

LIMITED

A.B.N. 20 123 133 166

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

CORPORATE INFORMATION

Directors

Alan Still (Non-Executive) Kate Stoney (Non-Executive) Seldon Mart (Non-Executive)

Company Secretaries

Kate Stoney Josh Merriman

Registered Office

2/50 Kings Park Road West Perth WA 6005

Telephone: +61 8 6241 1844 Facsimile: +61 8 6241 1811

Solicitors

Nova Legal 2/50 Kings Park Road West Perth WA 6005

Telephone: +61 8 9466 3177 Facsimile: +61 8 9200 5697

Share Registry

Automic Pty Ltd 5/126 Phillip Street Sydney NSW 2000

Auditors

In.Corp Audit & Assurance Pty Ltd (formerly known as Rothsay Audit & Assurance Pty Ltd) Level 1, Lincoln House

4 Ventnor Avenue West Perth WA 6005

Telephone: +61 8 9486 7094

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange.

ASX Code: HOR

Website www.horseshoemetals.com.au

TABLE OF CONTENTS

CORPORATE INFORMATION	i
TABLE OF CONTENTS	ii
DIRECTORS' REPORT	3
REMUNERATION REPORT (AUDITED)	14
AUDITOR'S INDEPENDENCE DECLARATION	18
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023	19
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023	20
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023	21
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023	22
NOTES TO FINANCIAL STATEMENTS	23
DIRECTORS' DECLARATION	38
INDEPENDENT AUDITOR'S REPORT	39
TENEMENTS	43
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES	44
CORPORATE GOVERNANCE STATEMENT	46

DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of Horseshoe Metals Limited and controlled entity (**the Group**) for the year ended 31 December 2023.

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

NAME	POSITION	APPOINTED/RETIRED
Mr Alan Still	Non-executive Director	Appointed 23 June 2014
Ms Kate Stoney	Non-executive Director	Appointed 16 February 2021
Mr Seldon Mart	Non-executive Director	Appointed 14 December 2023
Mr Craig Hall	Non-executive Director	Resigned 14 December 2023

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

INFORMATION ON DIRECTORS

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

Alan Still

Appointed 23 June 2014

Mr Still is a metallurgist with over 40 years' experience in a variety of commodities. He is a member of the Institute of Materials, Minerals and Mining (MIM).

Kate Stoney

Appointed 16 February 2021

Ms Stoney is an experienced finance and administration executive having held senior finance, administration, corporate and company secretarial positions with various ASX-listed companies over the past 20 years. Ms Stoney brings a wealth of experience and an extensive industry network in the natural resources sector having worked on projects ranging from exploration through to production during her career.

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

Scorpion Minerals Limited (Executive Director – Finance)

Seldon Mart

Appointed 14 December 2023

Mr Mart is a highly qualified geologist with over 35 years' experience in resource evaluation, project development and mine managements roles across Australia and internationally. Mr Mart is a Fellow of the Australasian Institute of Mining and Metallurgy.

COMPANY SECRETARIES

Ms Kate Stoney

Mr Josh Merriman

CURRENT DIRECTORS' INTERESTS

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

Director	Fully Paid Shares	Unlisted Options	Performance Rights
Alan Still	-	3,500,000	-
Kate Stoney	3,250,000	3,500,000	-
Seldon Mart	-	-	-

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2023 and the number of meetings attended by each Director were:

Director	Number eligible to attend in 2023	Number attended in 2023
Alan Still	0	0
Craig Hall	0	0
Kate Stoney	0	0
Seldon Mart	0	0

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

DIVIDENDS PAID OR RECOMMENDED

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

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

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

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

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not
 adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the external auditors for non-audit services provided during the year ended 31 December 2023:

	2023	2022	
	\$	\$	
Taxation compliance services by In.Corp Audit & Assurance Pty Ltd and their related			
parties	4,200	4,500	

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 31 December 2023 has been received and can be found on page 18 of the financial report.

PRINCIPAL ACTIVITIES

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

RISK MANAGEMENT

The key risks associated with conducting the operations of the Group, and steps to manage those risks, are reviewed by the Board of Directors with input from the Company's employees, consultants and contractors.

Operational risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increased in the costs of consumables, spare parts, plant and equipment.

No assurance can be given that the Company will achieve commercial viability through the successful development of its projects. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Exploration and development risks

Mineral exploration and development is a high-risk undertaking that may be affected by circumstances and factors outside of the immediate control of the Group. The Group has released Mineral Resource Estimates (MRE's) for deposits at its Horseshoe Lights and Kumarina projects in Western Australia. MRE's are expressions of judgement based on knowledge, experience and industry practice. MRE's are imprecise and depend on interpretations which may prove to be inaccurate or may alter significantly when new information or techniques become available, which may result in alterations to mining and development plans. The Company employs industry-standard techniques including compliance with the JORC Code to reduce the estimation risk, but this approach cannot fully mitigate the risk.

For the areas of the Company's projects where no MRE has been released (or any other exploration properties that may be acquired in the future), there can be no assurance that exploration activities will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited, due to various issues including lack of ongoing funding, adverse government policies, geological conditions, commodity prices or technical difficulties.

Financial and capital risks

The Company currently has limited operating revenue and will not generate significant operating revenue unless and until its projects are successfully developed and production commences. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the market price, or may involve restrictive covenants which could limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on the Company's financial and operating activities.

No guarantees can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Group.

REVIEW OF OPERATIONS

Exploration and Evaluation

Horseshoe Lights Copper-Gold Project, WA (HOR: 100%)

The Horseshoe Lights Copper-Gold Project comprises a package of tenements in the Bryah Basin of Western Australia approximately 800km north-northeast of Perth and 140km north of Meekatharra (refer Figure 1). The project includes the historic open pit of the Horseshoe Lights copper-gold mine, the original Cu/Au VMS discovery in the Bryah Basin. Horseshoe Lights operated 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.

Horseshoe Lights contains a current in situ resource of 129,000 tonnes of copper metal at a cut-off grade of 0.5% (refer Figure 2 and Table 1 below). During the year the Company continued its work to further define the potential scale and grade of the Horseshoe Lights mineralised system and began the process of implementing its strategy for sale of copper ore as direct shipping ore (DSO) from Horseshoe Lights.

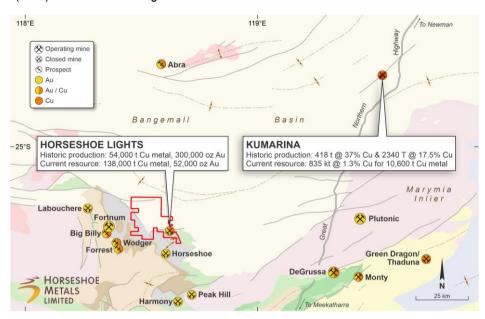


Figure 1: Location of Horseshoe Lights and Kumarina Projects, Western Australia, with regional geology

TABLE 1 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2023									
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)	
	Measured	1.73	1.04	0.0	0.5	18,000	1,900	28.8	
In-situ	Indicated	2.43	0.95	0.0	0.7	23,200	3,400	52.2	
Deposit (0.5% Cu cut-	Inferred	8.69	1.01	0.1	2.6	87,400	30,700	712.4	
off grade)	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 unle	ess otherwise s	tated		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".

