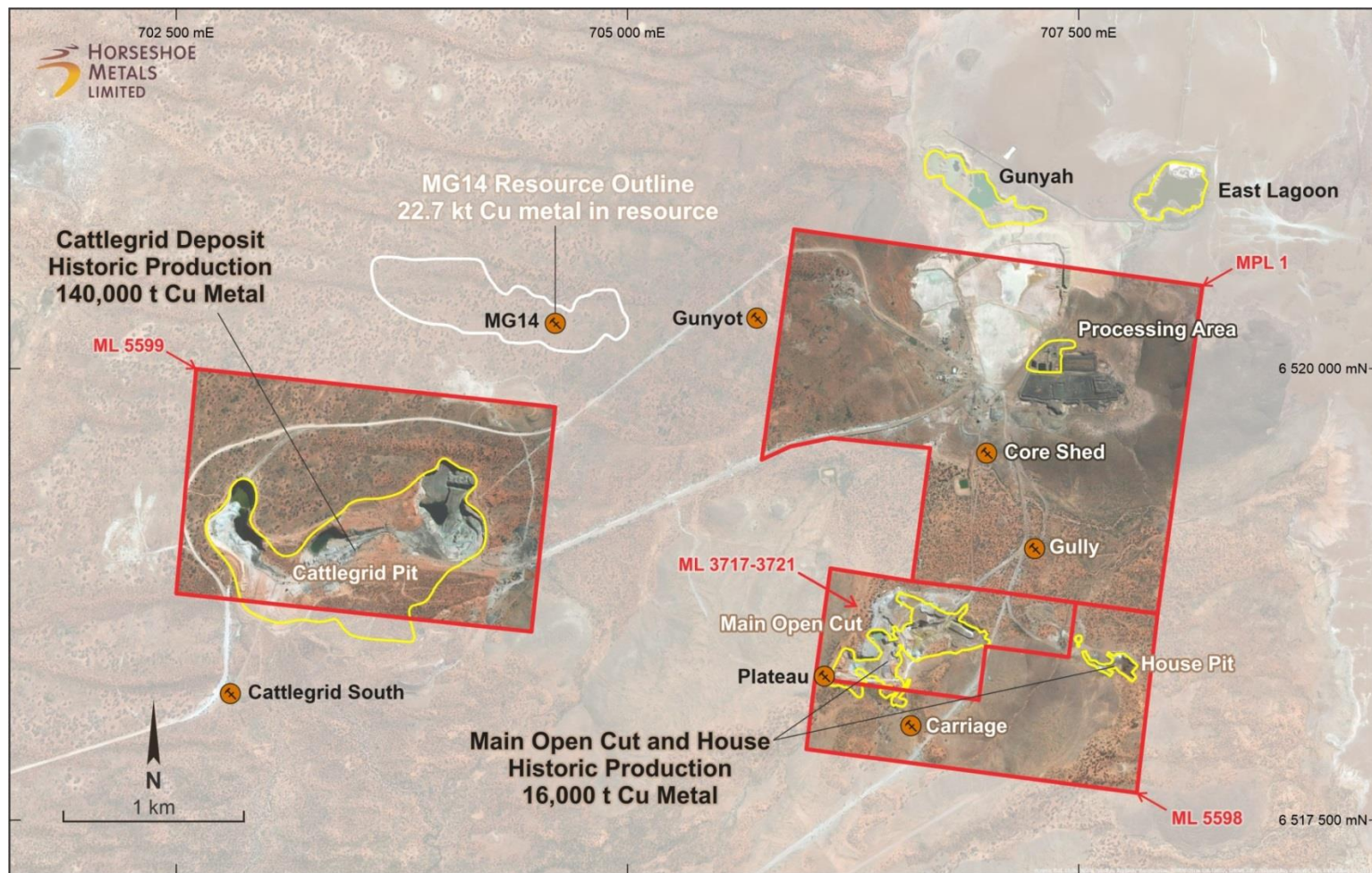


Figure 4: Location of Mt Gunson Copper Project tenure with local deposits and prospects. Historic pit outlines in yellow

