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Glenloth Gold Project Acquisition Update

HIGHLIGHTS

- Transfer of tenement EL6301 in South Australia to Horseshoe authorised by Minister for Energy and Mining.
- EL6301 is 107 km2 in total size, in two parts, covering Glenloth Goldfield in the East, and the northern trend to the 0.5Moz Tunkillia deposit in the West.
- EL6301 is considered highly prospective for gold in both areas, and targets are typically undrilled.
- HOR will complete the transaction through the issue of shares to the vending parties, and accelerate exploration of the project.

OVERVIEW

Horseshoe Metals Limited (ASX: HOR) ("**Horseshoe**", "**HOR**" or "**the Company**") is pleased to announce that title to EL6301, which covers the Glenloth goldfield in South Australia (refer Figure 1) has been formally transferred to the Company by the Minister for Energy and Mining. The Company had been previously advised that the tenement had been formally renewed earlier this year.

Following formal receipt of Ministerial consent under section 83(1) of the South Australian Mining Act 1971, the Company will progress completion of the acquisition by the issue of shares via the Company's existing capacity under Listing Rule 7.1. 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. There will be an issuance of 8 million shares to Stockworks Exploration & Mining Pty Ltd("SEM") who previously owned 100% of EL6301 and 2 million shares to Gawler Craton Resources Pty Ltd and Mark and Ian Filsell, entities associated with ML5848, ML5849, ML5885 and MPL62 within EL6301.

Discussion of the Glenloth Gold Project

EL6301 is comprised of two blocks 107 km^2 in total area, located about 6km north and 50km east of the 0.5MOz Tunkillia Gold deposit respectively (refer Figures 1, 2 & 6). The Glenloth Goldfield was identified by discovery of alluvial gold in 1893, and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620 t of ore, at an average grade of 21.6 g/t^2. The Fabian 3, Royal Tiger (both excised from tenure) and the Glen Markie and Jay-Jay mines were considered the largest historical producers (refer Figure 2). Since 1955, gold production has been small and sporadic.

The tenement is remnant to an original, larger tenement, that is now split over two of the most prospective areas, a smaller (26km^2) western block referred to as 'Old Well',

which takes in the strike to the north of Tunkillia deposit, now under the development of prospective goldminer Barton Gold; and a larger (81km^2) eastern block 'Glenloth', which covers the Glenloth Goldfield, and takes in part of the Harris Greenstone belt in the southwest corner of the Tenure (refer Figure 2). The Company also has rights to explore and develop ML5848, ML5849, ML5885 and MPL62 within the eastern block of EL6301 (refer Figure 3).

At Glenloth, typical gold occurrences consist of relatively thin (ca. 1m width), high-grade mineralised quartz veins, hosted by sheared and fractured Archaean to Paleoproterozoic Glenloth Granite, and sometimes associated with Paleoproterozoic dolerite dykes. A shallow Hiltaba Suite batholith has been proposed as the source of mineralisation. Six kilometres south of Old Well, the Tunkillia deposits (Areas 223, 191, 51) are characterised by a large hydrothermal system associated with the Yarlbrinda Shear Zone (YSZ- refer Figure 6), which passes into the Old Well tenure.

HOR considers the acquisition of interests in the 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.

Horseshoe has compiled available historical drilling at Glenloth (refer Figure 3, and Table 1), which highlights the lack of targeted drill-testing completed within the project, which the Company intends to rectify. Historical drilling at Old Well includes eight holes completed by Minotaur Exploration Limited in 2006 at three separate structural targets not supported by the regional geochemical sampling, with no significant results. The Company has also compiled available regional geochemical data, including rockchip sampling of the Glenloth area with encouraging high grade results (refer Figure 4, and Table 2) and calcrete sampling of both Glenloth and Old Well (refer Figures 5, 6 and Table 3).

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

Calcrete sampling of the Glenloth area has highlighted two prospective trends in excess of a kilometre in length; between the Glen Markie to Royal Tiger area, with maximum assay 870ppb/0.87ppm; and the Golden Stairs to Ivanhoe area - maximum assay 370ppb/0.37ppm (refer Figure 5). Maximum assay noted for the calcrete sampling programme was a particularly high grade 3870ppb/3.87ppm at Yarrawonga/Lone Hand. At Old Well, calcrete sampling has identified significant zones of several kilometres length, of similar tenor to the Tunkillia anomalism, with a maximum assay of 190ppb Au within Old Well. A number of near-surface (0-4m depth) calcrete samples within Figure 7 are derived from rotary air blast (RAB) drilling traverses of up to 50m depth, and the Company is working on the compilation of this data to investigate for any downhole anomalism.

HOR is continuing to compile historical data for the area at a more detailed project scale, and the Company will release more comprehensive details of the geology and mineralisation at the Glenloth Project when available.

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

Stockworks Exploration & Mining Pty Ltd ("SEM") previously owned 100% of EL6301 and had secured rights to explore and develop the other tenements listed above. The tenement owners of ML5848, ML5849, ML5885 and MPL62 retain the right to conduct small-scale mining activities on the ML's and MPL. The terms of the Glenloth transaction were:

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[1] *Peter Williams, David Frances, Jerome Gillman & Chris Bonwick (2003); Geophysical characterisation of the Challenger gold deposit, Gawler Craton, South Australia, ASEG; Extended Abstracts, 2003:3, 19-27, DOI: 10.1071/ASEGSpec12_02)*

- 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 (ML5848, ML5849, ML5885 and MPL62- 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 was owed fees of approximately $50,000 by SEM with respect to work undertaken on the Glenloth Project. 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.

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

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information reviewed by Mr Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a director of 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.