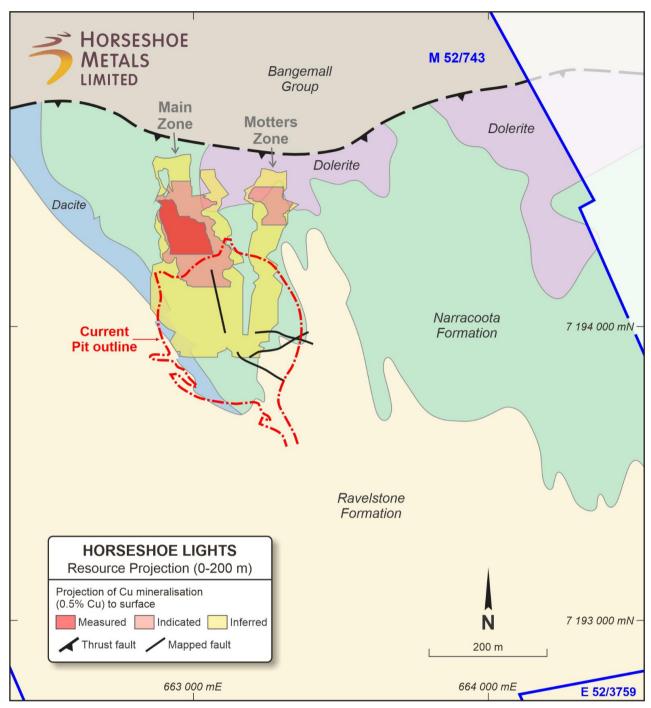


Figure 2: Surface interpreted geology plan of Horseshoe Lights showing resource confidence classifications

Fieldwork - in situ resource

In March 2023, the Company received assays results from its December 2022 reverse circulation (RC) drilling programme at Horseshoe Lights (refer ASX release 9 March 2023). A total of 11 holes were completed for 1,927 m, with 5 holes completed for 1,148 m at Motters, 4 holes for 730m at Main Zone (north-west extension), and 2 holes for 94m at the North Dump.

The programme was designed to test mineralisation at Motters south along strike from the late cross cutting dolerite dyke and above the dolerite down plunge to the south, and to test the northern strike extension of the Main Zone including an interpreted northern plunge to the mineralisation.

Assays results confirmed multiple zones of high-grade copper mineralisation outside the existing *in situ* resources at Main Zone and Motters. The results provide further clarity around the mineralisation structure at Horseshoe Lights and affirm significant potential for resource extensions, with clear expansion potential at depth in historically overlooked zones of mineralisation.

Main Zone

RC1191, completed at the north-west extension to the Main Zone, was designed to test a gap in the detailed information on this section and to confirm the continuity and grade of the oxide mineralisation immediately north of the open pit (refer Figure 2). The below significant result (0.3% Cu cut-off) was achieved:

55 m @ 0.88% Cu from 22 m, incl. 14 m @ 1.30% Cu from 22 m & 21 m @ 1.15% Cu from 44 m

Additional drilling on the northernmost accessible section intersected significant mineralisation and confirms Main Zone is open to the north.

Planning is underway to create drilling access on the north-west waste dump to allow further testing of the northern strike and down plunge extension of the mineralisation. Previous geological interpretation and magnetic data suggests the dolerite that cuts the northern end of the Motters structure does not extend far enough west to intersect the Main Zone. Future drilling will test this interpretation.

Motters Zone

The drilling completed at Motters confirmed significant widths of sulphide mineralisation in two lode positions down plunge at the southern end of the structure, where previous drilling has been limited (refer Figure 3). Significant results (0.3% Cu cutoff) included:

- 10 m @ 1.62% Cu from 252 m incl. 2 m @ 5.19% Cu from 252 m; and (RC1187)
- 19 m @ 1.49% Cu from 269 m incl. 11 m @ 2.37% Cu from 275 m (RC1187)

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

12/09/2018 06/08/2021 10/09/2021 13/09/2021 29/10/2021 26/11/2021 21/02/2022 03/03/2022 11/03/2022 21/04/2022 19/05/2022 11/08/2022 31/08/2022 11/10/2022 27/10/2022 17/11/2022	"Exploration Update - Horseshoe Lights Project" "Horseshoe Lights Exploration Activities Update" "Horseshoe Lights Phase 1 Auger Programme Completed" "Horseshoe Lights Phase 1 RC Drilling Programme Completed" "Horseshoe Lights RC Drilling Results" "Horseshoe Lights Phase 1 Stockpile Results Received" "Horseshoe Metals Successful Relisting" "Horseshoe Lights Activities Update" "Horseshoe Lights Copper-Gold Resource Grade-Tonnage Review" "RC Drilling Underway at Horseshoe Lights Project" "RC Drilling Campaign Complete at HSL Project" "Significant Drilling Results in Copper-Gold Surface Material at Horseshoe Lights" "Outstanding Copper Results at Horseshoe Lights" "Review Confirms Broad Zones of Copper Mineralisation" "Broad Zones of Copper up to 8.3%" "RC Drilling Commences at Main Zone, Motters and North Dump"
27/10/2022 17/11/2022 9/03/2023	"Broad Zones of Copper up to 8.3%" "RC Drilling Commences at Main Zone, Motters and North Dump" "Drilling Confirms Thick, Shallow Copper Mineralisation"

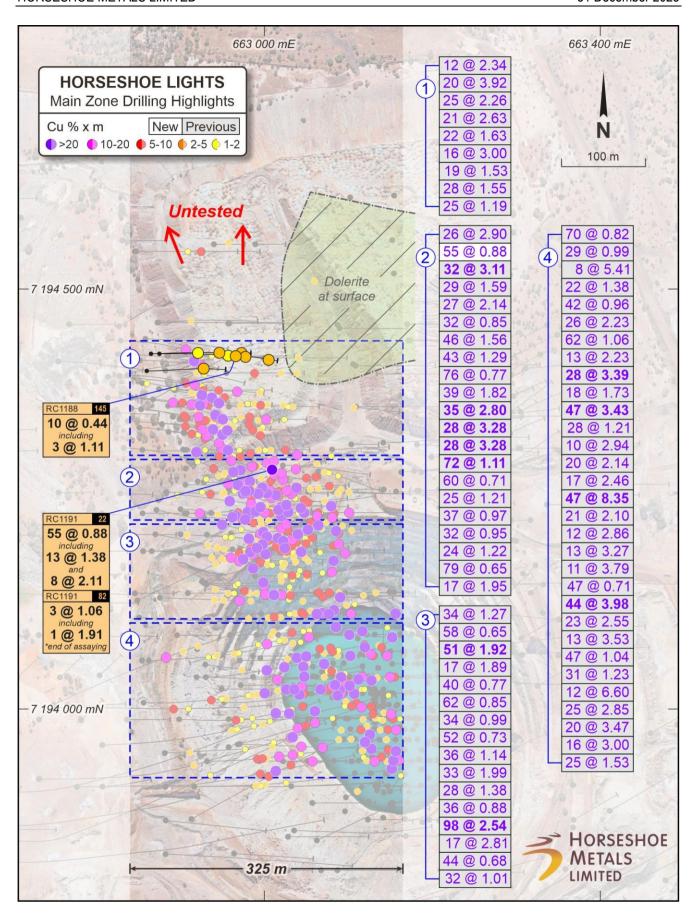


Figure 3: Main Zone with drilling highlights from December 2022 RC programme

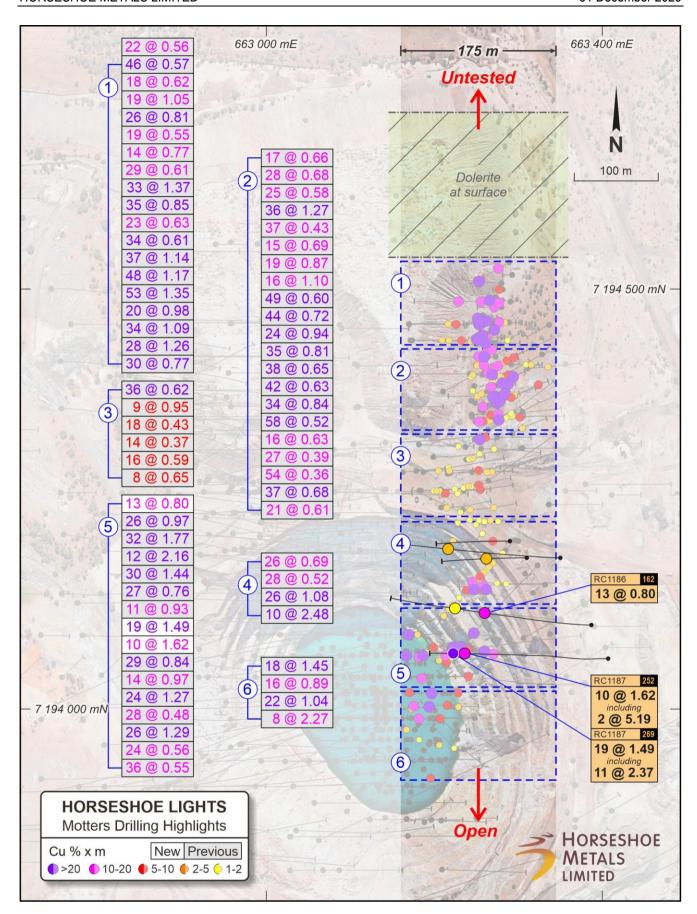


Figure 4: Motters Zone with drilling highlights from December 2022 RC programme

Surface materials - DSO strategy

During the year, the Company continued its evaluation of the significant copper-gold surface materials at Horseshoe Lights, including tailings, stockpiles and dumps (refer Figure 5). In October 2023, the Company announced plans to capitalise on the high-grade direct shipping ore (DSO) surface stockpiles at Horseshoe Lights (refer ASX release 31 October 2023).