Cattlegrid Historic Production: Bampton (2003) Copper Mining and treatment in South Australia, MESA Journal 28, pp38-44

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.697.4826&rep=rep1&type=pdf> p2

MG14 Resource:

<https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf> p1

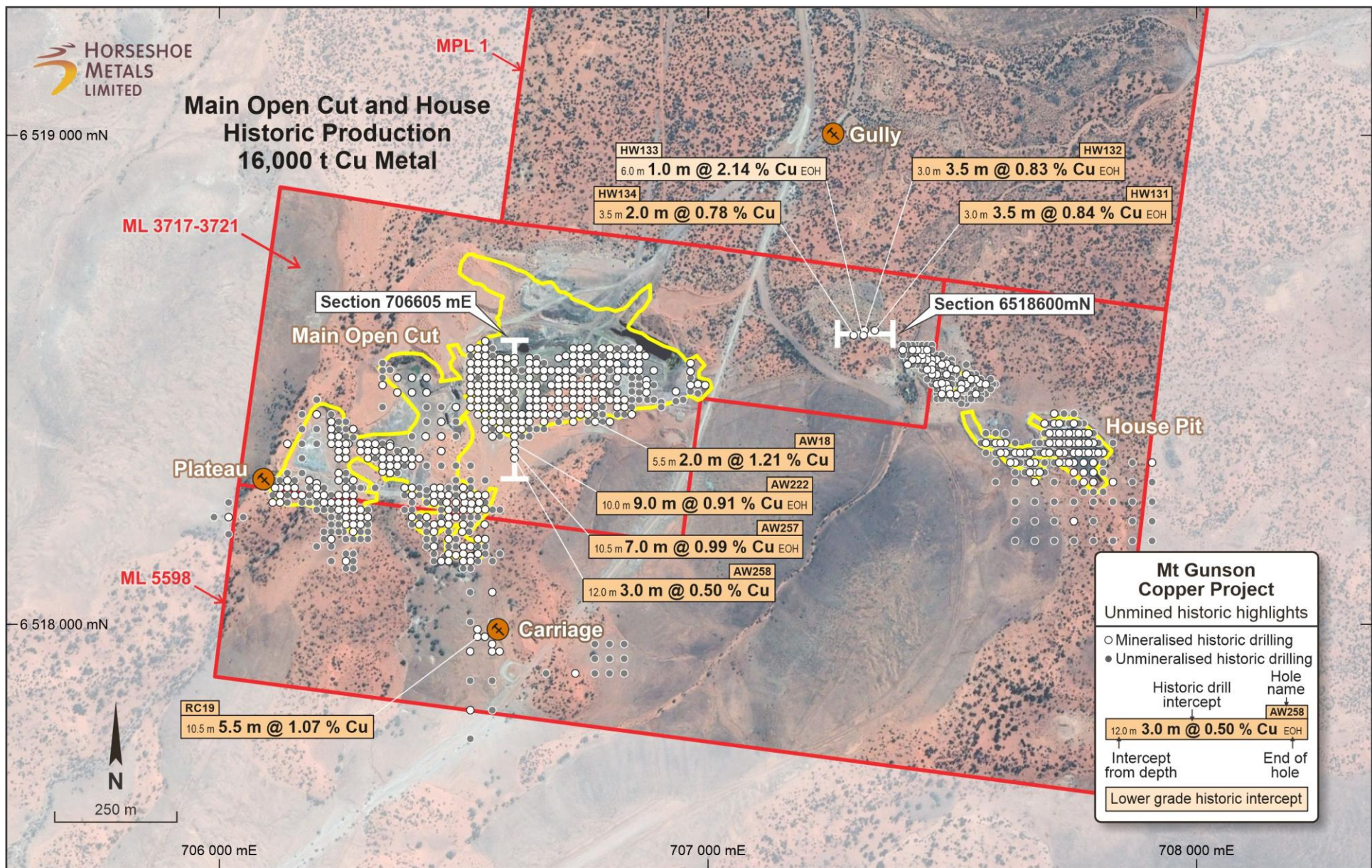


Figure 5: Location of Mt Gunson Copper Project tenure with local deposits, prospects and drill plan. Historic pit outlines in yellow.