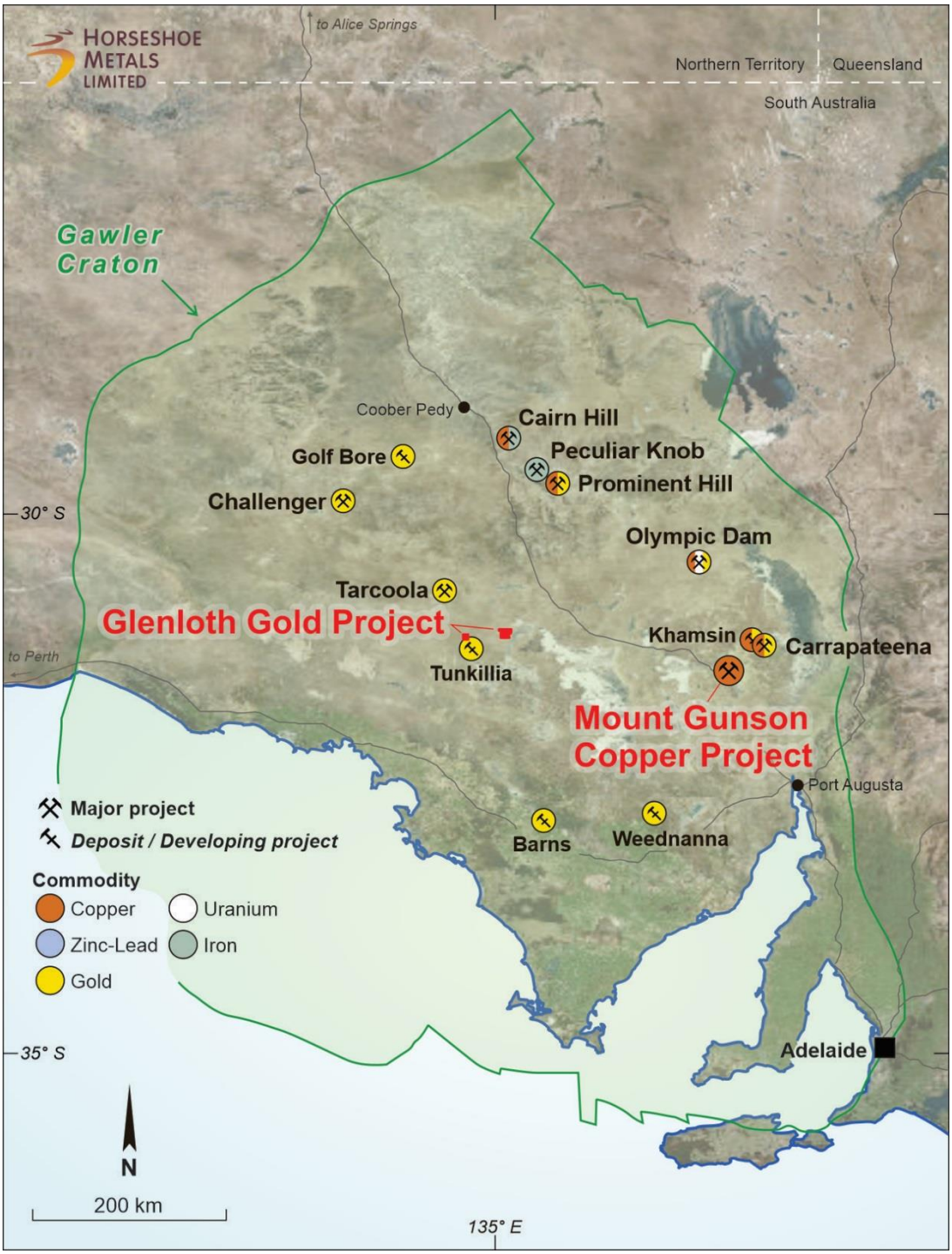

Figure 1: Location of Glenloth Gold Project and Mt Gunson Copper Project in South Australia, in relation to significant local deposits.