The copper phase of mining included early DSO copper production that has left significant quantities of subgrade and rehandle material around Horseshoe Lights. Areas identified as having future DSO potential include the M15, Subgrade and C20 stockpiles, along with rehandle and surface pimple dumps located on the north waste dump gold tailings, and southern low-grade stockpile (refer Figure 5).

Grab samples collected from the surface have assayed up to 40.3% copper, with composite assays from stockpiles assaying up to 39.0% copper (refer ASX release 31 October 2023). The DSO material is easily scavenged using loaders and excavators equipped with sieve buckets. Sub-samples of the composite sample have been provided to potential customers for assessment who have expressed strong interest in purchasing the material, which is identical to the historically produced and sold DSO material. The Company is working with a group experienced in small-scale production to progress its DSO strategy.

The Company has previously confirmed the presence of significant oxide and gold copper mineralisation at the C20 and subgrade stockpiles, considering the below Exploration Targets to be appropriate given grade assessments of recoverable volumes within the stockpiles and preliminary investigations of the stockpile volumes and anticipated density:

C20 stockpile: 41,000 to 50,000 tonnes grading between 0.85 to 0.94g/t Au and 0.28% Cu, containing metal of 1,100 to 1,500 oz Au

Subgrade stockpile: 27,000 to 34,000 tonnes grading between 0.4% to 0.8% Cu, containing metal of 110 to 270 tonnes Cu

Assays results received in March 2023 from 2 RC holes for 94m at the North Dump confirmed significant oxide copper-gold mineralised material exists in the upper 10 to 12 metres. Additionally metallurgical test work will be conducted on the oxide copper stockpiles and targets, and gravity recovery test work on copper flotation and CIP tailings.

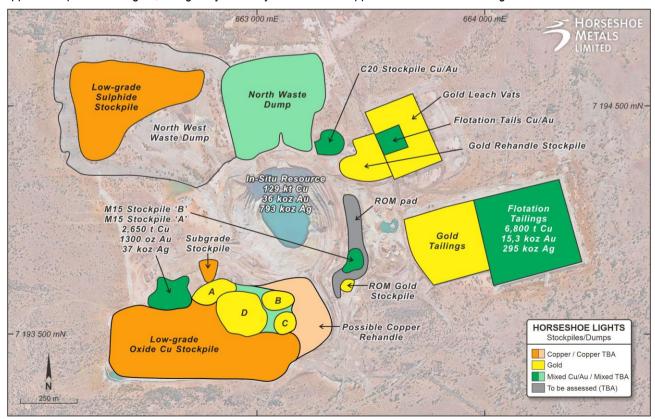


Figure 5: Locations of surface stockpiles and dumps at Horseshoe Lights

Kumarina Copper Project, WA (HOR: 100%)

The Kumarina Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia (refer Figure 1 above). It consists of a small mining lease (M52/27) and a mining lease application (MLA52/1078) covering approximately 3.2km². The mining lease application covers the Rinaldi resource (refer Table 2 below), contiguous with M52/27. During the year, the Company continued to progress a Project Agreement as part of the application process with the Native Title Party and its lawyers.

TABLE 2 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2023							
Location Category Tonnes Cu Cu metal (t) (%) (tonnes)							
	Measured	415,000	1.46	6,100			
Rinaldi Prospect	Indicated	307,000	1.16	3,500			
(0.5% Cu cut-off)	Inferred	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.

Glenloth Gold Project, SA (HOR: 100%)

The Glenloth Project is located in the Central Gawler Craton of South Australia. The project consists of a single exploration licence, EL 6301, which comprises two areas totalling 107km² (refer Figure 6). The larger eastern block 'Glenloth' covers 81km² and includes the Glenloth Goldfield and part of the Harris Greenstone Belt. The smaller western block 'Old Well' takes in the northern trend of the 1.0Moz Tunkillia gold deposit located 6km to the south, under development by Barton Gold Holdings Ltd (ASX:BGD). The Company also holds the rights to explore and develop ML 5848, ML 5849, ML 5885 and MPL 62 within the eastern block of EL 6301. Post-year end, EL 6301 was renewed for a six-year term expiring in 2029.

Project background

The Glenloth Goldfield was identified by discovery of alluvial gold in 1893 and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620t of ore, at an average grade of 21.6g/t. The Fabian 3, Royal Tiger (both 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.

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

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

8/7/2020 "Glenloth Gold Project Acquisition Update"

21/01/2021 "Operations/Activities Update"

16//08/2022 "Glenloth Goldfield RC Drilling Commences"

Forward Looking Statements

Horseshoe Metals Limited has prepared this report 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, Mineral Resources and Exploration Targets at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Michael Fotios, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Fotios is a consultant 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 Fotios. 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 Fotios. 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 Fotios. 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.

REMUNERATION REPORT (AUDITED)

Directors and Key Management Personnel are disclosed in this report (see page 3 for details about each Director). During the financial year there were no Key Management Personnel other than the Directors.

Name Position

Alan Still Non-Executive Director

Kate Stoney

Non-Executive Director and Company Secretary

Seldon Mart

Non-Executive Director (appointed 14 December 2023)

Craig Hall

Non-Executive Director (resigned 14 December 2023)

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

Assessing performance and claw-back of remuneration

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

Remuneration Policies for Non-Executive Directors

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

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

The maximum aggregate annual remuneration is approved by shareholders.

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

Remuneration Policies for Executive Directors and Executive Management

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

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

The Board's objectives are that the remuneration policies:

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

Performance based remuneration

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

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

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors and Executives' performance. Currently, this is facilitated through the issue of options to Executives to encourage the alignment of personal and shareholder interests. No market-based performance remuneration has been paid in the current year.

Details of remuneration

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

	Short-Term		Share-based Payments	Share-based Payments	Total
	Salary & Fees	Superannuation	Shares	Options	lotai
	\$	\$	\$	\$	\$
Directors					
Alan Still					
2023	36,000	-	-	39,001	75,001
2022	36,000	-	-	53,811	89,811
Kate Stoney					
2023	47,928	2,378	-	39,001	89,307
2022	54,000	-	-	53,811	107,811
Seldon Mart (appointed	d 14 Dec 2023)				
2023	1,500	-	-	-	1,500
Craig Hall (resigned 14	Dec 2023)				
2023	31,024	3,331	-	39,001	73,356
2022	34,290	1,710	-	53,811	89,811
Total Key Managemen	nt Personnel compe	nsation			
2023	116,452	5,709	-	117,003	239,164
2022	124,290	1,710	•	161,433	287,433

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

Amounts payable to key management personnel

The following balances are outstanding at the reporting date (inclusive of GST where applicable) in relation to transactions with key management personnel and their related parties:

		\$
Director's remuneration payable to Zedsee Enterprises (Private) Limited ¹		116,100
Director's remuneration payable to Kate Stoney		8,314
Director's superannuation payable to Kate Stoney		1,189
Director's remuneration payable to Seldon Mart		1,500
Director's remuneration payable to Craig Hall		27,071
Director's superannuation payable to Craig Hall		729
Consulting fees payable to Target Exploration Pty Ltd ²		101,282
	Total	256,185

¹ Entity associated with Mr Alan Still

Other transactions with key management personnel

During the year, Target Exploration Pty Ltd ("Target"), an entity of which Ms Stoney is a director, provided services to the value of \$334,795, comprising technical consulting and exploration data management services to the value of \$211,295 and finance, administrative and company secretarial services to the value of \$123,500.