Figure 6: Recent 2020 photo of part of Main Open Cut (MOC) at Mt Gunson, highlighting available rainwater for processing



Figure 7: View of Mt Gunson Oxide Treatment Facilities and Leach Ponds, 2019

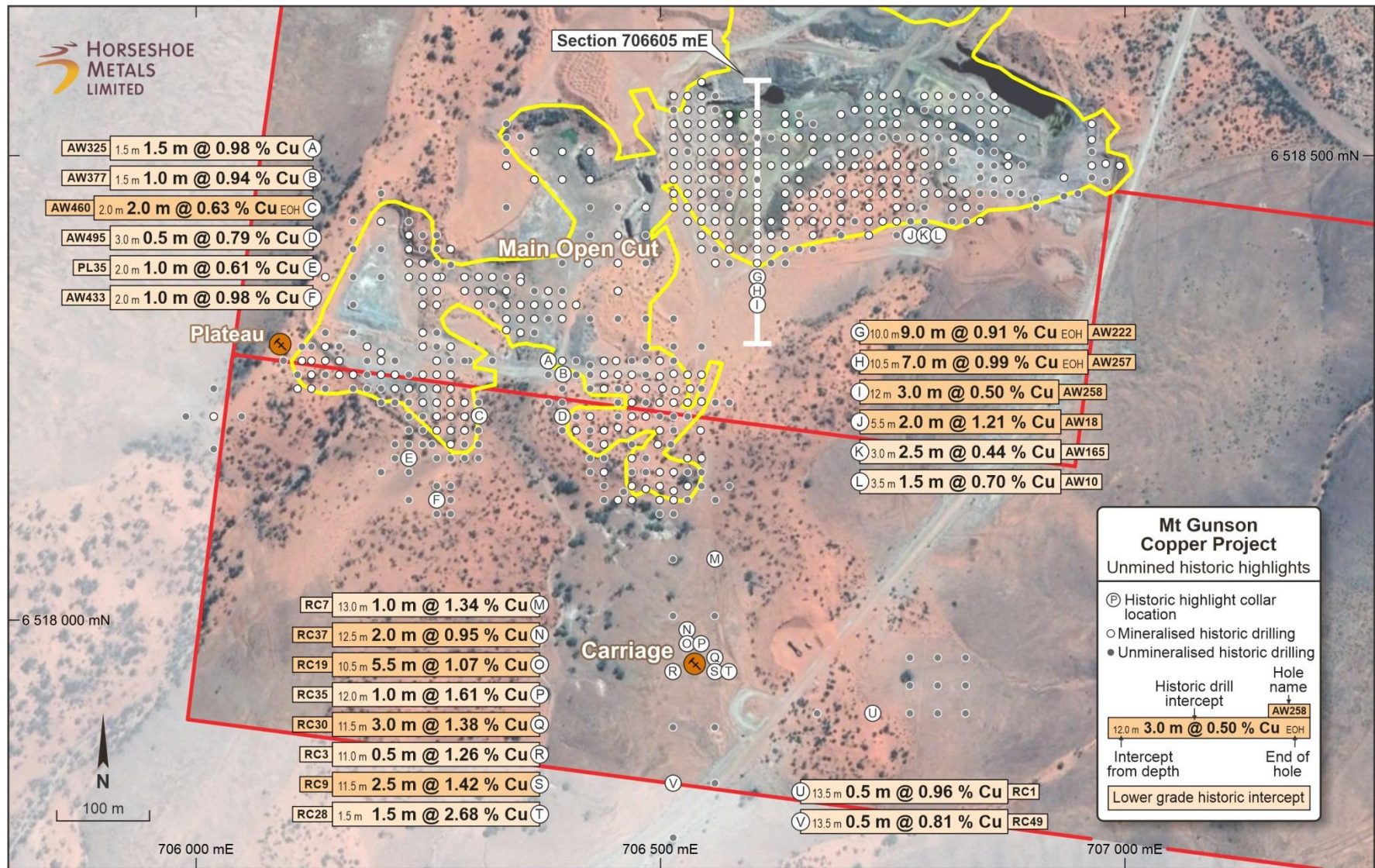


Figure 8: Drill Plan from current Database, Mt Gunson area, Main Open Cut area showing location of section lines for Figure 8, and highlighting historic results from priority drilling target areas

