



HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

30 September 2021

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 30 September 2021.

HIGHLIGHTS

- **Phase 1 RC Drilling programme completed at Motters Zone**
- **Results reported post-quarter end; significant results include:**
 - **45m @ 1.22 % Cu from 2m**
 - **22m @ 1.87 % Cu from 12m**
 - **26m @ 1.31 % Cu from 6m**
 - **16m @ 1.15 % Cu from surface**
- **Phase 1 Auger Drilling programme completed, testing remnant gold leach vat and tailings wall material**
- **Initial Auger results average 0.59 g/t Au for first three vats tested, further results awaited**
- **Kopore advances two priority targets and additional conceptual targets from magnetic interpretation within Horseshoe Joint Venture area, and completes substantial auger programme**
- **Updated Mine Closure Plan submitted**
- **Phase 2 activities at Horseshoe to commence in November**
- **Company expecting to relist in current quarter**

EXPLORATION AND EVALUATION

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

Horseshoe Metals Limited (**'Horseshoe'**, or the **'Company'**) owns the Horseshoe Lights Project in the Bryah Basin region of Western Australia, which includes the previously mined Horseshoe Lights copper-gold mine, approximately 150km north of Meekatharra and 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine (see Figure 13).

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
Company Secretary*

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Horseshoe Lights Copper-Gold Project, WA (HOR 100% and excluded from Kopore JV)

During the quarter the Company completed several Phase 1 exploration activities at Horseshoe Lights, with Reverse Circulation (RC) drilling of the Motters Zone, northeast of the current pit, and a programme of shallow auger drilling designed to assess the grade of various surface stockpile materials.

This work includes remnant vat leach gold-bearing material from shallow open pit mining activities conducted in the early 1990's prior to Barrack Mines' gold production via CIP treatment. In addition, the programme tested the perimeter of material constructed to constrain these vats and previously unassessed material which forms the construction of the gold tailings and copper flotation tailings dam.

RC Drilling Summary- Horseshoe Lights Copper-Gold Project, WA

The Phase 1 RC drill definition programme at Motters Zone was designed 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 1,143m, to a maximum depth of 139m. Drilling targeted a wide NNW/SSE striking mineralised structure (refer Figure 2) which is interpreted as the sheared eastern limb of a folded Volcanogenic Massive Sulfide (VMS) horizon within the Narracoota Formation volcanics, which hosts the Horseshoe Lights Copper-Gold deposit.

Holes were designed to terminate in a post-mineralisation Proterozoic dolerite currently inferred to be around 110m thick. The dolerite strikes east-west, daylights to the north and dips flatly at around 30° to the southwest (refer Figures 4 and 5). Copper mineralisation is interpreted to continue beneath this dolerite unit and will be tested in future deep drilling. The outcropping dolerite is heavily oxidised near-surface and typically carries low grade (0.5-1.0 %) copper on strike from the primary mineralised zone.

Better results from the programme were reported post-quarter end on 29 October 2021 and included (for full results refer Table 1):

- | | |
|--------------------------------|---------------|
| ➤ 45m @ 1.22 % Cu from 2m | (Hole RC1151) |
| ➤ 22m @ 1.87 % Cu from 12m | (Hole RC1152) |
| ➤ 26m @ 1.31 % Cu from 6m | (Hole RC1149) |
| ➤ 16m @ 1.15 % Cu from surface | (Hole RC1150) |

Drilling confirmed the interpreted mineralisation and the various geological controls are now better constrained. Some local upgrading of historical results was observed (refer inset, Figure 5). All intervals reported are reporting as oxide, except 74-76m in Hole RC1153, and 59-72m in Hole RC1159. Only one significant gold assay was received, being 1m @ 1.23 g/t Au from 70m in Hole RC1157 in quartz veining.

The zone of copper mineralisation immediately above the dolerite can now be targeted for more accurate geological constraining of the model. Phase 2 RC drilling will prioritise further definition and extension of the Motters Zone.

In addition, 28 shallow (maximum depth 10m) vertical RC holes for 204m were completed in the adjacent 'C20' Stockpile (refer ASX release 13 September 2021). Up to 21 known 'Chalcocite' stockpiles were utilised at Horseshoe during the copper mining event and the Company has undertaken this drilling to establish the likelihood of remnant copper-bearing material being accessible within the substantial remaining C20 stockpile. Other stockpiles remain to be tested. Assays are awaited.

Table 1: Motters Zone 2021 RC Drilling Results, Cu >= 0.50 %
(highlighted zones >10 = m x %)

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

- NB- mineralisation dips around 70° to the west, east dipping holes (azi -090) intersect approximately perpendicular to mineralisation, vertical (azi -360) and west-dipping (azi -270) holes are non-perpendicular to mineralisation, true widths not known.
- Analysis by NAGROM method – ICP008; 40gm Aqua Regia Digest- suite included Au, Ag, Ca, Cu, Fe, Hg, Mg, Pb, S, Se and Zn
- No upper cut applied, 0.5 g/t lower cut, allowing 2m internal waste
- Coordinate system GDA94z50. Northing and Easting obtained by handheld GPS; located on high definition photography-accuracy +/- 1m, DTM RL used, accuracy +/- 0.5m
- NSI = No Significant Intercept.

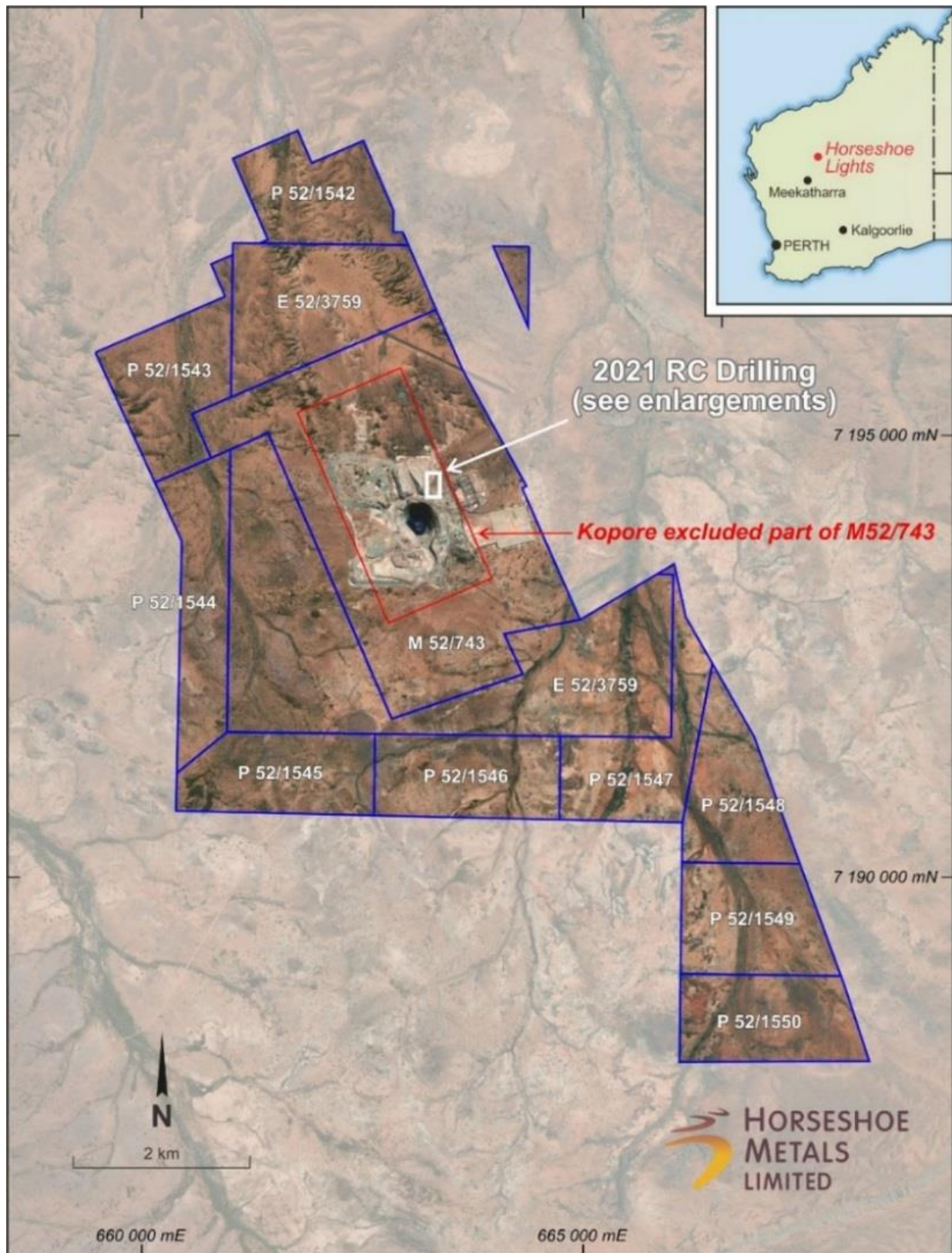


Figure 1: Horseshoe Lights Project tenure and location.