For the avoidance of doubt, Ms Stoney has no beneficial interest in the Company's contractual arrangements with Target.

² Entity associated with Ms Stoney (see section immediately below).

Shareholdings of Key Management Personnel

31 December 2023	Balance at beginning of year	Granted as remuneration	Disposed	On exercising of options	Balance on departure	Balance at end of year
Directors						
Mr Alan Still	1,500,000	-	(1,500,000)	1,500,000	-	1,500,000
Ms Kate Stoney 1	1,750,000	-	-	1,500,000	-	3,250,000
Mr Seldon Mart	-	-	-	-	-	-
Mr Craig Hall	1,500,000	-	-	1,500,000	(3,000,000)	-
	4,750,000	-	(600,000)	4,500,000	(3,000,000)	4,750,000

In addition to her personal share holdings, Ms Stoney is a director and non-beneficial shareholder of Obsidian Metals Group Pty Ltd ("Obsidian"), which held 27,000,000 fully paid ordinary shares in the Company at the end of the reporting period. For the avoidance of doubt, Ms Stoney has no direct or indirect beneficial interest in the shares held by Obsidian.

Option holdings of Key Management Personnel

31 December 2023	Balance at beginning of year	Granted as remuneration	Lapsed	On exercising of options	Balance on departure	Balance at end of year
Directors						
Mr Alan Still	6,000,000	-	(1,000,000)	(1,500,000)	-	3,500,000
Ms Kate Stoney 1	6,000,000	-	(1,000,000)	(1,500,000)	-	3,500,000
Mr Seldon Mart	-	-	-	-	-	-
Mr Craig Hall	6,000,000	-	(1,000,000)	-	(5,000,000)	-
	18,000,000	-	(3,000,000)	(3,000,000)	(5,000,000)	7,000,000

In addition to her personal option holdings, Ms Stoney is a director and non-beneficial shareholder of Obsidian Metals Group Pty Ltd ("Obsidian"), which held 3,000,000 unlisted options in the Company at the end of the reporting period. For the avoidance of doubt, Ms Stoney has no direct or indirect beneficial interest in the shares held by Obsidian.

Service agreements

As at the date of this report there are no executives or Key Management Personnel, other than the Directors, engaged by the Company. Formal appointment letters are in place with Non-Executive Directors, each of which are entitled to a fee of \$36,000 per annum effective from 1 January 2023). There are no termination payments payable.

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

Share-based compensation

No Key Management Personnel were issued share-based compensation in the year ended 31 December 2023.

Voting and comments made at the 2023 Annual General Meeting

At the Annual General Meeting of the Company held on 31 May 2023, 97.31% of votes cast supported the adoption of the Company's Remuneration Report for the year ended 31 December 2022. No comments were received at the meeting in respect of the Company's remuneration policy.

RESULTS OF OPERATIONS

The consolidated loss of the Group after providing for income tax amounted to \$1,291,925 (2022: \$2,366,649).

The net assets of the Group have increased from a net asset deficiency of \$1,533,736 at 31 December 2022 to a net asset deficiency of \$560,526 at 31 December 2023. This increase is largely due to the capital raising undertaken during the year.

CORPORATE

On 14 February 2023, the Company issued 80,000,000 fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.025 per new share, raising \$2 million (before costs). Merchant Capital Partners Pty Ltd acted as lead manager to the placement.

The Annual General Meeting of the Company was held on 31 May 2023, with all resolutions passed by shareholders.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

In March 2024, the Company entered into a loan agreement with Obsidian Metals Group Pty Ltd ("Obsidian") for \$30,000 to meet short-term working capital requirements. Obsidian is an entity associated with Ms Kate Stoney, a Non-Executive Director of the Company, who is a director of Obsidian. For the avoidance of doubt, Ms Stoney has no beneficial interest in the loan agreement with Obsidian.

The Company is not aware of any other matter or circumstance that has arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

LIKELY DEVELOPMENTS

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

ENVIRONMENTAL ISSUES

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

At the Horseshoe Lights Project, there are several unrehabilitated legacy areas including dumps, stockpiles and tailings storage facilities associated with previous mining operations. A review of the cost to rehabilitate these areas has been completed during the reporting period and the financial statements of the Group adjusted where required.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors, and on behalf of the Board by:

Kate Stoney

Non-executive Director

161-8

28 March 2024





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

To the Directors of Horseshoe Metals Limited:

As lead auditor of Horseshoe Metals Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in relation to Horseshoe Metals Limited and the entity it controlled during the year.

In.Corp Audit & Assurance Pty Ltd ABN 14 129 769 151

Level 1 6-10 O'Connell Street SYDNEY NSW 2000

Suite 11, Level 1 4 Ventnor Avenue WEST PERTH WA 6005

GPO BOX 542 SYDNEY NSW 2001

T +61 2 8999 1199

E team@incorpadvisory.au

W incorpadvisory.au

In.Corp Audit & Assurance Pty Ltd

Daniel Dalla Director

28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
Rental income		4,500	20,800
Other income		4,107	691
		8,607	21,491
Administrative expenses		(384,258)	(360,953)
Insurance expenses		(42,291)	(36,905)
Consulting expenses		(108,400)	(169,282)
Depreciation expense		(13,354)	(33,798)
Directors' remuneration	19	(239,164)	(287,433)
Share-based payments – employees and contractors		(154,295)	(366,788)
Impairment of investments		-	(243,000)
Interest expense		(102,844)	(74,446)
Project exploration and evaluation expenses		(255,926)	(815,535)
Loss before income taxes	_	(1,291,925)	(2,366,649)
Income tax expense	4	-	-
Other comprehensive income, net of tax	_	-	-
Total comprehensive income		(1,291,925)	(2,366,649)
Total comprehensive income attributable to members of the	_	(4.204.025)	(2.200.040)
parent entity		(1,291,925)	(2,366,649)
Loss per share Basic and diluted loss per share (cents)	15	(0.21)	(0.44)
שמשוט מווע עווענפע וטשט אפו שוומופ (נפוונט)	13	(0.21)	(0.44)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS		Ψ	Ψ
Cash and cash equivalents	5	2,474	6,778
Trade and other receivables	6	47,091	129,587
Other current assets	7	75,002	110,408
TOTAL CURRENT ASSETS	-	124,567	246,773
NON-CURRENT ASSETS	-		
Plant and equipment	8	45,249	57,877
Exploration and evaluation expenditure	9	8,370,508	7,950,975
TOTAL NON-CURRENT ASSETS	· -	8,415,757	8,008,852
TOTAL ASSETS		8,540,324	8,255,625
CURRENT LIABILITIES	=		
Trade and other payables	10	1,600,103	1,120,687
Borrowings	11	1,687,857	724,780
TOTAL CURRENT LIABILITIES	_	3,287,960	1,845,467
NON-CURRENT LIABILITIES	· -		
Trade and other payables	10	-	1,261,676
Borrowings	11	-	869,328
Provisions	12	5,812,890	5,812,890
TOTAL NON-CURRENT LIABILITIES	. <u>-</u>	5,812,890	7,943,894
TOTAL LIABILITIES	_	9,100,850	9,789,361
NET LIABILITIES	=	(560,526)	(1,533,736)
EQUITY			
Issued Capital	13	25,881,784	23,685,172
Reserves	14	477,480	415,148
Accumulated losses		(26,919,790)	(25,634,056)
TOTAL EQUITY	_	(560,526)	(1,533,736)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

2023

	NOTE	ISSUED CAPITAL \$	ACCUMULATED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	TOTAL EQUITY \$
Balance at 1 January 2023		23,685,172	(25,634,056)	415,148	(1,533,736)
Comprehensive loss for the year					
Losses attributable to members of the parent entity		-	(1,291,925)	-	(1,291,925)
Transactions with owners in their capacity as owners					
Shares issued during the year	13	2,142,770	-	-	2,142,770
Options issued during the year	14	-	-	327,539	327,539
Options exercised during the year	13/14	259,016	-	(259,016)	-
Options expired during the year	14	-	6,191	(6,191)	-
Capital raising costs	13	(205,174)	-	-	(205,174)
Balance at 31 December 2023		25,881,784	(26,919,790)	477,480	(560,526)