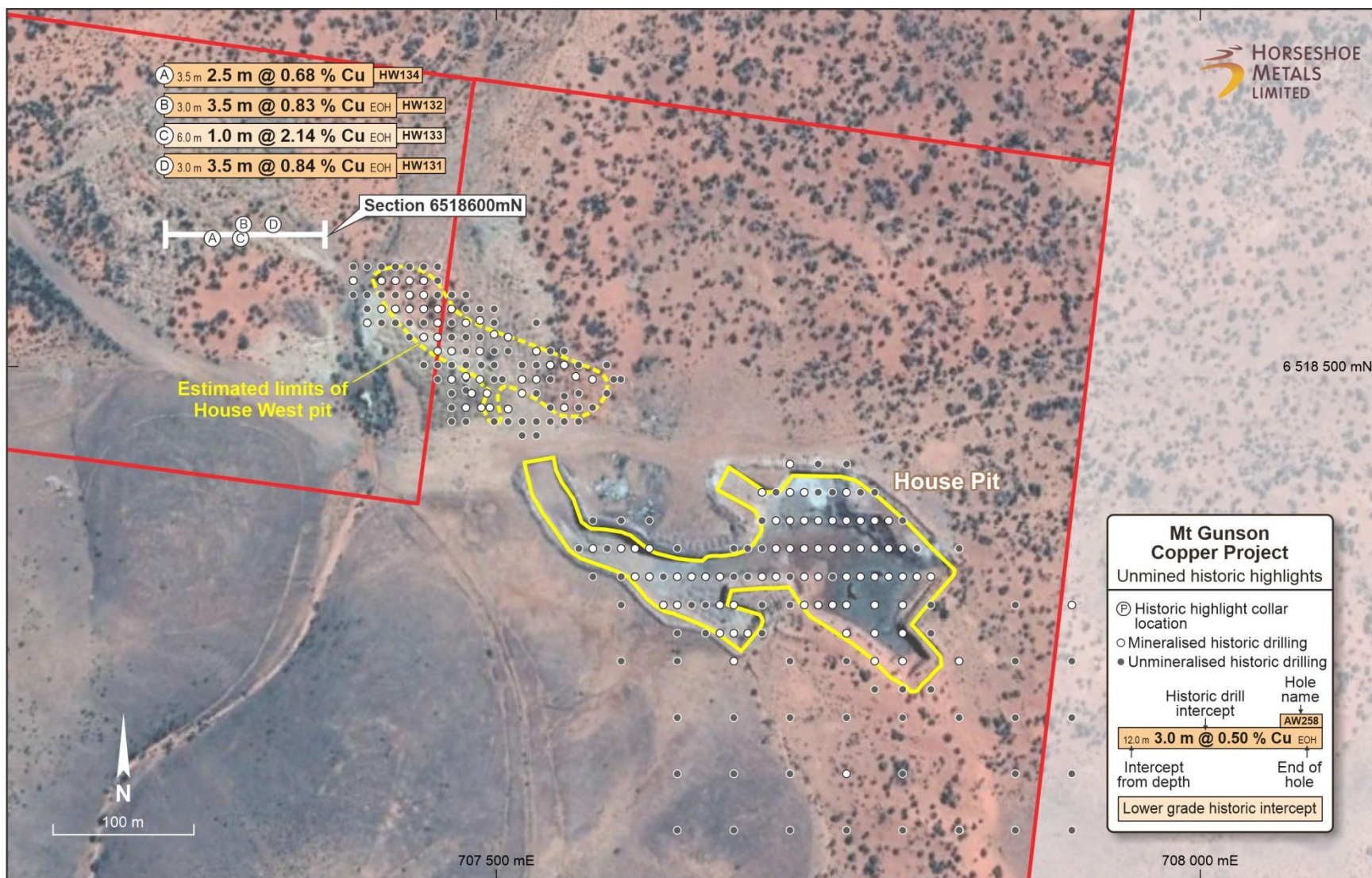


Figure 10: Drill Plan from current Database, Mt Gunson area, 'Gap' and House area showing location of section lines for Figure 10, and highlighting historic results from priority drilling target areas