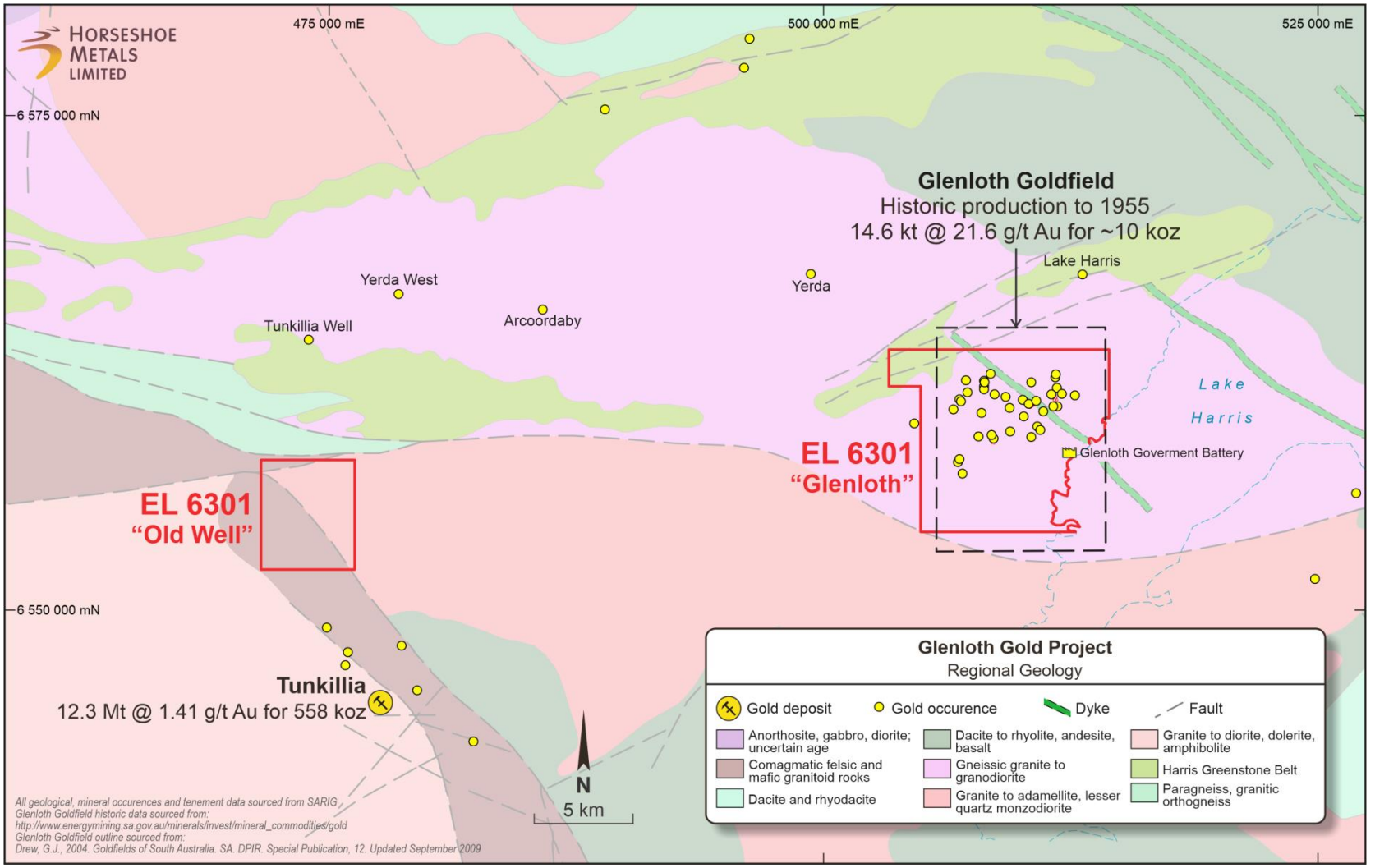

Figure 2: Location of Glenloth Gold Project tenure with regional geology, with known gold occurrences and significant resources.

Glenloth Historic Production:
http://www.energymining.sa.gov.au/minerals/invest/mineral_commodities/gold
Glenloth Goldfield Location:
https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/SP020.pdf p79
Tunkillia Resource:
https://www.asx.com.au/asxpdf/20150204/pdf/42wdj3ts5gz5t4.pdf p1

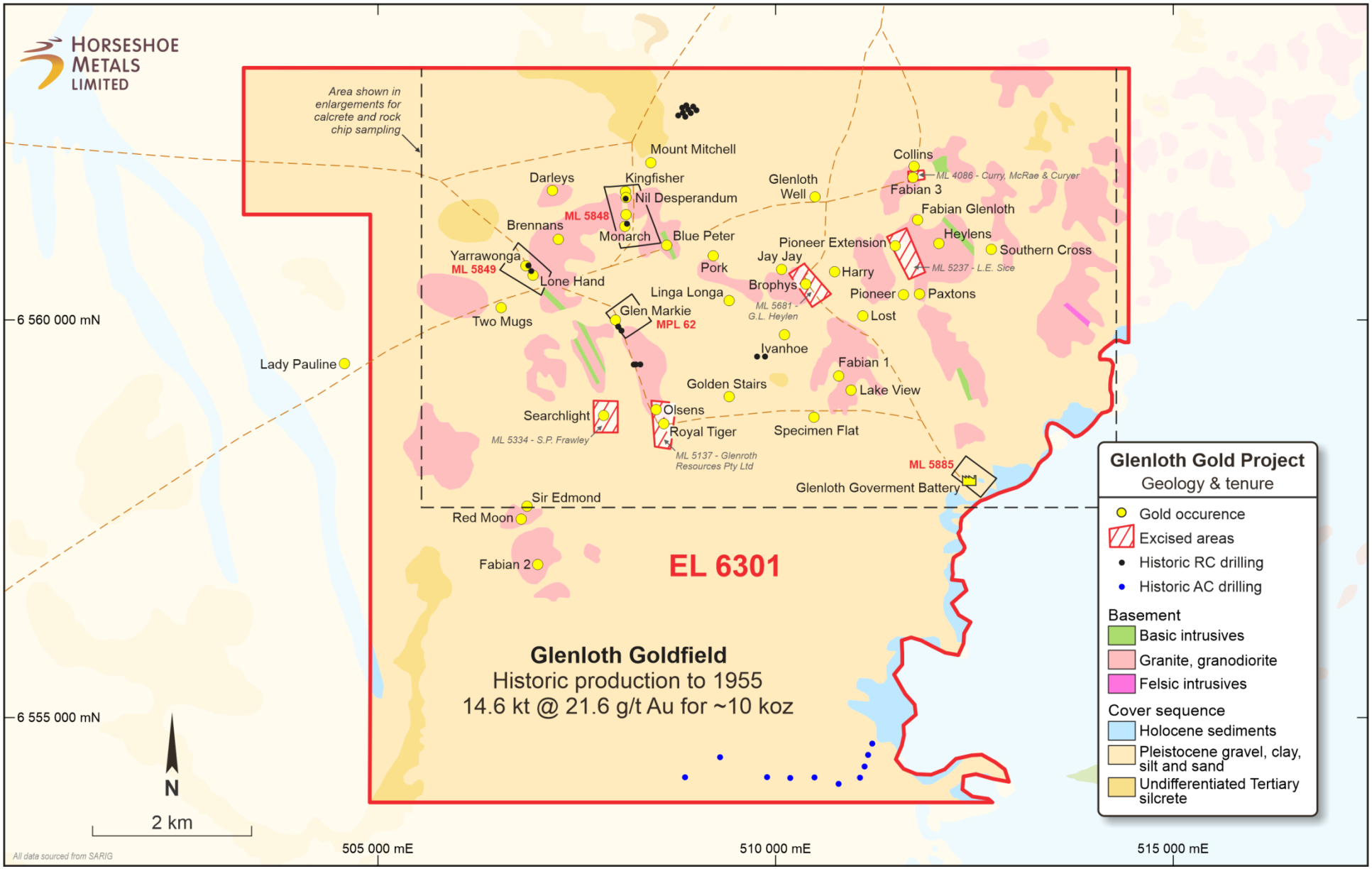

Figure 3: Location of Glenloth Goldfield tenure with regional geology, with named gold occurrences.