2022

	NOTE	ISSUED CAPITAL \$	ACCUMULATED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	TOTAL EQUITY \$
Balance at 1 January 2022		21,374,429	(23,267,407)	56,691	(1,836,287)
Comprehensive loss for the year					
Losses attributable to members of the parent entity		-	(2,366,649)	-	(2,366,649)
Transactions with owners in their capacity as owners					,
Shares issued during the year	13	2,181,971	-	-	2,181,971
Options issued during the year	14	-	-	590,057	590,057
Options exercised during the year	14	231,600	-	(231,600)	-
Capital raising costs	13	(102,828)	-	-	(102,828)
Balance at 31 December 2022		23,685,172	(25,634,056)	415,148	(1,533,736)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		8,490	22,384
Payments to suppliers and employees		(973,213)	(988,602)
Interest paid		(9,095)	(52,316)
Interest received		4,106	691
Payments for exploration and evaluation expenditure		(884,932)	(2,172,913)
Net cash used by operating activities	24	(1,854,644)	(3,190,756)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(727)	(47,677)
Net cash used by investing activities	_	(727)	(47,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	13	2,000,000	2,008,972
Repayment of borrowings		-	(66,764)
Capital raising costs		(148,933)	(70,992)
Net cash provided by financing activities	_	1,851,067	1,871,216
Net (decrease)/increase in cash and cash equivalents		(4,304)	(1,367,217)
Cash and cash equivalents at the beginning of the year		6,778	1,373,995
Cash and cash equivalents at the end of the year	5	2,474	6,778

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

This financial report includes the consolidated financial statements and notes of Horseshoe Metals Limited and Controlled Entity (the 'Group'). The financial statements were authorised for issue by the Board of Directors on 28 March 2024.

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

The nature of operations and principal activities of the Company are described in the Directors' Report. The registered office of the Company is 2/50 Kings Park Road, West Perth WA 6005 and the principal place of business is 1202 Hay Street, West Perth WA 6005.

2. BASIS OF PREPARATION

(a) General information

This financial report:

- Has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as applicable to a for-profit entity.
- Has been prepared on a historical cost basis.
- Is presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 1 January 2023.
- Does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

(b) Going concern

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

As disclosed in the financial statements, the Group had cash and cash equivalents on hand as at 31 December 2023 of \$2,474 and a net current asset deficiency of \$3,163,393. This indicates a material uncertainty related to the Group continuing to trade on a going concern basis. The ability of the Group to pay its debts as and when they become due is dependent upon:

- the Group's ability to successfully implement its strategy for the sale of stockpiled direct shipping ore (DSO) copper from its Horseshoe Lights project and to generate sufficient cash flows from sales of ore to cover ongoing operational costs;
- the Group's continued ability to call upon the undrawn portion of the loan facility entered into with entities associated with Mr Michael Fotios, a former director of the Company;
- the Group's ability to receive short-term financing under the loan agreement entered into with Obsidian Metals Group Pty Ltd ("Obsidian"), an entity associated with Ms Kate Stoney, a Director of the Company; and
- negotiating continued deferred terms of repayment with overdue third-party creditors.

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

- the Group is evaluating a proposal from a third-party contractor to implement its DSO strategy on terms that require limited upfront capital expenditure and are sufficient to generate positive cash flows;
- the undrawn loan balance available to the Group as at 31 December 2023 from the loan facility entered into with Mr Fotios and associated entities was \$1,036,000;
- the Group has been advanced funds under the short-term loan agreement with Obsidian;
- the Group has received expressions of interest from third parties for the sale of non-core exploration assets and is confident that any such transactions can be effected on terms favourable to the Company; and
- the Group has a history of successful capital raisings and is confident it can raise further capital on terms favourable to the Company.

Should the Group not be able to achieve successful outcomes with the above matters, there is material uncertainty whether the Group will be able to continue as a going concern, and therefore it may be required to realise its assets to discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

3. MATERIAL POLICY INFORMATION

(a) Basis of consolidation

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

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

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

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

(b) Impairment of non-financial assets

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

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

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

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

Impairment losses are recognised as an expense immediately.

(c) Exploration and development expenditure

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

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

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

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

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

Costs of site restoration are provided over the life of the facility from when exploration commences. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

(d) Provisions

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

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

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

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

(e) Critical accounting estimates and judgments

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

Key estimates – provisions for rehabilitation

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

Key judgments – exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$8,370,508.

(f) New Accounting Standards

New Standards, Interpretations and Amendments

In the year ended 31 December 2023, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 December 2023. Again, the result of this review determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

4. INCOME TAX EXPENSE

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

	2023 \$	2022 \$	
Statement of comprehensive income			
Current income tax		-	-
Current income tax charges/(benefits)		-	-
Deferred tax expense			
Relating to the origination and reversal of temporary differences		-	-

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

IOIIOWS.	2023 \$	2022 \$
- Loss for the year at 25% (2022: 25%)	(322,981)	(591,662)
Add: - tax losses not brought to account as DTA	(322,981)	(591,662)
	-	-

At 31 December 2023 the Group had unused tax losses for which no deferred tax asset has been recognised in the amount of approximately \$11,680,861 (2022: \$10,388,936). The availability of these losses is subject to satisfying Australian taxation legislation requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial statements because the Directors believe it is not presently appropriate to regard realisation of the future income tax benefits as probable.

5. CASH AND CASH EQUIVALENTS

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

	2023	2022
	\$	\$
Cash at bank	2,474	6,778
	2,474	6,778

6. TRADE AND OTHER RECEIVABLES

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

	2023	2022
	\$	\$
Trade and miscellaneous receivables	531	4,490
Bonds receivable	25,000	25,000
ATO receivables	21,560	100,097
	47,091	129,587

The Group expects the above trade and other receivables to be recovered within 12 months of 31 December 2023 and therefore considers the amounts shown above at cost to be a close approximation of fair value.

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

7. OTHER ASSETS

	2023 \$	2022 \$
CURRENT		
Prepayments	75,002	110,408
	75,002	110,408
8. PLANT AND EQUIPMENT	2023 \$	2022 \$
PLANT AND EQUIPMENT	·	·
At cost	298,067	297,340
Accumulated depreciation	(252,818)	(239,463)
	45,249	57,877

MOVEMENTS IN CARRYING AMOUNTS

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

	VEHICLES	PLANT AND EQUIPMENT	TOTAL
	\$	\$	\$
Balance at 31 December 2023			
Balance at the beginning of year	18,772	39,105	57,877
Additions	-	726	726
Depreciation expense	(7,767)	(5,587)	(13,354)
	11,005	34,244	45,249
Balance at 31 December 2022			
Balance at the beginning of year	-	13,998	13,998
Additions	31,069	46,608	77,677
Depreciation expense	(12,297)	(21,501)	(33,798)
	18,772	39,105	57,877

9. EXPLORATION AND EVALUATION EXPENDITURE

The following table details the movement in deferred exploration and evaluation expenditure reported in the statement of financial position during the year ended 31 December 2023.

	2023	2022
	\$	\$
Carrying amount at beginning of year	7,950,975	6,708,801
Capitalised expenditure during the year	419,533	1,242,174
Impairment	<u> </u>	-
	8,370,508	7,950,975

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

10. TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
CURRENT		
Trade payables	1,551,168	1,083,267
Other payables ¹	48,935	37,420
	1,600,103	1,120,687
NON-CURRENT		
Related party creditors	<u> </u>	1,261,676
Directors of the Company and associated entities	-	139,050
Delta Resource Management Pty Ltd	-	970,555
Michael Fotios Family Trust	-	11,000
Target Exploration Pty Ltd		141,071
		1,261,676

¹ Other payables comprise \$23,500 in accrued expenses (2022: \$22,000) and \$25,435 in payroll liabilities (2022: \$15,420).