Tenements E52/3759, P52-1442-50 and part of M52/743 are subject to a farm-in agreement with Kopore Metals Limited (refer ASX release 28 January 2021)

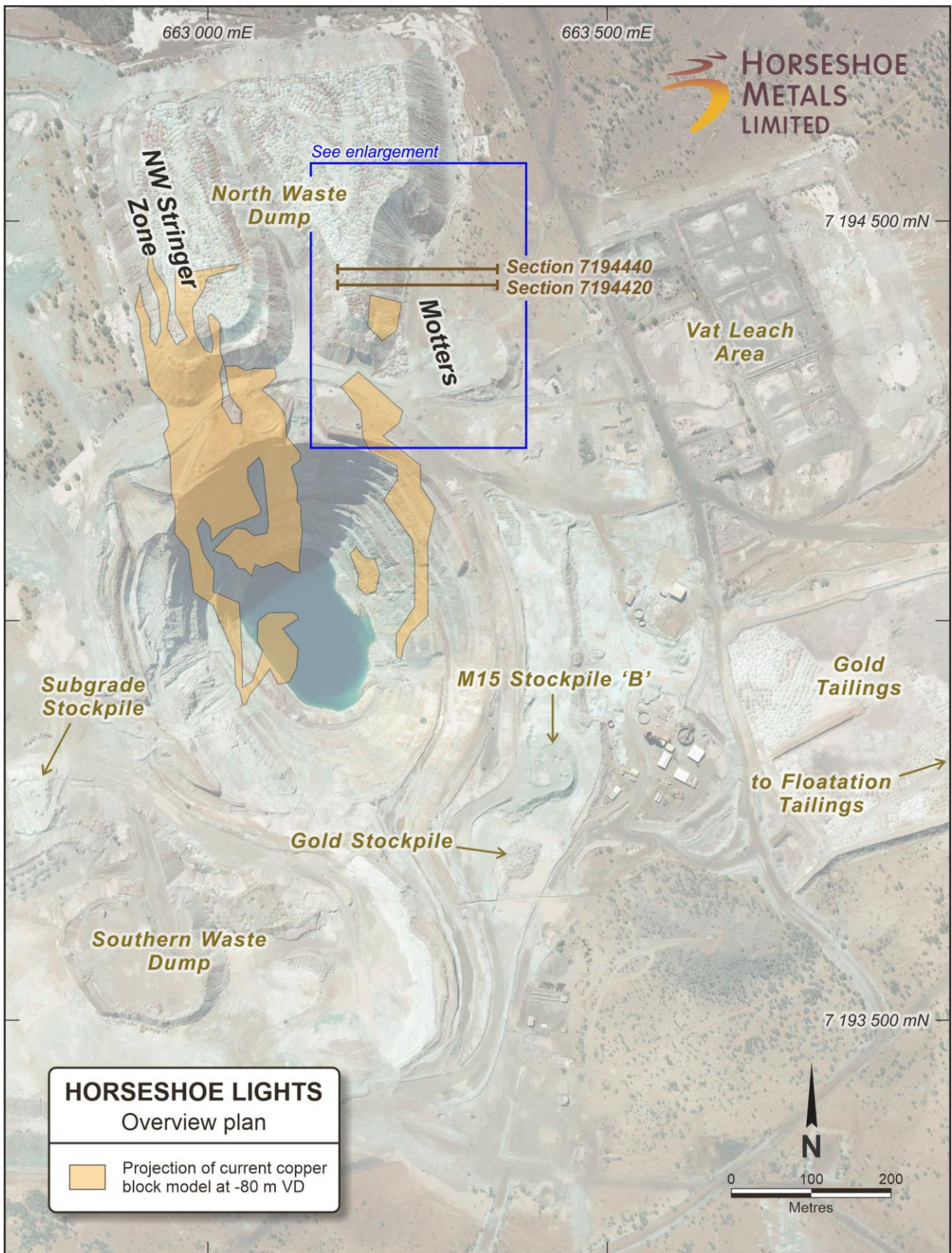


Figure 2: Horseshoe Lights Copper-Gold Project Location Plan

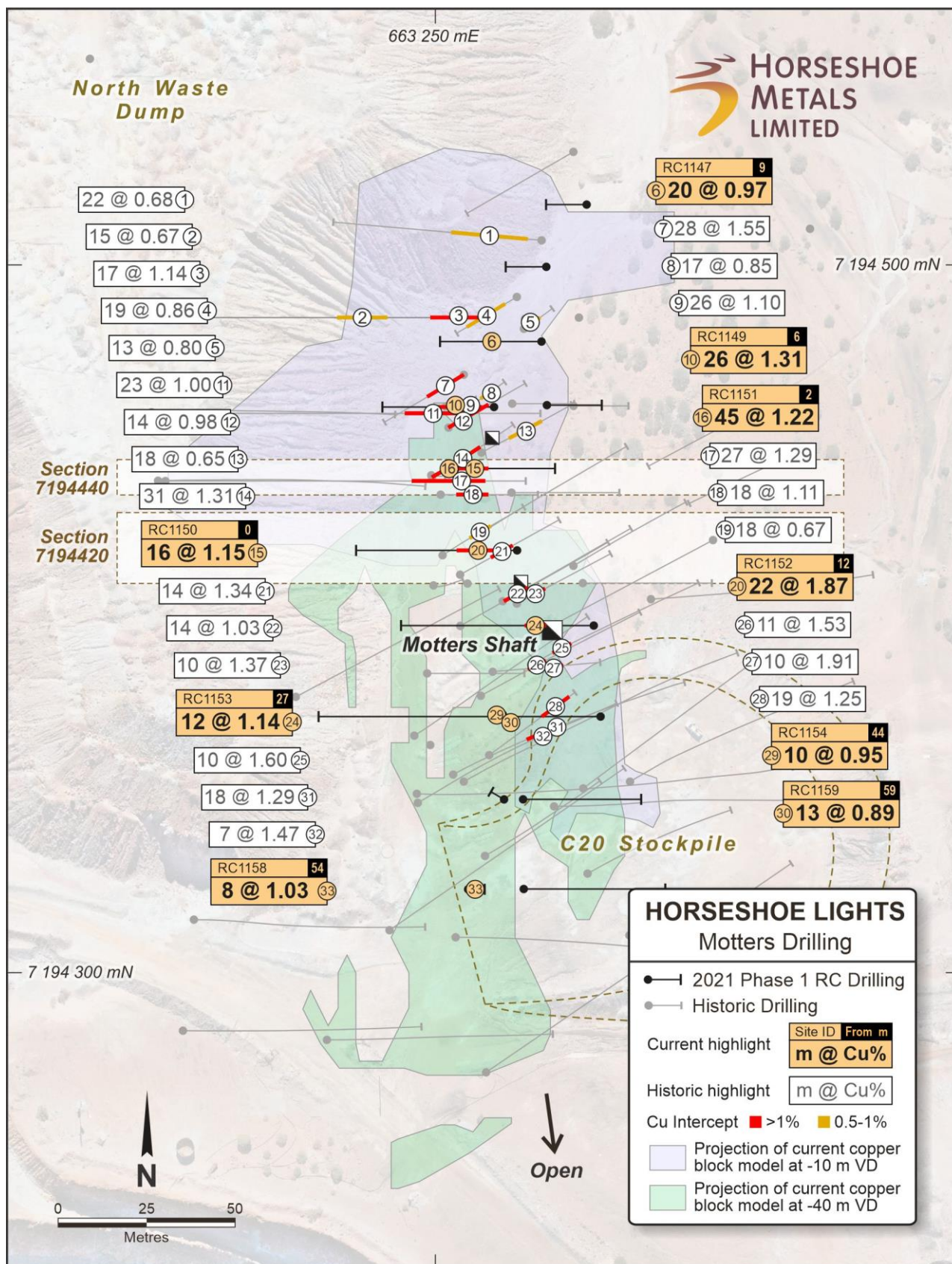


Figure 3: Drill Plan, Phase 1 RC Drilling, Motters Zone, Horseshoe Lights Copper Gold Project