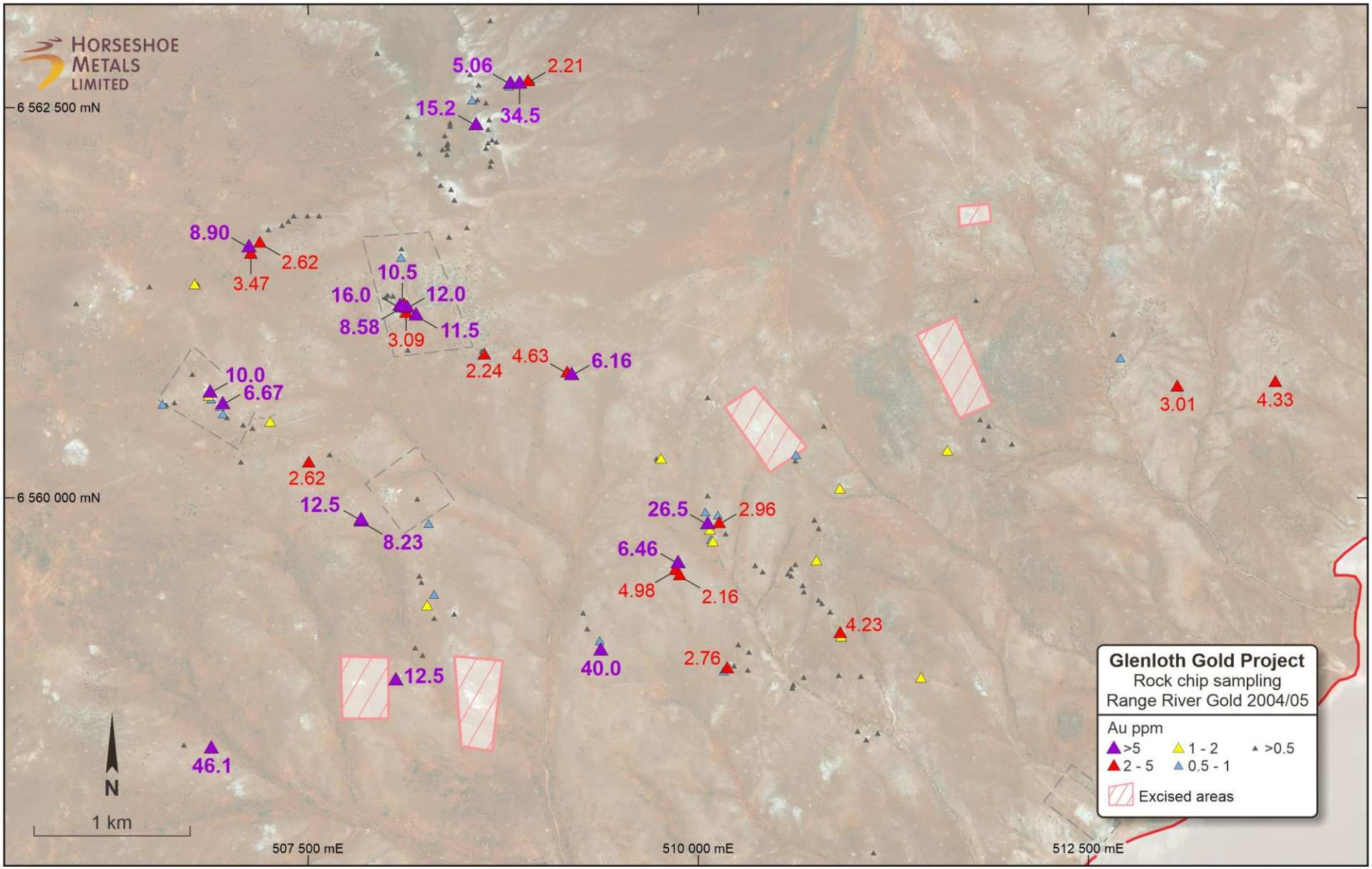

Figure 4: Location of known rockchip sampling within inset area of EL6301, Glenloth Goldfield tenure.