11. BORROWINGS

	2023	2022
	\$	\$
CURRENT		
Loan – Azurite Corporation Pty Ltd	27,820	-
Loan – Delta Resource Management Pty Ltd	894,548	-
Loan – Investmet Limited	765,489	724,780
	1,687,857	724,780
NON-CURRENT		
Loan – Delta Resource Management Pty Ltd	-	843,158
Loan – Azurite Corporation Pty Ltd		26,170
		869,328

The Company has executed a loan facility agreement with entities associated with Mr Michael Fotios, a former Director of the Company who resigned on 30 April 2019. The facility is for \$2 million and bears interest of 8% p.a., with an undrawn loan balance of \$1,036,000 as at 31 December 2023. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including requirements to seek shareholder approval where necessary. At the date of this report, none of the parties to the loan facility agreement have expressed an intention to convert their loan monies to equity.

12. PROVISIONS

	2023 \$	2022 \$
NON-CURRENT Environmental rehabilitation	5,812,890	5,812,890
	5,812,890	5,812,890

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

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

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

13. CONTRIBUTED EQUITY

	2023 \$	2022 \$
Ordinary shares - 646,478,669 (31 December 2022: 551,942,881)	27,552,626	25,150,840
Share issue costs written off against issued capital	(1,670,842)	(1,465,668)
	25,881,784	23,685,172
MOVEMENT IN ORDINARY SHARES	No.	\$
Balance at beginning of year	551,942,881	23,685,172
Issue of shares, net of costs	87,010,788	1,937,596
Shares issued upon exercise of options	7,525,000	259,016
Balance at end of year	646,478,669	25,881,784

14 RESERVES

14. RESERVES		
	2023	2022
	\$	\$
Balance at beginning of year	415,148	56,691
Share-based payments through profit and loss	271,297	590,057
Share-based payments credited against issued capital	56,242	-
Transfer on exercise of options	(259,016)	(231,600)
Transfer on expiry of options	(6,191)	-
Balance at end of year	477,480	415,148
15. EARNINGS PER SHARE		
	2023	2022
	\$	\$
Earnings used to calculate overall earnings per share	(1,291,925)	(2,366,649)
	2023	2022
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	628,395,646	537,033,488
Anti-dilutive options on issue not used in EPS calculation	-	-

16. COMMITMENTS

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

EXPLORATION EXPENDITURE COMMITMENTS Payable:	2023 \$	2022 \$
- no later than 1 year	367,380	601,380
- between 1 year and 5 years	996,080	864,560
- greater than 5 years	1,563,500	1,483,500
	2,926,960	2,949,440

17. FINANCIAL RISK MANAGEMENT

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

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

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

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

	2023 \$	2022 \$
Financial Assets	*	•
Cash and cash equivalents	2,474	6,778
Trade and other receivables	47,091	129,587
Total financial assets	49,565	136,365
Financial Liabilities		
Trade and other payables	1,600,103	2,382,363
Borrowings	1,687,857	1,594,108
Total financial liabilities	3,287,960	3,976,471

FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

Mitigation strategies for specific risks faced are described below:

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

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

(a) CREDIT RISK

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

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

(b) LIQUIDITY RISK

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

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

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

Financial liability maturity analysis

	WITHIN 1	YEAR	1 TO 5	YEARS	OVER 5	YEARS	TO	TAL
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	1,600,103	1,120,687	-	1,261,676	-	-	1,600,103	2,382,363
Borrowings	1,687,857	724,780	-	869,328	-	-	1,687,857	1,594,108
Total contractual outflows	3,287,960	1,845,467	-	2,131,004	-	- ;	3,287,960	3,976,471

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

(c) FAIR VALUE ESTIMATION

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

	2023		202	2
	NET CARRYING VALUE	NET FAIR VALUE	NET CARRYING VALUE	NET FAIR VALUE
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,474	2,474	6,778	6,778
Trade and other receivables	47,091	47,091	129,587	129,587
Total financial assets	49,565	49,565	136,365	136,365
Financial liabilities				
Trade and other payables	1,600,103	1,600,103	2,382,363	2,382,363
Borrowings	1,687,857	1,687,857	1,594,108	1,594,108
Total financial liabilities	3,287,960	3,287,960	3,976,471	3,976,471

18. OPERATING SEGMENTS

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals and evaluation of investment opportunities for its investors, presently solely in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board (the chief operating decision maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

19. REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	2023	2022
	\$	\$
Short-term benefits	116,452	124,290
Post-employment benefits	5,709	1,710
Share-based payments	117,003	161,433
	239,164	287,433

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 31 December 2023.

Information on the valuation of share-based payments made to key management personnel is included in Note 25 below.

20. AUDITORS' REMUNERATION

	2023 \$	2022 \$
Remuneration of the auditor of the Group for:		
- auditing or reviewing the financial statements	33,000	33,000
- tax compliance services	4,200	4,500
	37,200	37,500

21. CONTROLLED ENTITIES

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED (%) 2023	PERCENTAGE OWNED (%) 2022
Subsidiaries:	Australia	100	100
Murchison Copper Mines Pty Ltd	Australia	100	100

22. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2023 (31 December 2022: nil).

Deferred consideration payable from project acquisitions

Vox Royalty Australia Pty Ltd, a wholly owned subsidiary of Vox Royalty Corporation (TSE:VOXR), holds a 3% net smelter royalty over production from M 52/743 at the Company's Horseshoe Lights project. The royalty was acquired from Horseshoe Gold Mine Pty Ltd, a wholly owned subsidiary of Grange Resources Limited (ASX:GRR), in September 2023.

In 2020, the Company acquired the Glenloth gold project in South Australia (refer ASX release 8 July 2020), comprising a 100% interest in EL 6301 and the right to explore and develop tenements ML 5848, ML 5849, ML 5885 and MPL 62. Deferred consideration is payable by the Company to Stockworks Exploration & Mining Pty Ltd ("SEM") in respect of the acquisition, comprising 4,000,000 fully paid ordinary shares in the Company to be issued upon the definition of a JORC-compliant resource of at least 500,000 ounces of gold (at a cut-off grade of 0.5g/t Au).

Additionally, the Company will grant the below royalties in respect of production from the Glenloth tenements:

- a royalty of \$20 per ounce of gold produced from the Glenloth tenements (excluding EL 6301) following the definition of a JORC-compliant resource of between 10,000 and 50,000 ounces of gold from the tenements as a whole; and
- a 1% royalty on any gold production from the Glenloth tenements in excess of 50,000 ounces in aggregate, up to a maximum 250,000 ounces in aggregate.

The Company has not recognised any liabilities in relation to the above deferred consideration as the outcomes of the project milestones are not certain and do not meet the recognition criteria of AASB 137.

23. RELATED PARTY TRANSACTIONS

At 31 December 2023 Horseshoe Metals Limited had a loan receivable from its subsidiary in the amount of \$13,612,477 (2022: \$11,915,122). The loan is non-interest bearing and has no specific repayment date nor is it subject to any contract. The loan balance is eliminated on Group consolidation.

Key management personnel:

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

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

The Company has entered into a services and consulting agreement with Target Exploration Pty Ltd ("Target"), an entity of which the Company's Non-Executive Director Ms Kate Stoney is a director. During the year ended 31 December 2023, Target provided services to the Company to the value of \$334,795, comprising technical consulting and exploration data management services to the value of \$211,295 and finance, administrative and company secretarial services to the value of \$123,500. At the reporting date, an outstanding amount of \$101,282 was owed to Target in respect of services provided.

For the avoidance of doubt, Ms Stoney has no beneficial interest in the Company's contractual arrangements with Target.

24. CASH FLOW INFORMATION

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

	2023	2022
	\$	\$
Net loss for the period	(1,291,925)	(2,366,649)
Non-cash flows in profit:		
- interest expense not paid	102,844	74,446
- depreciation	13,354	33,798
- share-based payments	271,298	528,221
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- decrease/(increase) in trade and other receivables	82,496	(1,600)
- decrease/(increase) in investment	-	243,000
- decrease/(increase) in other assets	(384,127)	(147,082)
- (decrease)/increase in trade and other payables	(648,584)	(1,554,890)
Cashflow from operations	(1,854,644)	(3,190,756)

25. SHARE-BASED PAYMENTS

In the reporting period, share-based payments to the value of \$271,298 were recognised in the profit and loss statement (31 December 2022: \$528,221), inclusive of amounts relating to share-based payments made in prior periods. This comprised \$154,295 in respect of share-based payments to employees and contractors of the Company and \$117,003 in respect of share-based payments to Directors of the Company (refer Note 19 above). Additionally, share-based payments to the value of \$56,242 were credited against share capital (31 December 2022: nil).