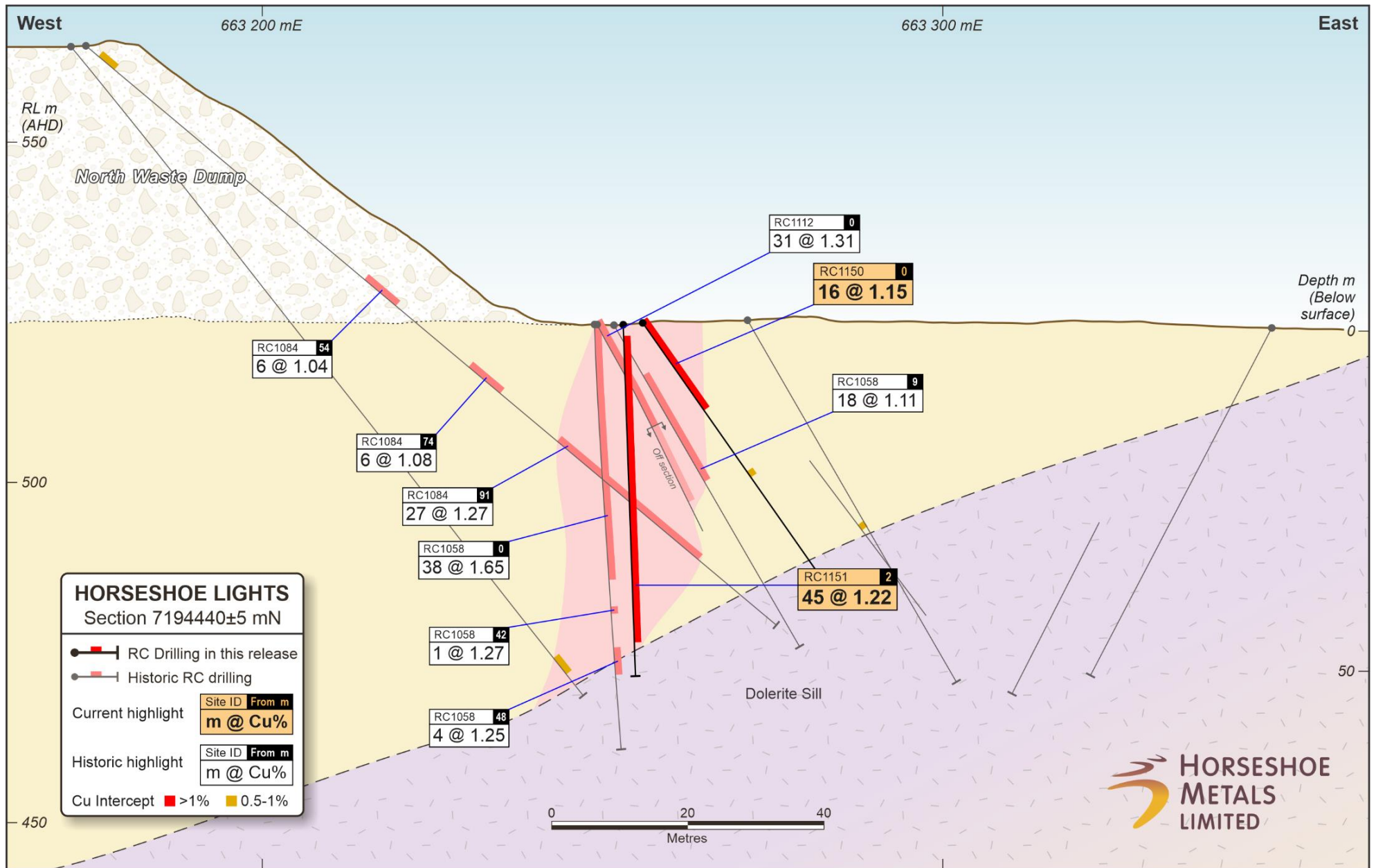


Figure 4: Cross Section 7194440mN, Phase 1 RC Drilling, Motters Zone, Horseshoe Lights Copper Gold Project

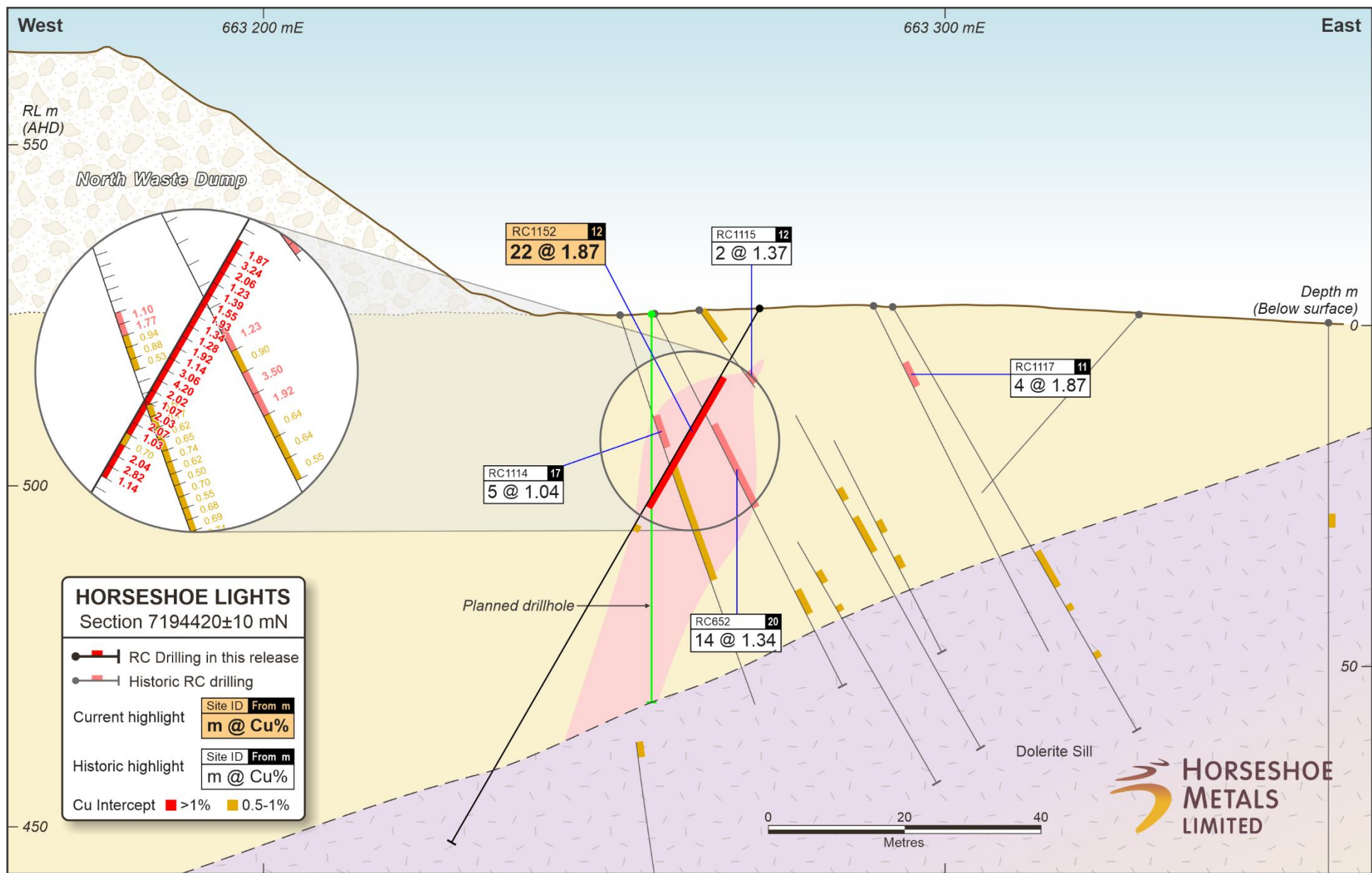


Figure 5: Cross Section 7194420mN, Phase 1 RC Drilling, Motters Zone, Horseshoe Lights Copper Gold Project. Proposed Phase 2 hole in green

Auger Drilling Summary- Horseshoe Lights Copper-Gold Project, WA

The Company completed the Phase 1 Auger Drilling programme 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 (refer release dated 6 August 2021 and Figures 7 to 9)

These targets are under investigation for early development opportunities at the historic mine site, which might include offsite processing of gold-bearing materials. 277 holes totalling 1195.4m were completed in Phase 1 during July and August 2021, as outlined below (Table 2):

- 80 holes into vat leach gold-bearing material from early mining activities prior to Barrick's gold production (Vats 3, 4, 5 and 6 - refer Figure 7);
- 25 holes into initial copper flotation tails pumped into a Barrick-mined gold vat (Vat 2) - the same material forming the flotation tailings resource (refer Table 5);
- 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 tailings and copper flotation tailings dams' walls (refer Figure 9).