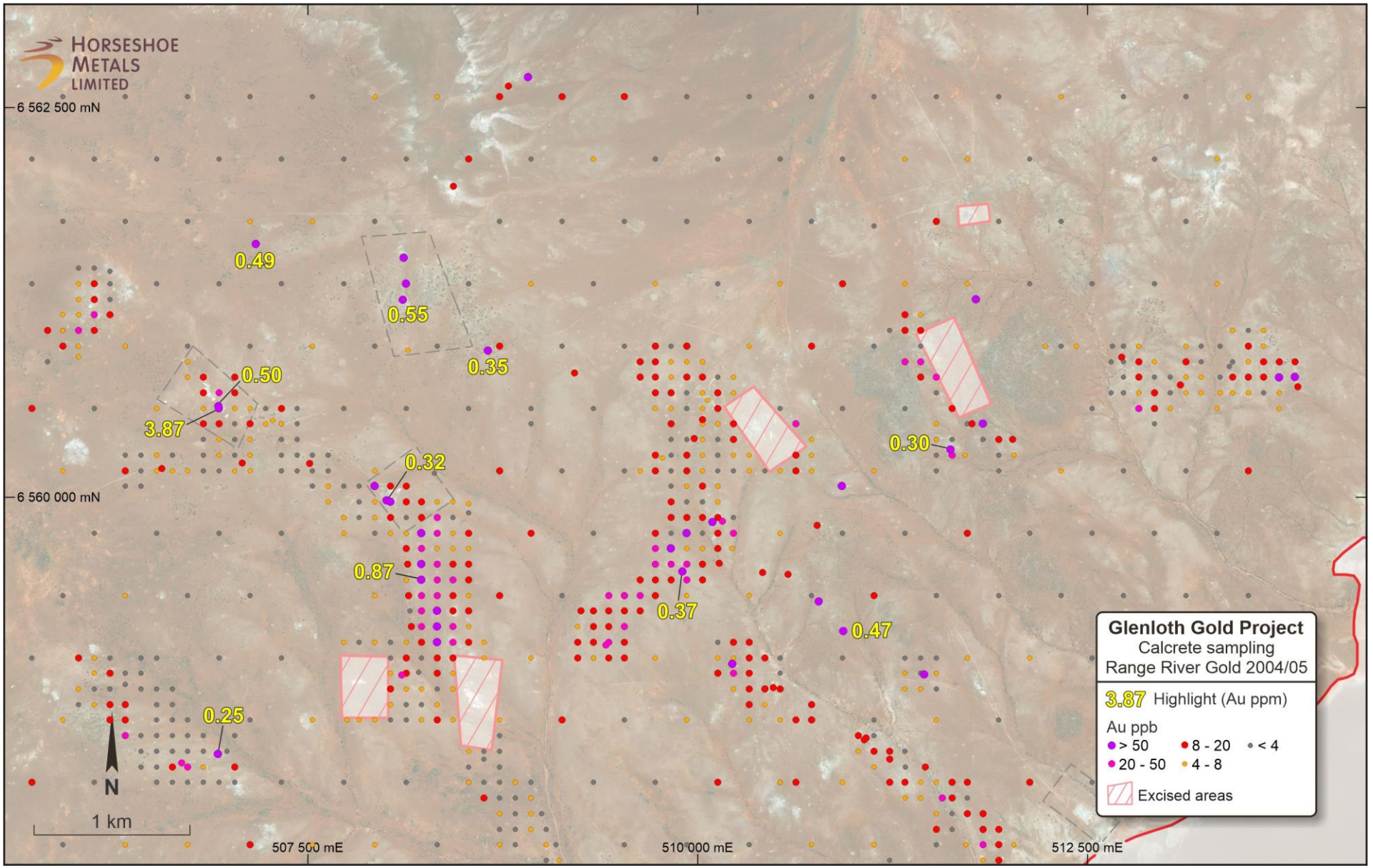

Figure 5: Location of known calcrete geochemical sampling within inset area of EL6301, Glenloth Goldfield tenure. Samples > 250ppb highlighted.

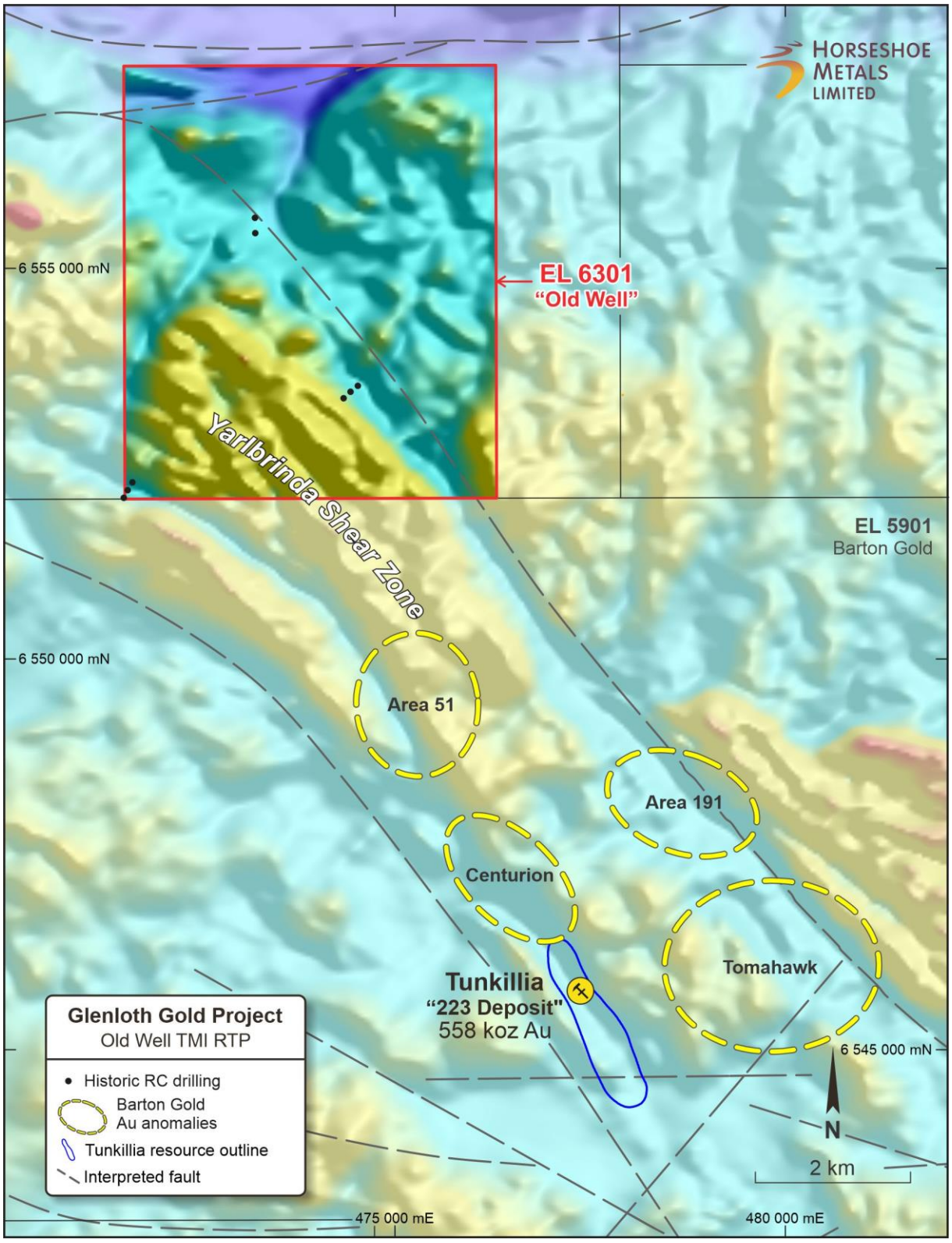

Figure 6: Location of 'Old Well' portion of EL6301, highlighting RC drilling on EL6301, proximity to Tunkillia deposit, interpreted position of Yarlbrinda Shear Zone within fault margins, and named prospects currently being explored by Barton Gold.