The fair value of options issued by the Company is calculated using the appropriate option pricing model. The model inputs are shown in the table below:

Date of issue	Date of expiry	Exercise price (\$)	Underlying share price at issue (\$)	Risk-free interest rate	Volatility	Number of options granted in period	Value expensed in period (\$)
2 May 2022 ¹	2 May 2025	0.00	0.038	2.00%	75%	-	57,156
2 May 2022 ²	2 May 2026	0.00	0.038	2.00%	75%	-	85,383
2 Jun 2023 ³	2 May 2025	0.00	0.016	3.76%	75%	450,000	7,200
2 Jun 2023 ²	2 May 2026	0.00	0.016	3.53%	75%	450,000	4,556
			Share-based	payments to e	employees ar	nd contractors	154,295
26 May 2022 ⁴	26 May 2025	0.00	0.029	2.00%	75%	-	51,842
26 May 2022 ⁵	26 May 2026	0.00	0.029	2.00%	75%		65,161
				Share-ba	ased payment	ts to Directors	117,003
		Total	share-based	payments ex	pensed in pr	rofit and loss	271,298
5 Apr 2023 ⁶	5 Apr 2025	0.0375	0.024	2.99%	75%	8,000,000	56,242
		S	hare-based pa	yments cred	ited against	share capital	56,242
				Tota	al share-bas	ed payments =	327,540

Notes on share-based payments

- Options in this class were subject to the vesting condition that the recipient remain employed or engaged by the Company until 2 May 2023. The value of options expensed in the period has been reduced in accordance with the portion of the vesting period falling within the reporting period.
- 2. Options in these classes are subject to the vesting condition that the recipient remain employed or engaged by the Company until 2 May 2024. The value of options expensed in the period has been reduced in accordance with the portion of the vesting period falling within the reporting period.
- 3. Options in this class were not subject to any vesting conditions and the full value of the options was expensed in the period.
- 4. Options in this class were subject to the vesting condition that the recipient remain engaged as a Director of the Company until 31 May 2023. The value of options expensed in the period has been recorded in accordance with the portion of the vesting period falling within the reporting period.
- 5. Options in this class are subject to the vesting condition that the recipient remain engaged as a Director of the Company until 31 May 2024. The value of options expensed in the period has been recorded in accordance with the portion of the vesting period falling within the reporting period.
- 6. Options in this class were issued to Merchant Capital Partners Pty Ltd (or its nominees) in respect of services as lead manager to the Company's February 2023 placement, and are not subject to any vesting conditions.

26. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

In March 2024, the Company entered into a loan agreement with Obsidian Metals Group Pty Ltd ("Obsidian") to meet short-term working capital requirements. Obsidian is an entity associated with Ms Kate Stoney, a Non-Executive Director of the Company, who is a director of Obsidian. For the avoidance of doubt, Ms Stoney has no beneficial interest in the loan agreement with Obsidian.

The Company is not aware of other any matter or circumstance that has arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future financial years.

27. PARENT ENTITY

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

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

	2023 \$	2022 \$
Statement of Financial Position Assets		
Current assets	101,312	220,732
Non-current assets (i)	16,309,246	14,857,737
Total Assets Liabilities	16,410,558	15,078,469
Current liabilities	3,147,080	1,456,806
Non-current liabilities		2,131,004
Total Liabilities	3,147,080	3,587,810
Net Assets	13,263,478	11,490,659
Equity		
Issued capital	25,881,784	23,685,172
Retained earnings	(13,095,786)	(12,609,661)
Reserves	477,480	415,148
Total Equity	13,263,478	11,490,659
Statement of Comprehensive Income Total comprehensive income	(1,152,471)	(2,904,733)

(i) Included in non-current assets is a loan receivable from the subsidiary in the amount of \$13,612,477 (2022: \$11,915,122)

Contingent Liabilities

The parent entity did not have any contingent liabilities as at 31 December 2023 or 31 December 2022.

Contractual Commitments

The parent entity did not have any commitments as at 31 December 2023 or 31 December 2022 other than as disclosed in Note 16.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1. The financial statements and notes, as set out above, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with International Financial Reporting Standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Company and consolidated Group;
- 2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3. The remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 31 December 2023, comply with Section 300A of the Corporations Act 2001, and
- 4. the Directors have been given the declarations by the Non-executive Chairman and Chief Financial Officer pursuant to Section 295(5) of the Corporations Act 2001.

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

Kate Stoney

161-8

Non-executive Director

Perth, Western Australia Dated this 28th day of March 2024





HORSESHOE METALS LIMITED INDEPENDENT AUDITOR'S REPORT

To the Members of Horseshoe Metals Limited,

Opinion

We have audited the financial report of Horseshoe Metals Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration. In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

In.Corp Audit & Assurance Pty Ltd ABN 14 129 769 151

Level 1 6-10 O'Connell Street SYDNEY NSW 2000

Suite 11, Level 1 4 Ventnor Avenue WEST PERTH WA 6005

GPO BOX 542 SYDNEY NSW 2001

T +61 2 8999 1199

E team@incorpadvisory.au

W incorpadvisory.au



HORSESHOE METALS LIMITED INDEPENDENT AUDITOR'S REPORT (continued)

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 (b) to the financial report which describes events and conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter – Exploration and Evaluation Expenditure

The Group incurred significant exploration and evaluation expenditure during the year and it is the most significant asset on the Group's Statement of Financial Position.

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.

The process undertaken by Management to assess whether there are any impairment triggers in each area of interest involves an element of Management's judgement.

This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.

How our Audit Addressed the Key Audit Matter

Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:

- We assessed the reasonableness of capitalising exploration and evaluation expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.
- We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments;
- We considered Management's impairment assessment of capitalised Exploration and Evaluation Expenditure; and
- We assessed the appropriateness of the disclosures included in the financial report.



HORSESHOE METALS LIMITED INDEPENDENT AUDITOR'S REPORT (continued)

Key Audit Matters (continued)

Key Audit Matter - Borrowings

The Group's borrowings are considered to be key to its ability to continue its operations on going concern basis.

We do not consider borrowings to be at a high risk of significant misstatement, however due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.

How our Audit Addressed the Key Audit Matter

Our procedures over the completeness of the Group's borrowings and payment terms included but were not limited to:

- Documenting and assessing the terms and conditions of the debt agreements;
- Agreeing the outstanding debt amounts to third-party confirmations; and
- Reviewing and agreeing interest calculations provided by the management.

We have also assessed the appropriateness of the disclosures included in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibility of Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

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





HORSESHOE METALS LIMITED INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibility for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2023.

In our opinion the remuneration report of Horseshoe Metals Limited for the year ended 31 December 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities for the Remuneration Report

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

In.Corp Audit & Assurance Pty Ltd

Daniel Dalla Director

28 March 2024

TENEMENTS

Location Horseshoe Lights, WA	Tenement M52/743	Interest At Beginning Of Year (%)	Interests relinquished, reduced or	Interests acquired or	Interest At
-	M52/743		lapsed (%)	increased (%)	End Of Year (%)
		100%	-	-	100%1,2
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%²
Horseshoe Lights, WA	P52/1543	100%	-	-	100%²
Horseshoe Lights, WA	P52/1544	100%	-	-	100%²
Horseshoe Lights, WA	P52/1545	100%	-	-	100%2
Horseshoe Lights, WA	P52/1546	100%	-	-	100%²
Horseshoe Lights, WA	P52/1547	100%	-	-	100%²
Horseshoe Lights, WA	P52/1548	100%	-	-	100%²
Horseshoe Lights, WA	P52/1549	100%	-	-	100%²
Horseshoe Lights, WA	P52/1550	100%	-	-	100%²
Horseshoe Lights, WA	E52/3759	100%	-	-	100%²
Erivilla	E52/3906	100%	-	-	100%
Erivilla	E52/3908	100%	-	-	100%
Erivilla	E52/3909	100%	-	-	100%
Erivilla	E52/3939	100%	-	-	100%
Erivilla	E52/4229	0%	-	100%	100%
Erivilla	E52/4230	0%	-	100%	100%
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0%	-	-	0% 2
Glenloth, SA	EL6301	100%	-	-	100%

Notes:

- Vox Resources Australia Pty Ltd, a wholly owned subsidiary of Vox Royalty Corporation (TSE:VOXR) 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

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the ASX Limited Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 28 March 2024.