Table 2: Phase 1 Auger Drilling at Horseshoe Lights summary

Vat & Stockpile augering	holes	m
Vats 4, 5 ,6	63	267.8
Vats 2, 3	42	201.7
Western Vats	72	233
Flotation Tails	4	29.6
Perimeter augering	holes	m
Vats 1 to 6.	62	301.7
Tails Dams	34	161.6
Totals	277	1195.4

Discussion:

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 (refer Figure 7). Depths of holes encountered in the centre of the ponds were typically between 4-5m.

Assay results from Vats 4, 5 and 6 average 0.59 g/t Au length-weighted for results above the vat liners, and are summarised below in Table 3, and detailed further in Table 4:

Table 3: Summary of auger grades- Vats 4, 5, 6

VAT	CELL	samples	Ave Grade Au
4	1	21	0.44
4	2	20	0.48
4	3	23	0.74
4	4	24	0.44
VAT 4	Total	88	0.53
VAT	CELL	samples	Ave Grade Au
5	1	24	0.61
5	2	27	0.59
5	3	20	1.00
5	4	23	0.79
VAT 5	Total	94	0.73
VAT	CELL	samples	Ave Grade Au
6	1	22	0.38
6	2	23	0.54
6	3	23	0.46
6	4	25	0.63
VAT 6	Total	93	0.50
VATS 4,5,6	All	275	0.59

Recently uncovered historical work undertaken in 1985 to assess the gold content of these and additional vats, which included shallow (4-6m deep) RC drilling of Vats 4, 5, and 6 (24 holes, 8 in each vat, sampled every 2m - refer Figure 4 and Table 5 for details). The work noted reasonably homogenous grades across all vats and estimated a remnant grade of 0.58 g/t Au from 63 samples for Vats 4, 5 and 6, which compares favourably with the 2021 grade estimate of 0.59 g/t Au from 275 samples.

The 1985 estimation outlines a tonnage for Vats 4, 5 and 6 of 131,000t of material, and the Company considers an estimate of 30,000t - 50,000t of remnant material above the liner per vat as within a reasonable exploration target range. As there is currently insufficient information to estimate a Mineral Resource for Vats 4, 5 and 6, the Company contends releasing an Exploration Target for Vats 4, 5 and 6 the most appropriate way to discuss these results.

From the grade assessment, preliminary investigation of the vat volumes and anticipated density the Company considers an Exploration Target for Vats 4, 5 and 6 at Horseshoe Lights of between:

- 90,000 to 140,000 tonnes,
- Grading between 0.58 to 0.60 g/t Au,
- Containing metal of between 1680 to 2700 oz gold.

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

The Company also noted the 1985 work excluded samples in the 4-6m interval that were below 0.15 g/t Au (nine samples) from calculations on the basis that these were likely 'waste' material below the vat liners. Results from the 24 x 4m - 6m RC intervals drilled in 1985 averaged 0.3 g/t Au.

During the 2021 auger programme, blue liner material was noted in 61 of 63 holes (including three re-drills) completed, allowing relatively accurate determination of depth of the remnant gold-bearing vat material. The Company considers that the 2021 Auger grade assessment is vastly superior for depth/volume assessment and grade representation than RC drilling of shallow holes but is encouraged by the grade concurrence between the methods.

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 Company intends to model the volume of vat material after accurate survey of holes on edges of the vats, assessment of the moisture content and density of the vat material in order to estimate the tonnage of material represented in Vats 4, 5 and 6. The Company expects to report this work and an estimated Mineral Resource for remnant stockpile material in 2022.

On occasion during the 2021 augering, 'sub-drill' below the liner was entertained to assess possible gold grades of the constructing material, which generally only occurred on the western side of the eastern vats, which are built up against larger, deeper Vats 1, 2 and 3.

Four of the 63 holes recovered sub-drill material below the vat liners, which is expected to be comprised of the same material tested by the vat perimeter drilling (refer pink holes inset Figure 2). Results averaged 0.88 g/t Au, though influenced by the result from sub-drill below the liner in hole VTAG072 (4.32 g/t Au), which was also the highest assay received in the programme. All sub-drill values were removed from 2021 vat grade calculations.

Table 4: Summary of sub-drill material below Vat liners-

Vat	Cell	Hole_ID	Samp_from	Samp_to	Au g/t
4	4	VTAG055	3.00	4.00	0.05
4	4	VTAG055	4.00	4.60	0.22
4	3	VTAG060	3.00	4.00	0.27
4	3	VTAG060	4.00	4.20	0.25
5	2	VTAG069A	4.00	4.50	0.18
5	2	VTAG072	5.00	5.50	4.32

The Company will release additional results from this programme as they become available in the current quarter.

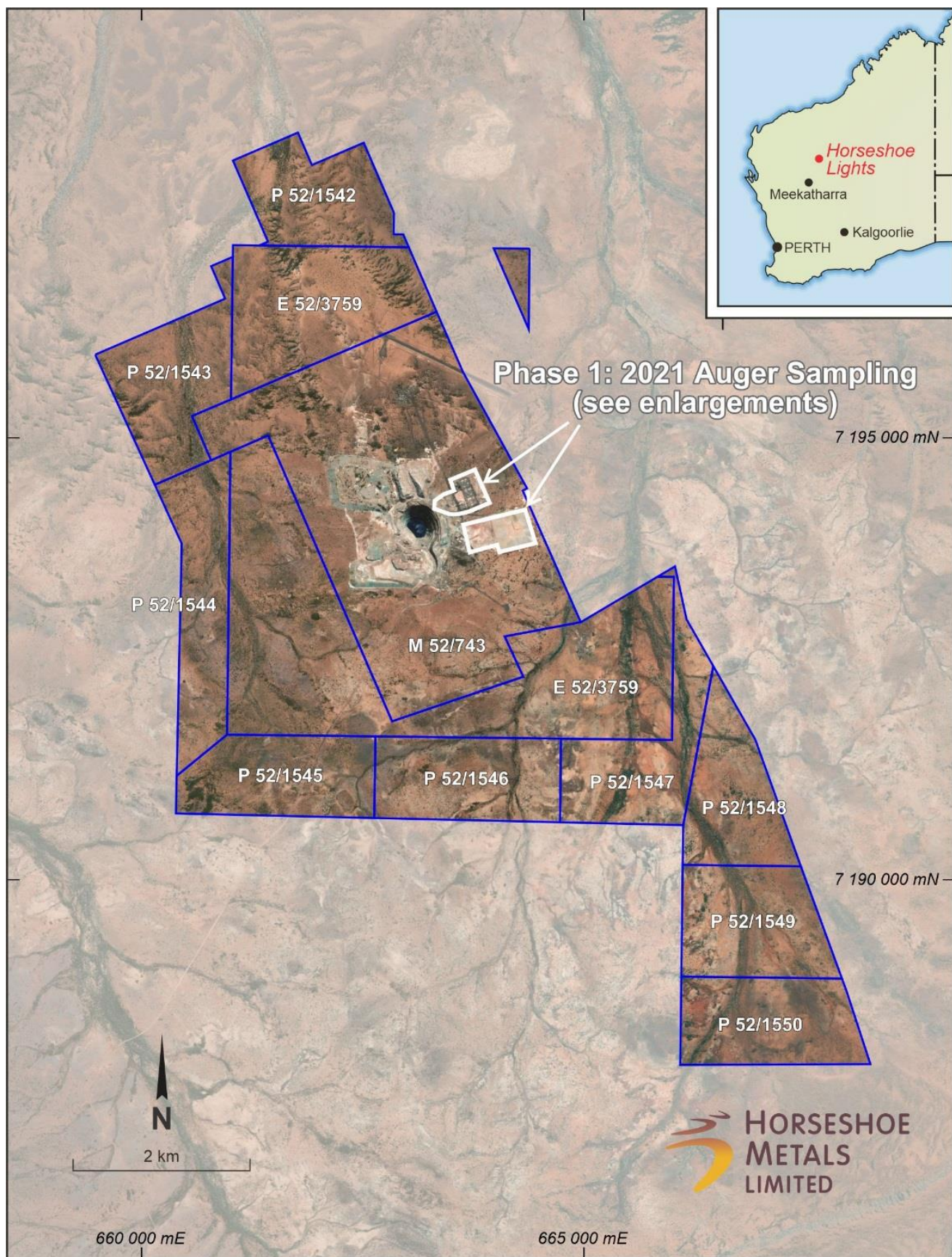


Figure 6: Horseshoe Lights Project tenure and location, with Figure 7 location highlighted