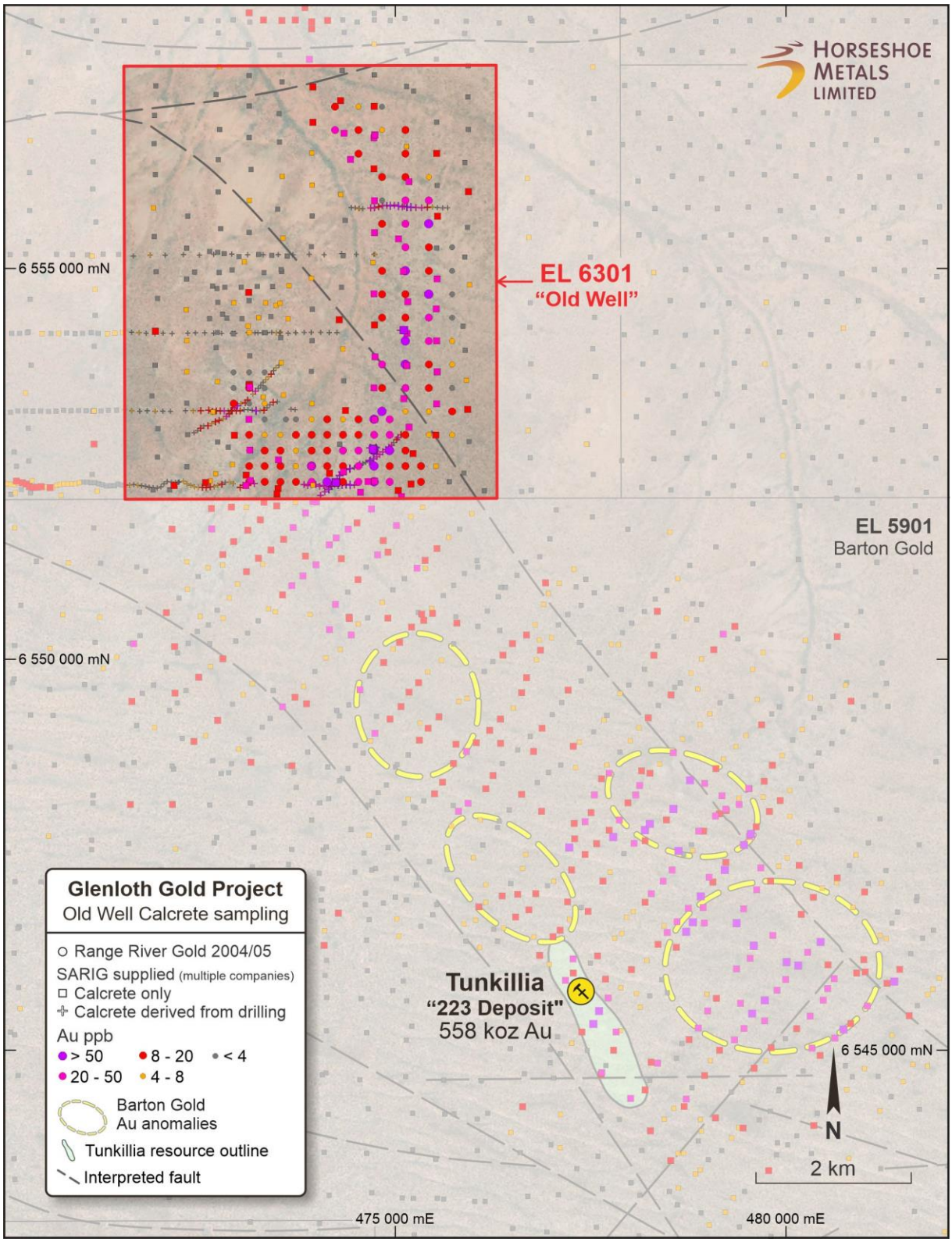

Figure 7: Location of known calcrete geochemical sampling within 'Old Well' portion of EL6301, highlighting proximity to Tunkillia, and perspectivity of northern trends with EL6301. Max calcrete sampling assay of 190ppb within Old Well.

Table 1. Compiled Drilling conducted on EL6301. Results reported for 1m >0.1 ppm Au; and 4m > 0.02ppm Au for composite samples. Locations depicted in Figures 3.