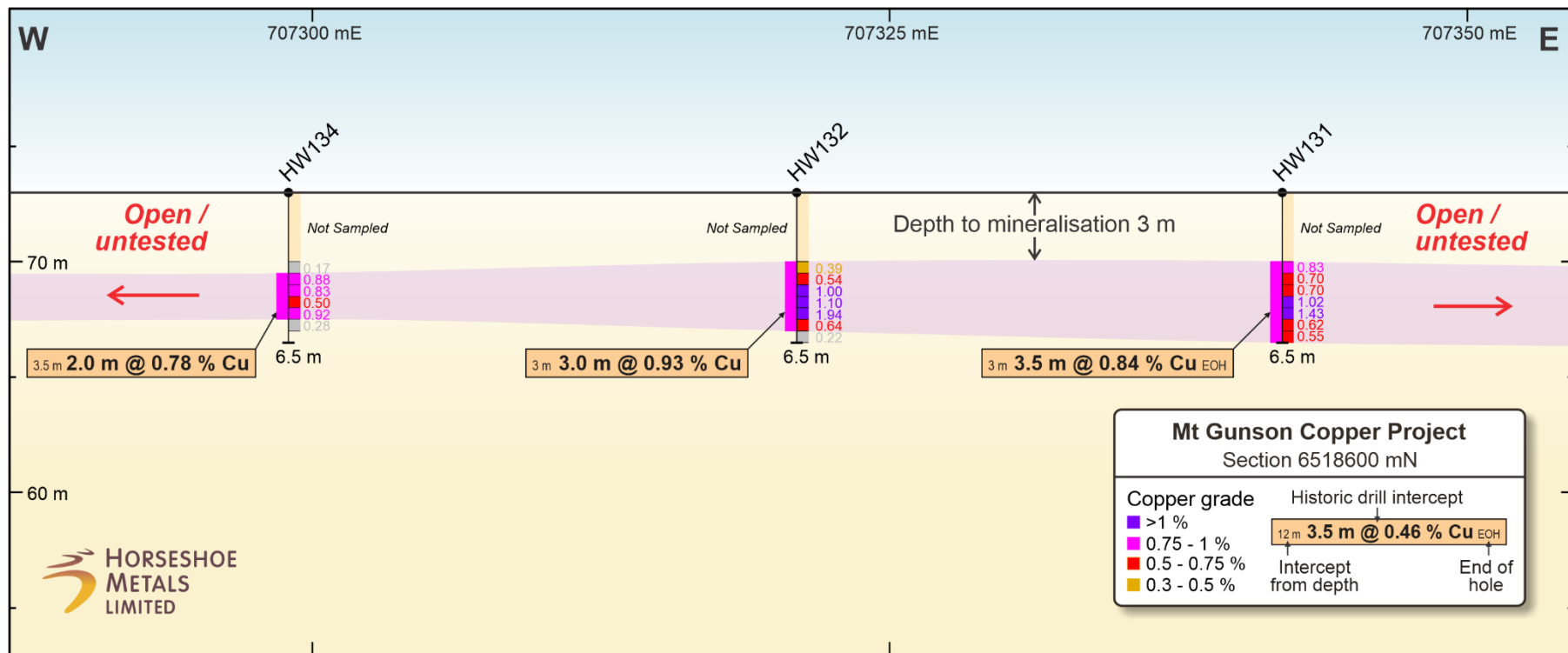


Figure 11: Section 6518600 mN, 'Gap' area between Mt Gunson Main Open Cut and House, showing shallow residual oxide mineralisation outside current pit boundaries

About Mt Gunson Copper Project (ML3717-21, ML5598, ML5599; MPL1):

Copper ore was discovered at Mount Gunson in 1875 and the first recorded production was from 1899. A smelter was subsequently erected in the MOC area in 1904. Small-scale production continued in the area until the Cattlegrid deposit was discovered and subsequently mined by CSR Limited from 1974 to 1986, with 7.2 Mt of 1.9% Cu ore mined from the Cattlegrid open pit. Together with 270,000 t of MOC ore, the tenements recorded production 156,000 t of copper, 62 t of silver and 2,900 t of cobalt in concentrates (refer Figures 3, 4).

From 1987 to around 2006, Adelaide Chemical “Adchem” produced over 14,000 t of copper in cement for feed to the Burra cupric oxide plant from the Mt Gunson Project, principally from heap leaching of 1.2 Mt of 1.3% copper oxide ore from the MOC area, Gunyot, House and Core Shed deposits.

The leases forming the current project (ML3717-21, ML5598, ML5599; MPL1) were subsequently acquired and are currently held by a family-owned earthmoving contractor based in Adelaide, who previously operated their own copper-oxide leach operation until the oxide development rights were granted to CMM on the 29th June 2017 under a ‘Licence to Operate’.

Under the Licence to Operate, CMM has a 100% interest in rights to explore, develop and operate oxide copper deposits, stockpiles and tailings on the above listed tenements using all available surface infrastructure including camp, mains power/water supply, treatment plant and earthmoving equipment, with the exception of ML5599, where the licence allows unrestricted use of water and the right to re-process copper-bearing material on the floor of the site. The initial term of the agreement between CMM and the Licensor, who holds the tenements, expires on 29th June 2020 and can be extended by CMM for a period of a further two years to the 29th June 2022. Further extension beyond 29th June 2022 can be negotiated during the term of this lease.

CMM has considerable expertise in developing copper mining operations in South Australia. CMM has successfully completed a pilot scale oxide copper heap leach trial at Mt Gunson and now plans to advance to commercial small-scale production. CMM currently has a term sheet in place with Adchem for an initial 3-year term commencing in 2020 for copper cement delivered to Adchem’s Burra facility (some 350km south). Adchem will pay a copper price based on 80% of the London Metal Exchange (LME) per tonne for a date mutually agreed once the product has been sampled and assayed on arrival.

The terms of the Mt Gunson transaction are as follows:

- HOR (or its related nominee) has the right to earn a 50% interest in CMM and the Mt Gunson Project by sole funding of up to \$5M during a 4-year period with a minimum commitment of \$500,000. Funding is to be provided by way of cash generated from production and capital raisings i.e. placements and rights entitlement offers. HOR has the right, over a 4-year period, to subscribe for up to 10,000 shares in CMM (representing 50% of CMM’s share capital following issue of those shares) to fund CMM’s development of Mt Gunson as an incorporated joint venture. Shares in CMM are to be issued to HOR (or its nominee) as funding is provided over time, with every \$50k contribution earning 100 shares in CMM (representing 1% of CMM’s existing issued capital).
- While HOR is sole funding it has rights to 50% of all surplus cash flow from any copper production conducted by CMM.
- HOR has a first right of refusal should other shareholders in CMM wish to sell their respective interests in CMM. If any shareholder in CMM (including HOR) is the subject of a change of control or an insolvency event, or breaches the agreement governing the incorporated joint venture, the other shareholders will have a right of first refusal to acquire the relevant CMM shares, at an independently determined fair value.
- CMM Director Mr Steven Sickerdick is retained as Operations Manager at Mt Gunson, while HOR manages administration, exploration and development.
- Horseshoe has issued 10 million fully paid ordinary shares valued at \$0.02 under its existing capacity under LR7.1 to Mines Trust (“MT”) a company associated with Mr Sickerdick as part-payment of fees owing by

CMM to MT, with the amount being deemed to form part of HOR's funding of the Mt Gunson Project. The nominal \$200,000 value comprises part of the minimum commitment of \$500,000, and CMM is to issue 400 shares to HOR accordingly.

- HOR will be required to spend \$300,000 within 4 years before either electing to withdraw, or continue to earn up to 50% of CMM by sole funding of an additional \$4.5M within the same 4-year period. ??

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

Stockworks Exploration and Mining Pty Ltd ("SEM") owns 100% of EL6301 and has a right to explore and develop the other tenements listed above. The tenement owners retain the right to conduct small scale mining activities on the ML's and MPL. It is proposed, under the Glenloth transaction, that:

- SEM will sell to HOR (or its related nominee) a 100% interest in EL6301 in consideration of the issue of 6 million fully paid ordinary shares valued at \$0.02 under its existing capacity under LR7.1.
- The holders of the remaining Glenloth tenements (being Gawler Craton Resources Pty Ltd and Mark and Ian Filsell) will grant HOR rights to explore and develop on those tenements, together with a right of first refusal on a disposal or relinquishment of those tenements, in consideration of the grant of the royalties noted below and the issue of 2 million fully paid ordinary shares (in aggregate) valued at \$0.02 under its existing capacity under LR7.1. The tenement holders will have a right to terminate these rights in the event of a change of control of HOR.
- In the event that HOR defines a published JORC 2012 resource that it does not intend to develop or mine then SEM will be granted a first right of refusal over the resource.
- If, during the term of the tenements or subsequent mining tenements, exploration conducted by HOR defines a 2012 JORC resource (at a cut-off grade of 0.5 g/t Au) in excess of 10,000 ounces Au and less than 50,000 ounces Au in respect of the Project as a whole, then HOR shall have the right to develop the resource in return for a royalty payable to the tenement holders (other than in respect of EL6301) of \$20/ounce of gold produced. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.
- During the term of the tenements or subsequent mining tenements, any gold production from the Glenloth Project in excess of 50,000 ounces in aggregate will be subject to a 1% royalty payable to SEM (in respect of EL6301) and the tenement holders (in respect of the other tenements), capped to a maximum of 250,000 ounces of production in aggregate. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.
- During the term of the tenements or subsequent mining tenements, in the event that HOR defines and announces a 2012 JORC measured and indicated resource of 500,000 ounces in respect of the Project as a whole (at a cut-off grade of 0.5 g/t Au), then it will issue to SEM a further 4 million fully paid ordinary shares out of existing capacity under LR7.1. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.
- HOR will undertake to meet minimum statutory expenditure commitments and keep the tenements in good standing.

In addition, MT is owed fees of approximately \$50,000 by SEM with respect to work undertaken on the Glenloth Project. Subject to definitive agreements being entered into for the Glenloth acquisition, it is proposed that Horseshoe will issue 2 million fully paid ordinary shares valued at \$0.02 under its existing capacity under LR7.1 to MT as part payment of fees owing by SEM to MT. HOR has no additional obligation in relation to the monies owed between MT and SEM.