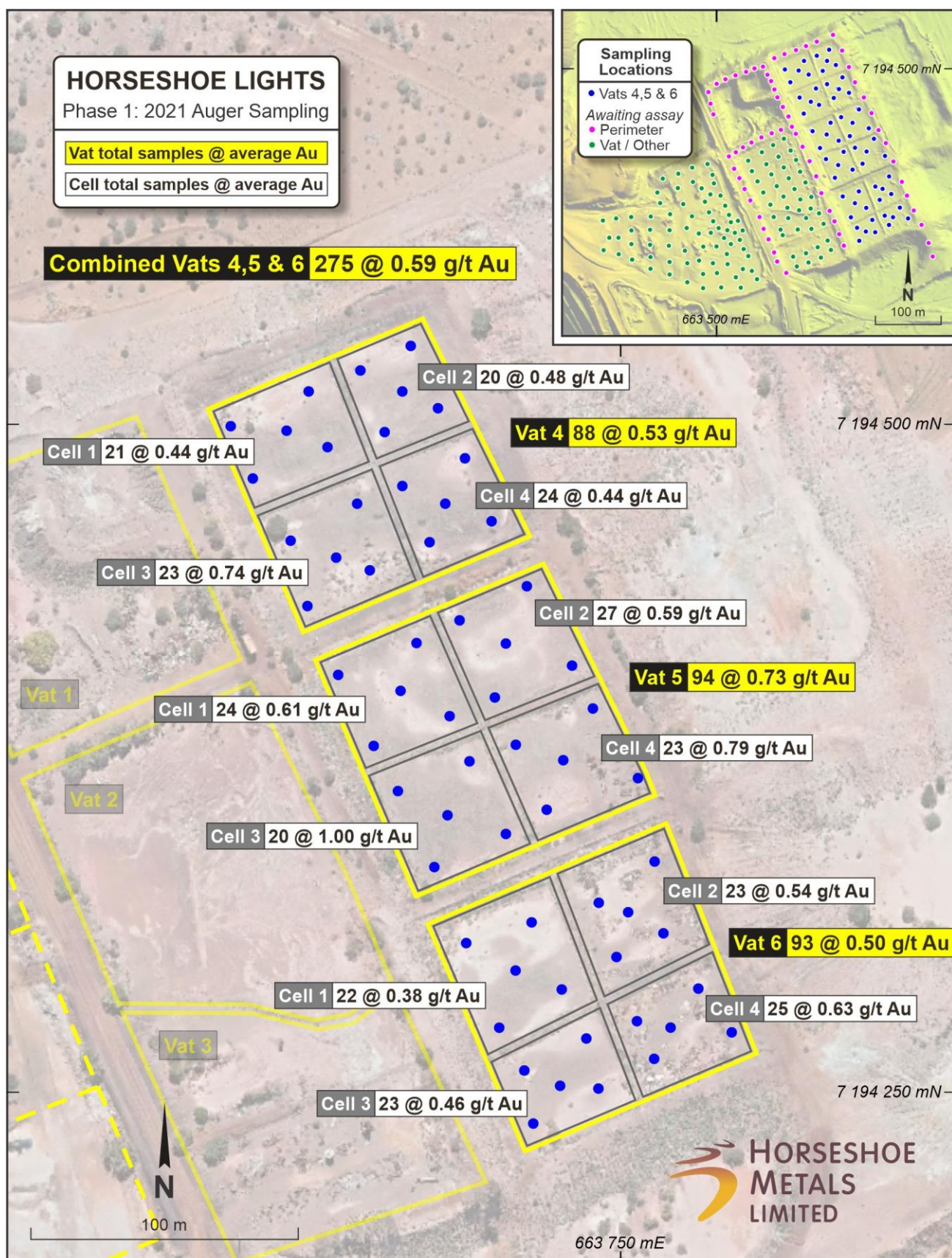


Figure 7: Location and average length-weighted grade of Gold Vat Leach material from 2021 Auger drilling, with drilling of Vat 4, 5 and 6 denoted by blue collars- (assays received), and surrounding perimeter construction material in magenta in inset figure. Additional auger holes awaiting results also denoted in inset figure in green

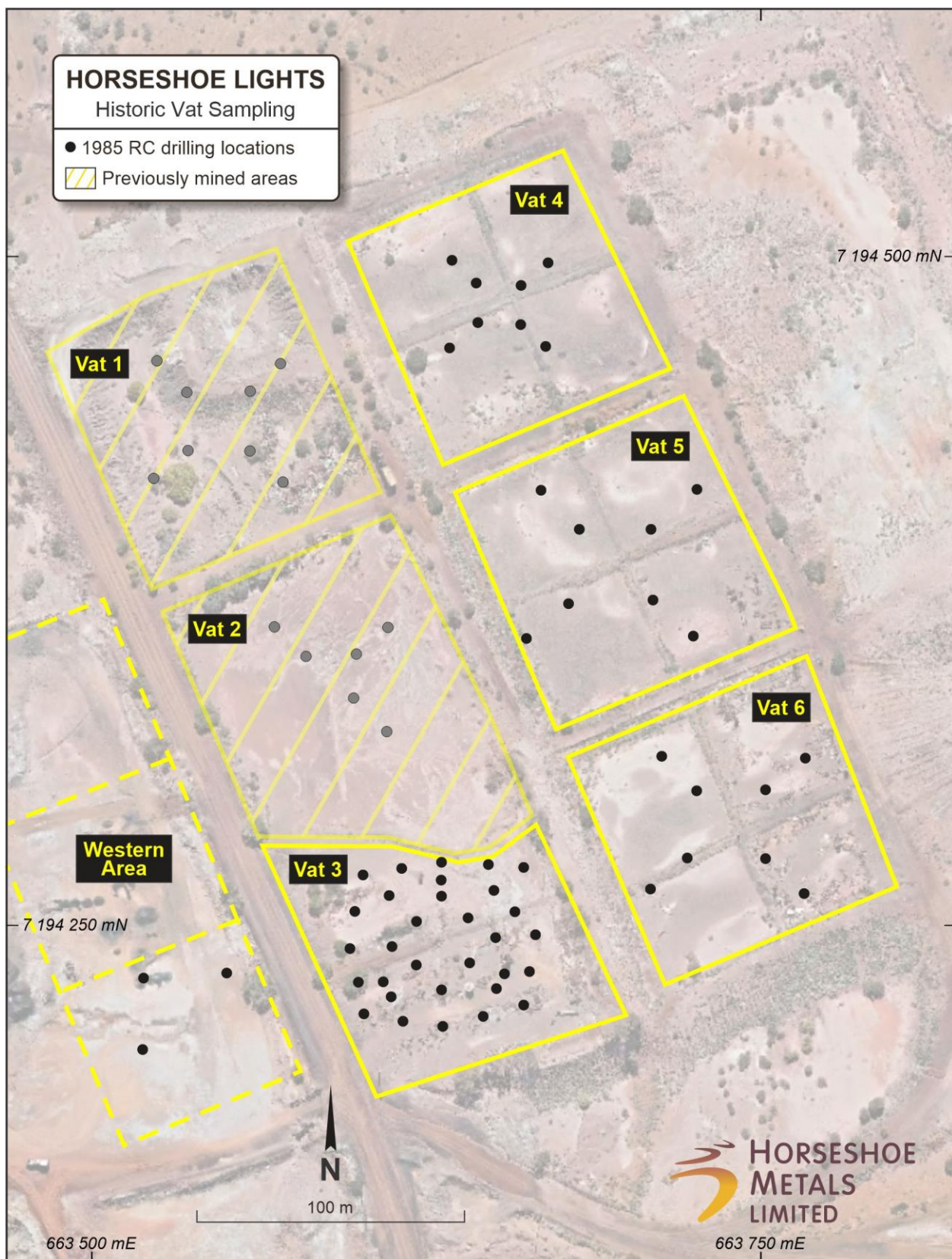


Figure 8: Location plan of 1985 shallow RC drilling in relation to Vats. Note that Vat 1 has been excavated, and Vat 2 at least partially excavated before being re-filled with initial tailings from the copper flotation circuit. The Company believe that results from 1985 RC results from Vat 3 remain in situ.