Location	Hole ID	Drill Type	East GDA	North GDA	RL	Depth (m)	Dip	Azimuth	Max Au in Hole				Year	Operator
									From (m)	To (m)	Length (m)	Au ppm		
Regional	CN06A01	AC	508899	6554285	0	51.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A02	AC	509338	6554536	0	35.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A03	AC	509930	6554286	0	40.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A04	AC	510220	6554275	0	43.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A05	AC	510525	6554283	0	31.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A06	AC	510828	6554202	0	33.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A07	AC	511098	6554279	0	24.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A08	AC	511155	6554419	0	42.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A09	AC	511200	6554565	0	48.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A10	AC	511252	6554707	0	51.00	-90	360	NSI				2006	Minotaur Exploration
Mount Mitchell	GLRC001	RC	508854	6562705	0	115.00	-60	326	NSI				2004	Range River Gold
	GLRC002	RC	508864	6562642	0	144.00	-60	326	43.00	44.00	1.00	0.50	2004	Range River Gold
	GLRC003	RC	508894	6562591	0	138.00	-60	326	123.00	124.00	1.00	0.10	2004	Range River Gold
	GLRC004	RC	508903	6562734	0	119.00	-60	326	NSI				2004	Range River Gold
	GLRC005	RC	508928	6562681	0	144.00	-60	326	33.00	34.00	1.00	0.32	2004	Range River Gold
	GLRC006	RC	508960	6562635	0	138.00	-60	326	42.00	43.00	1.00	1.57	2004	Range River Gold
	GLRC007	RC	508992	6562719	0	129.00	-60	326	NSI				2004	Range River Gold
	GLRC008	RC	509030	6562672	0	108.00	-60	326	83.00	84.00	1.00	0.78	2004	Range River Gold
	GLRC009	RC	508803	6562607	0	129.00	-60	326	29.00	30.00	1.00	0.19	2004	Range River Gold
Lone Hand	GLRC010	RC	506922	6560720	0	130.00	-60	236	40.00	41.00	1.00	0.31	2004	Range River Gold
	GLRC011	RC	506956	6560647	0	139.00	-60	236	36.00	37.00	1.00	0.62	2004	Range River Gold
Ivanhoe South West	GLRC518	RC	509900	6559575	0	100.00	-60	270	52.00	56.00	4.00	0.11	2006	Minotaur Exploration
	GLRC519	RC	509800	6559575	0	100.00	-60	270	24.00	28.00	4.00	0.44	2006	Minotaur Exploration
Glen Markie South	GLRC520	RC	508245	6559475	0	75.00	-60	270	32.00	36.00	4.00	0.09	2006	Minotaur Exploration
	GLRC521	RC	508260	6559475	0	75.00	-60	270	24.00	28.00	4.00	0.19	2006	Minotaur Exploration
	GLRC522	RC	508270	6559475	0	100.00	-60	270	24.00	28.00	4.00	0.14	2006	Minotaur Exploration
	GLRC523	RC	508330	6559475	0	100.00	-60	270	32.00	36.00	4.00	0.71	2006	Minotaur Exploration
Monarch	GLRC524	RC	508165	6561245	0	100.00	-60	270	12.00	16.00	4.00	0.11	2006	Minotaur Exploration
	GLRC525	RC	508150	6561560	0	75.00	-60	270	16.00	20.00	4.00	0.04	2006	Minotaur Exploration
Glen Markie	GLRC526	RC	508090	6559900	0	100.00	-60	225	28.00	32.00	4.00	0.07	2006	Minotaur Exploration
	GLRC527	RC	508050	6559950	0	108.00	-60	225	24.00	28.00	4.00	0.11	2006	Minotaur Exploration
Old Well*	GLRC001	RC	473210	6555450	0	198	-60	30	NSI				2006	Minotaur Exploration
	GLRC002	RC	473210	6555650	0	199	-60	30	NSI				2006	Minotaur Exploration
	GLRC003	RC	474525	6553495	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC004	RC	474435	6553420	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC005	RC	474340	6553340	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC006	RC	471635	6552265	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC007	RC	471575	6552160	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC008	RC	471525	6552060	0	200	-60	30	NSI				2006	Minotaur Exploration

* NB. Hole ID's duplicated by Minotaur Exploration at Mt Mitchell and Old Well.

Table 2. Compiled Rock Chip Sampling conducted on EL6301. Results reported for >2 ppm Au. Locations depicted in Figure 4.

Sample ID	Prospect	East GDA	North GDA	Au ppm
GLX0011	SW Ivanhoe	509903	6559609	6.46
GLX0012	SW Ivanhoe	509876	6559558	2.16
GLX0013	SW Ivanhoe	509905	6559528	4.98
GLX0018	Pork	509214	6560813	6.16
GLX0019	Pork	509196	6560824	4.63
GLX0021	Blue Peter	508651	6560942	2.24
GLX0023	Mount Mitchell	508920	6562695	2.36
GLX0024	Mount Mitchell	508567	6562384	15.2
GLX0059	Mount Mitchell	508781	6562633	2.21
GLX0061	Mount Mitchell	508837	6562681	5.06
GLX0062	Mount Mitchell	508885	6562682	34.5
GLX0084	Darleys	507198	6561661	2.62
GLX0085	Darleys	507152	6561596	3.47
GLX0088	Darleys	507153	6561624	8.90
GLX0097	Lone Hand	506860	6560667	10.0
GLX0099	Lone Hand	506946	6560592	6.67
GLX0108	Monarch pit	508169	6561242	10.5
GLX0109	Monarch pit	508130	6561257	8.58
GLX0110	Monarch pit	508111	6561253	16.0
GLX0113	Ivanhoe NE line	510152	6559855	2.96
GLX0118	Ivanhoe Central	510094	6559849	26.5
GLX0129	Lake View	510930	6559140	4.23
GLX0144	Golden Stairs	509408	6559044	40.0
GLX0148	Specimen Flat Nth	510209	6558932	2.76
GLX0169	Glen Markie	507872	6559877	12.5
GLX0170	Glen Markie	507872	6559877	8.23
GLX0173	Glenloth East	513724	6560764	4.33
GLX0174	Glenloth East	513094	6560727	3.01
GLX0221	Monarch	508171	6561246	12.0
GLX0222	Monarch	508221	6561190	11.5
GLX0223	Monarch	508148	6561202	3.09
GLX0226	Monarch	508132	6561253	2.31

Table 3. Compiled Calcrete Geochemical Sampling conducted on EL6301. Results reported for >0.25 ppm Au. Locations depicted in Figure 5.