Other activities

The Horseshoe site remains under care and maintenance. During the quarter, the Company continued to undertake planning activities associated with remediation works at the Horseshoe mine as part of its rehabilitation assessment activities, which are ongoing. The Company remains committed to the completion of a

remediation programme to prevent standing water pooling within the old plant site during high rainfall events, which it now has alternate plans to initiate.

CORPORATE

The Company requested voluntary suspension on the 16th December in response to addressing a winding up application made against the Company and subsequently requested an extension to the suspension until the 31st January 2020 to allow time to address further ASX queries. On the 17th January the Company announced that the winding-up proceedings in respect of HOR and its wholly-owned subsidiary Murchison Copper Mines Pty Ltd ("MCM") were dealt with by the existing loan facility and dismissed, by way of consent orders with no order as to costs. On the 31st January the company requested additional extension of the voluntary suspension period until the 29th February pending the outcome of further ASX queries, and on the 28th February the company requested a further extension to the 31st March 2020, followed by an additional request on the 31st March 2020 to remain suspended until 30th April 2020, pending the outcome of ASX 12.2 queries.

Completion of the acquisition by the Company of the Glenloth tenement EL6301 remains subject to receipt of Ministerial consent under section 83(1) of the South Australian Mining Act 1971. Upon receipt of such consent, a further 10 million fully paid ordinary shares in HOR will be issued in consideration of the acquisition and the grant of other rights associated with the Glenloth Gold Project. The Company has signed all relevant transfer documentation and expects to complete this transaction shortly.

The Company released its Annual Report on the 31st March 2020

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

Enquiries

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Non-Executive Director

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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 Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project.

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 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 September 2019.

TABLE 1 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 March 2020								
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)	Measured	1.73	1.04	0.0	0.5	18,000	1,900	28.8
	Indicated	2.43	0.95	0.0	0.7	23,200	3,400	52.2
	Inferred	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 September 2019 is shown in Table 2 below.

TABLE 2 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 March 2020				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	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 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 5th 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 30th June 2013”, released on the 31st 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 4th 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 30th June 2013", released on the 31st 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.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

SUMMARY OF MINING TENEMENT INTERESTS AS AT 31 st March 2020					
Location	Tenement No.	Interest At Beginning Of Quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest At End Of Quarter (%)
Horseshoe Lights	M52/743	100% ¹	-	-	100% ¹
Horseshoe Lights	L52/42	100%	-	-	100% ¹
Horseshoe Lights	L52/43	100%	-	-	100% ¹
Horseshoe Lights	L52/44	100%	-	-	100% ¹
Horseshoe Lights	L52/45	100%	-	-	100% ¹
Horseshoe Lights	L52/66	100%	-	-	100% ¹
Kumarina	M52/27	100%	-	-	100%
Kumarina	MLA52/1078	0% ²			0% ²

Notes:

1. 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
2. The Company has applied for a Mining Lease to cover the Rinaldi resource within E52/1998, contiguous with M52/27.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Horseshoe Metals Limited

ABN

20 123 133 166

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(53)	(53)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(130)	(130)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(8)	(8)
1.9 Net cash from / (used in) operating activities	(191)	(191)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	(38)	(38)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(38)	(38)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	207	207
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	207	207

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1	1
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(38)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	207	207
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	(21)	(21)

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	-	1
5.2 Call deposits	-	-
5.3 Bank overdrafts	(21)	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	(21)	1

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

N/A

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,500	1,394
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

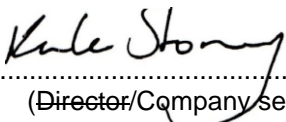
The Company has an unsecured loan agreement with a syndicate of lenders. The facility limit is \$1,500,000, interest rate 8% p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	100

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2020
(Director/Company secretary)

Print name: Kate Stoney

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.