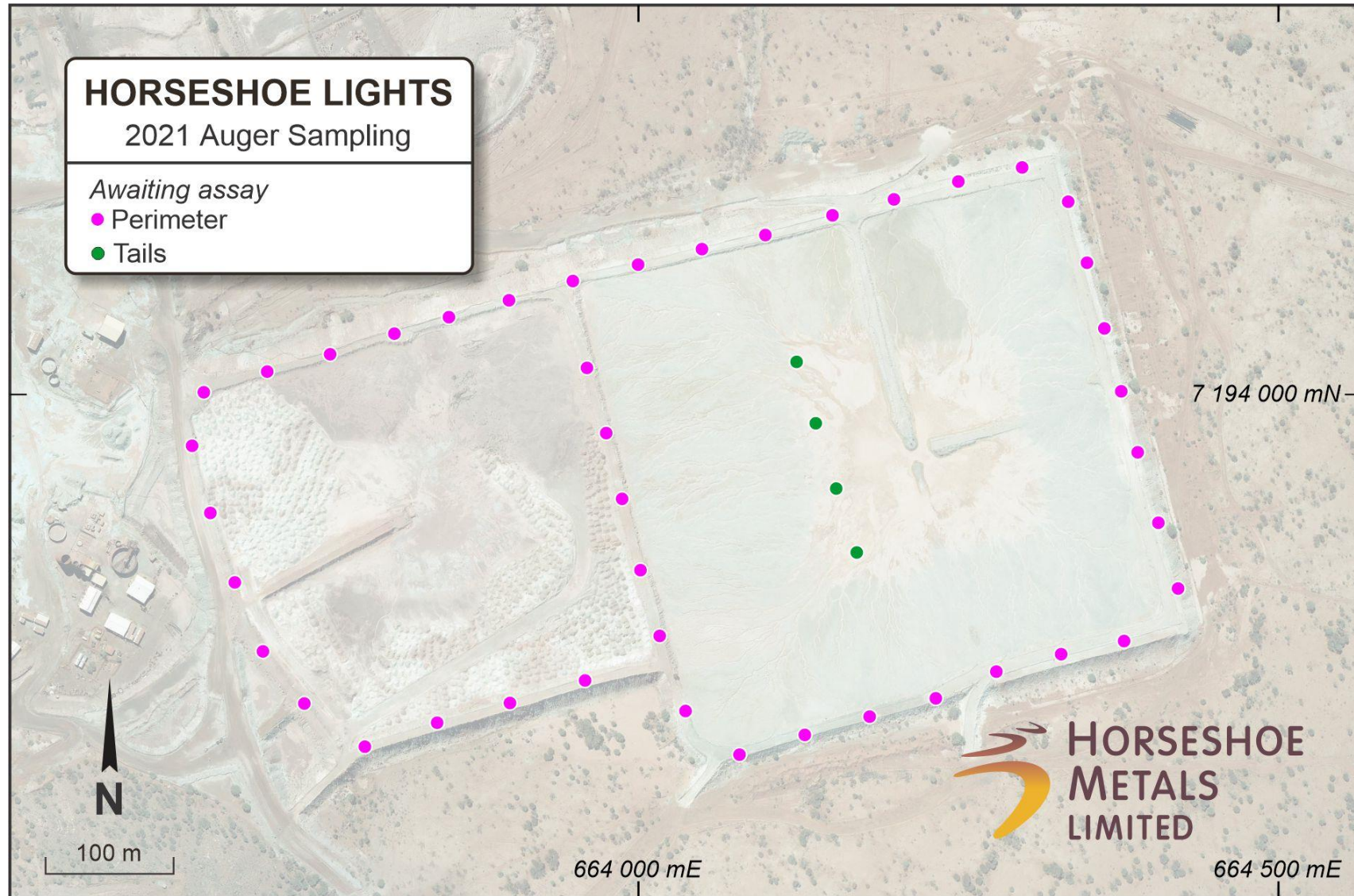


Figure 9: Auger drilling completed on Horseshoe Gold (left) and Copper Flotation (Right) Tailings Dams.

Refer Table 6 for inferred Mineral Resource on Flotation Tailings.

Four check holes (green) were completed on the Flotation tails to primarily assess moisture content for materials handling purposes

Horseshoe West JV (*Kopore earning to 70% on tenure surrounding the mine*)

Horseshoe's wholly-owned subsidiary, Murchison Copper Mines Pty Ltd (**MCM**) has commenced a farm-in and joint venture (JV) with a wholly-owned subsidiary of Kopore Metals Limited (ASX:KMT), providing for an earn in and joint venture in relation to certain tenements (area of 32.4km²) surrounding the historical Horseshoe Lights Copper-Gold Mine (**Horseshoe Lights Mine**).

The JV relates to an area of largely unexplored land surrounding the Horseshoe Lights Mine (**Agreement Area**) (see Figure 1) external to the defined Horseshoe Lights Copper-Gold Project resources and infrastructure.

Excluded from the Agreement Area is part of M52/743 upon which, the historical open pit and existing copper resource is located 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.

During the quarter Kopore released an exploration update on 29 July 2021 on the project area with the following highlights:

- Horseshoe West Airborne Magnetic Survey Completed
- Initial targets identified from geophysical investigation
- Heritage Survey completed and Auger Program of Works (POW) Approved
- Auger Program to commence

The data identified two priority targets and additional conceptual targets:

- Priority Mag Target 1 consists of a discrete bullseye anomaly of approximately 300m diameter associated with an interpreted western margin of a northwest-southeast trending syncline. The depth to interpreted magnetic target is approximately 150m, with local historical shallow drilling programs (<40m depth) not intersecting the identified magnetic conductor.
- Priority Mag Target 2 is an inferred NW/SE parallel structure to the west of the Horseshoe Lights copper/gold mine interpreted based on a similar magnetic signature to the historical high-grade copper-gold mine.

Four additional conceptual targets have been identified by the Kopore Team for investigation, based upon the recent airborne magnetic drone survey and historical airborne magnetic and gravity surveys.

Kopore subsequently completed an auger drilling program comprising approximately 460 holes, at a spacing of 60 x100m spacing, aiming to test for surface expression of potential gold, base metal, or pathfinder anomalism. The auger program covered the surface expression of Mag Targets 1, 2, and 3.

The results of this program are expected in the coming quarter. This auger program will, in addition to the recently completed airborne magnetic program, provide the Company with the ability to further refine targets for future drilling programmes.

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

At Glenloth, within the Central Gawler Craton (CGC- refer Figure 10) the Company has planned an RC drilling programme to be completed in two phases, testing at least seven priority targets within EL6301. The Company has access to a base camp to facilitate the start of drilling operations. The Company is still awaiting approval of an Exploration PEPR (Program for Environment Protection and Rehabilitation) from the Department for Energy and Mining (DEM) in South Australia to allow Phase 1 RC drilling to commence on EL6301.

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, which it is keen to undertake.

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 11), 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.

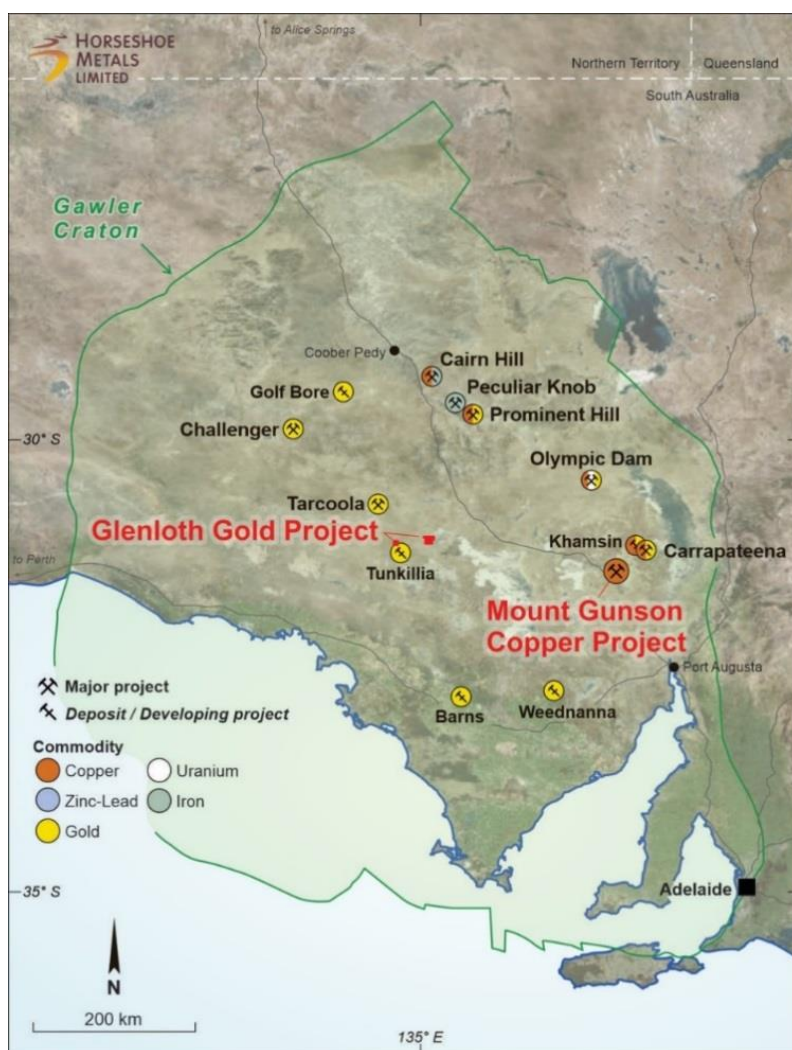


Figure 10: Location of Glenloth Gold Project and Mt Gunson Copper Project in South Australia, in relation to significant local deposits