Sample ID	East GDA	North GDA	Au ppm
GLC005	508110	6561268	0.55
GLC007	506927	6560586	0.50
GLC009	508005	6559980	0.32
GLC012	506925	6558355	0.25
GLC015	507167	6561627	0.50
GLC019	509901	6559526	0.37
GLC026	510933	6559144	0.47
GLC029	511621	6560307	0.30
GLC032	508655	6560941	0.35
GLC109	506929	6560572	3.87
GLC565	508229	6559472	0.87

JORC CODE, 2012 EDITION

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Results referenced within this document are historical in nature, and relate to the period 2003-2006. The primary data was compiled from open file envelope ENV09862 downloaded from the South Australian Mines Department SARIG server . • ***Drill programmes are summarised below:*** • **Range River Gold Ltd 2003-2004** GLRC001 to GLRC011 Reverse circulation, analysed by Amdel Adelaide for Au (fire assay) and Multi element (ICP) • **Minotaur Exploration Ltd 2005-2006** GLRC518 to GLRC527: GLRC001 to GLRC011 Reverse circulation, analysed by Genalysis Adelaide and Perth for Au (fire assay) and Multi element (ICP) • **Minotaur Exploration Ltd 2006-2007** CN06A01 to CN06A10 Aircore, analysed by Amdel Adelaide for Au (fire assay) and Multi element (ICP) • ***Rock chip and calcrete sampling summarised below:*** • **Range River Gold Ltd 2003-2004** Rock Chip Samples GLX Series analysed by Genalysis Perth for Au (fire assay) and Multi element (ICP) Calcrete Samples GLC Series analysed by Genalysis Perth for Au (fire assay) and Multi element (ICP) • **Government** Calcrete assays through SARIG envelopes, various companies and methods.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Various drilling types are recorded in the drilling programmes: **AC**- Aircore **RC**- Reverse Circulation
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Typically, one metre intervals of RC drill material were collected in plastic sample bags after passing through a cyclone. A riffle splitter was utilised to obtain a 3kg samples from every metre drilled. • Four metre composite samples weighing 3 kilograms were collected using a scoop to gain a representative portion from four consecutive metres. Assays greater or equal to 0.1ppm from the 4 metre composite sampling had their corresponding 1 metre re-split samples submitted for assay.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• All intervals were geologically logged to an appropriate level for exploration purposes.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging considered qualitative in nature
	• *The total length and percentage of the relevant intersections logged.*	• All intervals logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• No diamond core resulted are cited in this release.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Compressed air blast cleaning of both mills and riffle was carried out between each sample.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation techniques, where listed, were considered appropriate for the respective sample types.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Sub-sampling stages were considered appropriate for exploration.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Field duplicates noted in most programmes discussed.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample size is considered industry standard for this type of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The nature, quality and appropriateness of the assay methods and procedures are considered appropriate for this style of mineralisation.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• NA.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• NA.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative Company personnel.*	• No verification of historical data denoted.
	• *The use of twinned holes.*	• No recorded twinning of data is noted.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data retrieve from SA government (SARIG) online ‘envelopes’.
	• *Discuss any adjustment to assay data.*	• No adjustments of data have been undertaken.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collars were located by a handheld GPS

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.*	• Grid system coordinates are GDA94 MGA Zone 53.
	• *Quality and adequacy of topographic control.*	• Topographic control limited but adequate in generally flat terrain
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• As reported in Figures and text
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Data spacing and results are insufficient for resource estimate purposes
	• *Whether sample compositing has been applied.*	• No compositing has been applied to assays received.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Exploration drilling reported is both vertical and angled
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No sampling bias is considered to have been introduced by the drilling orientation
Sample security	• *The measures taken to ensure sample security.*	• Unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been noted to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• Horseshoe Metals is now the 100% owner of EL6301, pending share transactions as outlined in this document. Stockworks Exploration and Mining Pty Ltd ("SEM") previously owned 100% of EL6301 and had secured rights to explore and develop ML5848, ML5849, ML5885 and MPL62 within EL6301, which now transfer to Horseshoe Metals. The tenement owners of ML5848, ML5849, ML5885 and MPL62 retain the right to conduct small-scale mining activities on the ML's and MPL. Terms surround this transaction are discussed within this text.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• All tenements are in good standing. The Company is unaware of any additional impediment to the licence to operate in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Glenloth Goldfield was identified by discovery of alluvial gold in 1893, and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620 t of ore, at an average grade of 21.6 g/t2. The Fabian 3, Royal Tiger (excised from tenure) and the Glen Markie and Jay-Jay mines were considered the largest historical producers. • Since 1955, gold production has been small and sporadic. • Range River Gold Ltd were active between 2003-2004, and undertook calcrete sampling, rockchip sampling and follow-up drilling. • Minotaur Exploration Ltd were active in the area between 2005-2007. And undertook calcrete sampling and follow-up drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• At Glenloth, typical gold occurrences consist of relatively thin (ca. 1m width), high-grade mineralised quartz veins, hosted by sheared and fractured Archaean to Paleoproterozoic Glenloth Granite, and sometimes associated with Paleoproterozoic dolerite dykes. A shallow Hiltaba Suite batholith has been proposed as the source of mineralisation. • At Old Well, mineralisation targeted in considered analogous to the the Tunkillia deposits (Areas 223, 191, 51) some 3-6km south, characterised by a large hydrothermal system associated with the Yarlbrinda Shear Zone

Criteria	JORC Code explanation	Commentary
		(YSZ- refer Figure 6), which passes into the Old Well tenure
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Refer to the body of text of this report and Tables 1, 2 and 3 for information material to the understanding of the exploration results. • Tables 2 and 3 exclude geochemical results considered not material, but are included in data comprising figures in this release
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Drilling Results reported for 1m >0.1 ppm Au; and 4m > 0.02ppm Au for composite samples. No top cutting applied to any reported result • N/A • N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Reported downhole lengths are approximately true width. • Mineralisation occurs within thin dipping tabular bodies, drilling generally considered perpendicular to the target. • N/A, refer above
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See plans and sections this report
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• See Tables 1, 2, 3
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• In the Company's opinion previous production history for the Glenloth Goldfield is material to the tenor of mineralisation being sought. The Company continues to compile historic exploration data from a variety of sources, principally SARIG (the SA Government mines department resource) for meaningful exploration results, and will report them in separate releases as significant detail comes to hand.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned drilling of priority targets is being considered. Other planned activities discussed in text. • Refer to figures in body of text.