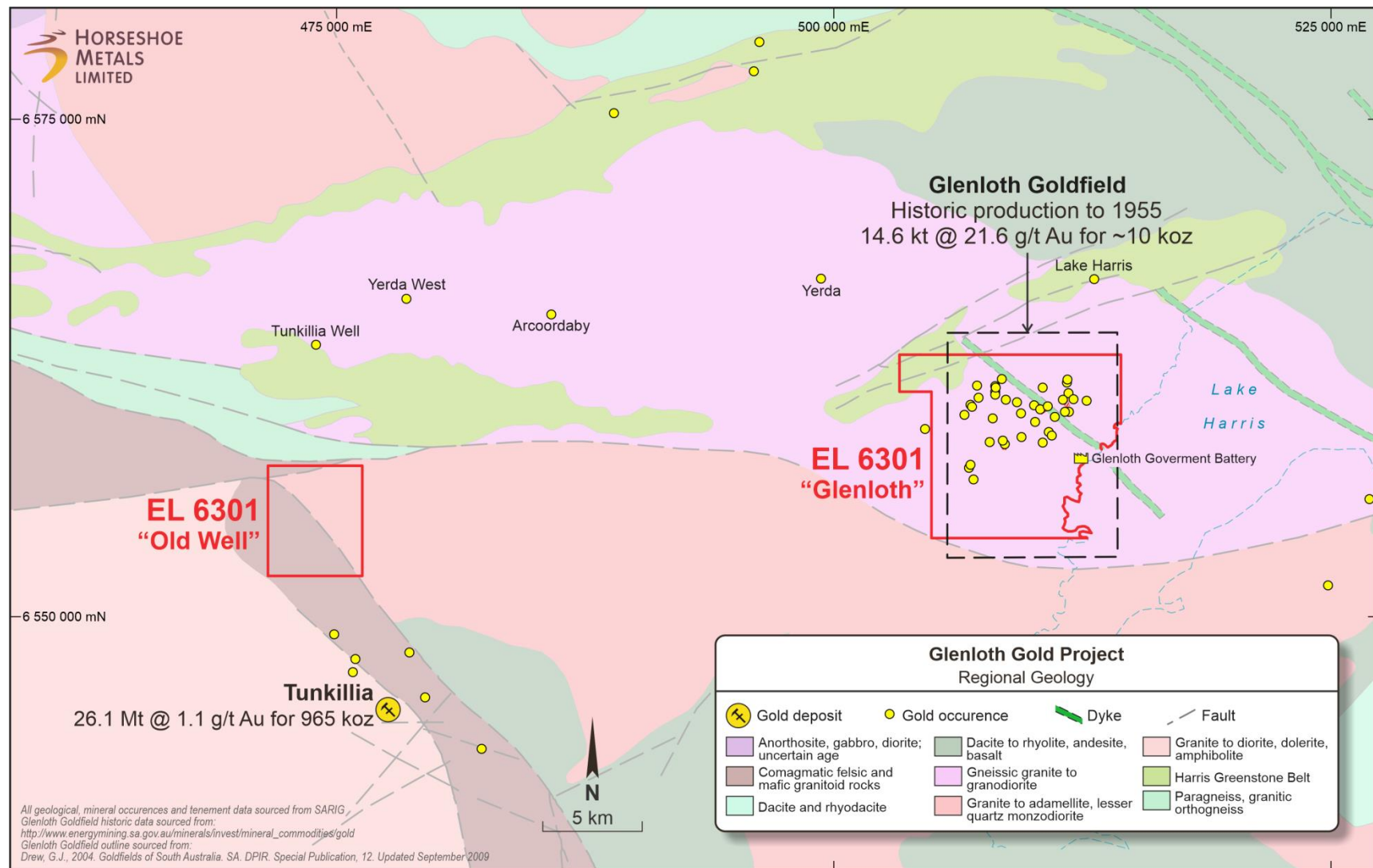


Figure 11: Location of Glenloath Gold Project tenure with regional geology, with known gold occurrences and significant resources

Glenloath Historic Production:

http://www.energymining.sa.gov.au/minerals/invest/mineral_commodities/gold

Glenloath Goldfield Location:

<https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/SP020.pdf> p79

Tunkillia Resource:

https://bf312df2-d40f-41f6-911f-db568b550fea.filesusr.com/ugd/2ed3d8_0eaa54ba304f4190888f7463a3baf2c.pdf

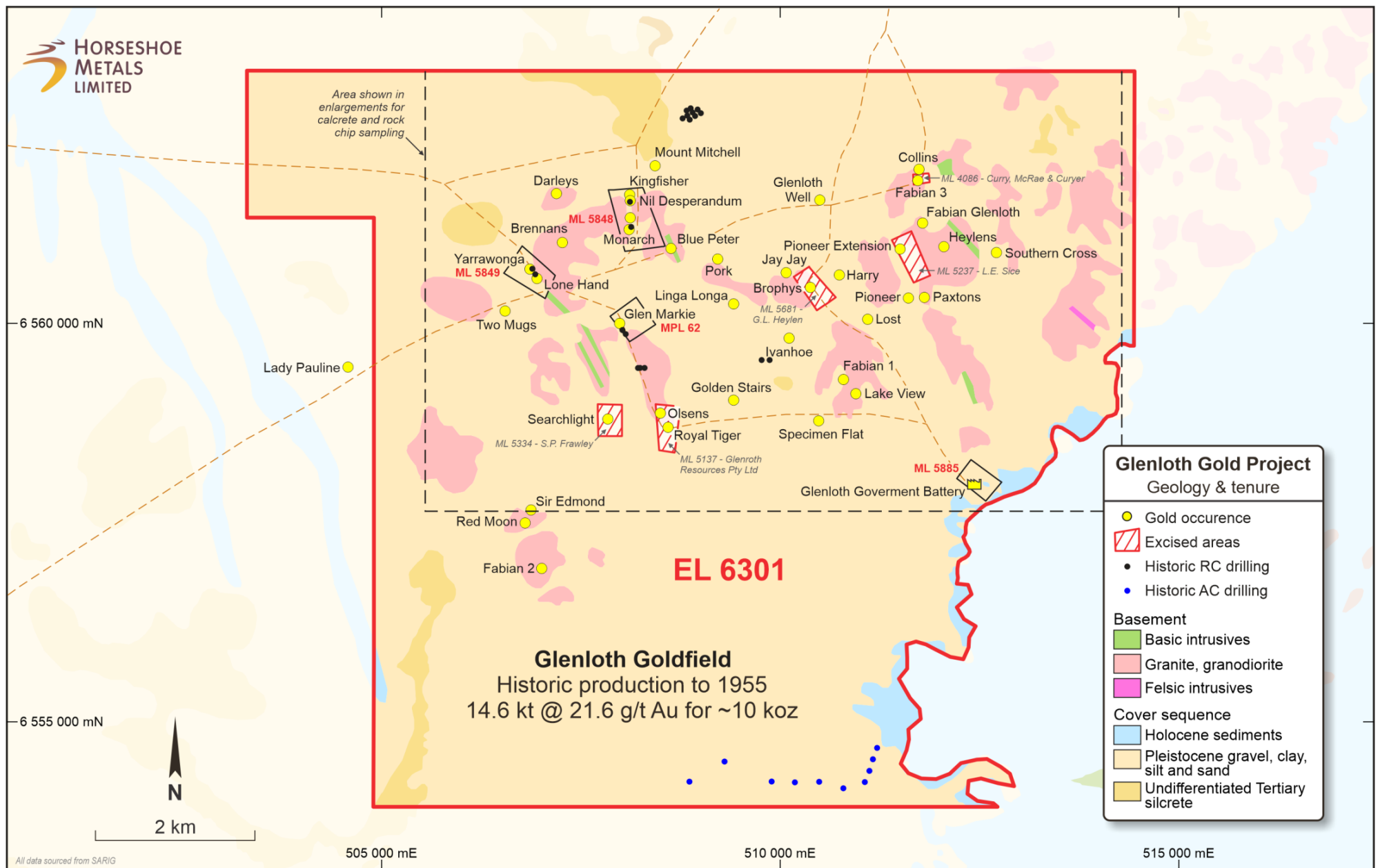


Figure 12: Location of Glenloth Goldfield tenure with regional geology, with named gold occurrences

Kumarina Copper Project, WA (HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application 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 Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource (refer Table 2), contiguous with M52/27. The Company is progressing a Project Agreement as part of the application process with the Native Title Party and its lawyers. No active field work was undertaken during the quarter.

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

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.

CORPORATE

The Company is actively working through a process with the ASX in relation to reinstatement of the Company's shares. As background, the ASX has outlined certain conditions to be met by the Company prior to reinstatement to official quotation, subject to compliance with the conditions precedent as set out in the Company's prior release dated 10 March 2021.

The Company will update shareholders on the expected reinstatement to quotation date in the current quarter as soon as it has confirmation.

Guidance note 23 disclosures

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was \$12,300. This consisted of payments to Directors for consulting fees.

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

-ENDS-

Enquiries

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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 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.

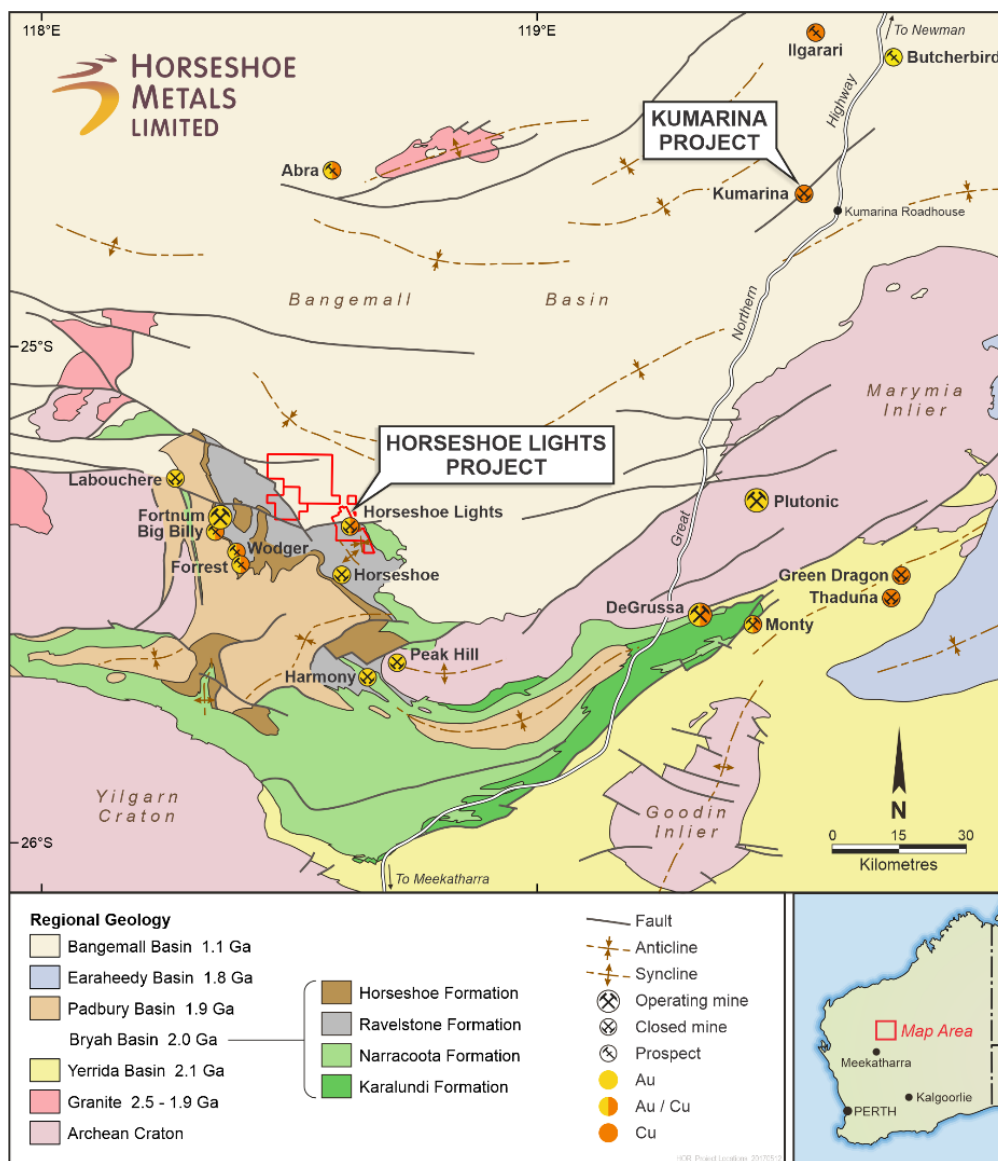


Figure 13: Location of Horseshoe Lights and Kumarina Projects, WA

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-chalcocopyrite. 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 chalcocopyrite and pyrite and their upper oxide copper extensions. Table 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 June 2021.

TABLE 5
HORSESHOE LIGHTS PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 JUNE 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 June 2021 is shown in Table 6 below.

TABLE 6
KUMARINA PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 JUNE 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 Reserve

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 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.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

SUMMARY OF MINING TENEMENT INTERESTS					
AS AT 30 September 2021					
Location	Tenement No.	Interest At Beginning Of Quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest At End Of Quarter (%)
Horseshoe Lights, WA	M52/743	100% ¹	-	-	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%	-	-	100%
Horseshoe Lights, WA	P52/1543*	100%	-	-	100%
Horseshoe Lights, WA	P52/1544*	100%	-	-	100%
Horseshoe Lights, WA	P52/1545*	100%	-	-	100%
Horseshoe Lights, WA	P52/1546*	100%	-	-	100%
Horseshoe Lights, WA	P52/1547*	100%	-	-	100%
Horseshoe Lights, WA	P52/1548*	100%	-	-	100%
Horseshoe Lights, WA	P52/1549*	100%	-	-	100%
Horseshoe Lights, WA	P52/1550*	100%	-	-	100%
Horseshoe Lights, WA	E52/3759	100%	-	-	100%
Horseshoe Lights, WA	E52/3906	100%	-	-	100%
Horseshoe Lights, WA	E52/3908	100%	-	-	100%
Horseshoe Lights, WA	E52/3909	100%	-	-	100%
Horseshoe Lights, WA	E52/3939	0%	-	100%-	100%
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0% ²	-	-	0% ²
Glenloth, SA	EL6301	100% ³	-	-	100% ³

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. An application for the extension of term for M52/743 for an additional 21 years has been submitted during the quarter.
2. The Company has applied for a Mining Lease to cover the Rinaldi resource within E52/1998, contiguous with M52/27
3. The Company has applied for a further extension of term for 1 year with the South Australian Department of Mines.

*Currently under application for Extension of Term for additional 4 years

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Horseshoe Metals Limited

ABN

20 123 133 166

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	23	23
1.2	Payments for		
	(a) exploration & evaluation	(312)	(494)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(104)	(243)
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	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	2	114
1.9	Net cash from / (used in) operating activities	(391)	(600)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	265	558
3.6	Repayment of borrowings	(13)	(13)
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	252	545

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	183	1
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(391)	(111)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	252	293
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	183	183

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	44	183
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	44	183

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	12
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> Directors paid consulting fees.		

7. Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1 Loan facilities	2,000	1,430
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,000	1,430
7.5 Unused financing facilities available at quarter end	570	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing 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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(391)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(391)
8.4 Cash and cash equivalents at quarter end (item 4.6)	44
8.5 Unused finance facilities available at quarter end (item 7.5)	570
8.6 Total available funding (item 8.4 + item 8.5)	614
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.57
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No September had larger than average cash outflow from Operating Activities due to exploration phase one activities and payment of trade payables.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The Company issued a Notice of Meeting 27 October 2021 that proposes various capital raising resolutions. The company is confident that these resolutions will be passed at the meeting and the funds raised shortly after.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. As per response 8.8.2. The company will raise further funds so as to meet its operations and business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 29 October 2021

Authorised by: By the board.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.