A. Distribution of equity security holders

HOLDING	NUMBER OF SHARES	NUMBER OF HOLDERS
1 - 1,000	11,645	42
1,001 - 5,000	246,792	86
5,001 - 10,000	636,638	73
10,001 - 100,000	15,899,431	379
100,000 and over	614,999,787	437
	646,478,669	1,017

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

There were 490 holders of less than a marketable parcel of ordinary shares, being 22,727 shares at 31 March 2023.

B. Twenty largest shareholders

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

		NUMBER HELD	% OF ISSUED SHARES
1	Obsidian Metals Group Pty Ltd	27,000,000	4.18
2	Delta Resource Management Pty Ltd	20,300,000	3.14
3	Mr Steven Sickerdick <the a="" c="" mines=""></the>	17,000,000	2.63
	Mr Eric Peter Murphy & Mrs Kim Lea Murphy <murphy a="" c="" f="" family="" s=""></murphy>	17,000,000	2.63
5	Mr Philip Colin Hammond & Mrs Betty Jeanette Moore <mgb a="" c="" super=""></mgb>	13,989,584	2.16
6	Orbit Drilling Pty Ltd	12,916,788	2.00
7	Helios Corporation Pty Ltd <the a="" c="" family="" fotios="" michael=""></the>	12,294,642	1.90
8	Ms Betty Jeanette Moore & Mr Philip Colin Hammond <bjm a="" c="" super=""></bjm>	10,250,000	1.59
9	Whitehall Nominees Pty Ltd <dj 2="" a="" c="" family="" no="" smith=""></dj>	10,000,000	1.55
10	Garic Pty Ltd <k a="" c="" landon=""></k>	8,000,000	1.24
	Mr Anthony Harold Fotios < Fotios Family A/C>	8,000,000	1.24
	Ralmana Pty Ltd	8,000,000	1.24
	Farris Corporation Pty Ltd <the a="" c="" farris="" peter="" super=""></the>	8,000,000	1.24
14	Sharic Superannuation Pty Ltd <farris a="" c="" fund="" super=""></farris>	7,754,233	1.20
15	Whimplecreek Pty Ltd <the a="" c="" family="" stawell=""></the>	7,666,668	1.19
16	Mr Kimberley Ross Gartrell & Mrs Jennifer Margaret Gartrell <k&j a="" c="" fund="" gartrell="" super=""></k&j>	6,500,000	1.01
17	123 Home Loans Pty Ltd	6,300,000	0.97
18	Stockworks Exploration & Mining Pty Ltd	6,000,000	0.93
	Mr Michael McMahon & Mrs Susan McMahon < The McMahon Super Fund A/C>	6,000,000	0.93
20	Manufacturers' Agencies Pty Ltd	5,500,000	0.85
	Mr Eric Murphy & Mrs Kim Murphy	5,500,000	0.85
		223,971,915	34.65

C. Substantial shareholders

As at the date of this report, there were no substantial shareholders in the Company.

D. Corporate Governance

The Company's Corporate Governance Statement is located on pages 46 to 51 of this report.

E. On-market buy-back

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

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

This Corporate Governance Statement has been approved by the HOR Board and summarises the corporate governance practices and procedures that were in place throughout the financial year commencing 1 January 2023 and to the date of this Statement. In addition to the information contained in this Statement, the Company's website at www.horseshoemetals.com.au contains additional details of its corporate governance practices and procedures.

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

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

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

Governance Principles:

	Recommendation	Comply Yes/No/ Partly
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes Yes
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and, (b) provide security holders with all material information in its possession relevant to a decision on whether or not to re-elect a director.	Yes Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes

	Recommendation	Comply Yes/No/ Partly
1.5	A listed entity should:	
	 (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: 	Yes Yes No Not
	 (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Indicators", as define3d in and published under the Act. 	applicable
	If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes No
1.7	A listed entity should:	
1.7	 (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in in accordance with that process during or in respect of that period. 	Yes Not applicable
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose (3) the charter of that committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Not applicable Yes
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes

	Recommendation	Comply Yes/No/ Partly
2.3	A listed entity should disclose:	Yes
	(a) the names of the directors considered by the board to be independent directors;(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the	Yes
	board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and	Yes
	(c) the length of service of each director.	Yes
2.4	A majority of the board of a listed entity should be independent directors.	Yes
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
3.1	A listed entity should articular and disclose its values.	Yes
3.2	A listed entity should:	
	 (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Yes Yes
3.3	A listed entity should:	
	(a) have and disclose a whistleblower policy; and	Yes
	(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes
3.4	A listed entity should:	
	(a) have and disclose an anti-bribery and corruption policy; and	Yes
	(b)ensure that the board or committee of the board is informed of any material breaches of that policy.	Yes

	Recommendation	Comply Yes/No/ Partly
4.1	The board of a listed entity should:	
	 (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	Not applicable Yes
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two- way communication with investors.	Yes
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	No
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes

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

	Recommendation	Comply Yes/No/ Partly
8.1	The Board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director,	Not applicable
	and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes Yes
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

name of entity				
Horseshoe Metals Limited				
ABN/ARBN	Financial year ended:			
20 123 133 166	31 December 2023			
Our corporate governance state	ment ¹ for the period above can be found at: ²			
These pages of our annual report:				
This URL on our website: https://horseshoemetals.com.au/corporate-governance/				
The Corporate Governance Sta	tement is accurate and up to date as at 31 December 2023			

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 28 March 2024

Name of authorised officer

and has been approved by the board.

authorising lodgement: Kate Stoney – Non-executive Director

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

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

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

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

See notes 4 and 5 below for further instructions on how to complete this form.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE - KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in <u>full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
PRINC	CIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND O	/ERSIGHT	
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those	and we have disclosed a copy of our board charter at: www.horseshoemetals.com.au	□ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable
1.2	delegated to management. A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		 □ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		 □ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		□ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in <u>full</u> for the <u>whole</u> of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "insert location" underneath. If the disclosure in question has been made in your corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

⁵ If you have followed all of the Council's recommendations <u>in full</u> for the <u>whole</u> of the period above, you can, if you wish, delete this column from the form and re-format it. ASX Listing Rules Appendix 4G (current at 17/7/2020)

Corpo	orate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in <u>full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	and we have disclosed a copy of our diversity policy at: wwww.horseshoemetals.com.au and we have disclosed the information referred to in paragraph (c) at: [insert location] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	set out in our Corporate Governance Statement OR we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	and we have disclosed the evaluation process referred to in paragraph (a) at: www.horseshoemetals.com.au and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: [insert location]	 ✓ set out in our Corporate Governance Statement OR ✓ we are an externally managed entity and this recommendation is therefore not applicable

Corpo	ate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
1.7	A listed entity should:	\boxtimes	
	 have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and 	and we have disclosed the evaluation process referred to in paragraph (a) at:	□ we are an externally managed entity and this recommendation is therefore not applicable
	(b) disclose for each reporting period whether a performance	www.horseshoemetals.com.au	
	evaluation has been undertaken in accordance with that process during or in respect of that period.	and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:	
		[insert location]	
DDING	PLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD N	•	
2.1	The board of a listed entity should:		
	(a) have a nomination committee which:	[If the entity complies with paragraph (a):]	we are an externally managed entity and this recommendation
	(1) has at least three members, a majority of whom are independent directors; and	and we have disclosed a copy of the charter of the committee at:	is therefore not applicable
	(2) is chaired by an independent director,	[insert location]	
	and disclose:	and the information referred to in paragraphs (4) and (5) at:	
	(3) the charter of the committee;		
	(4) the members of the committee; and	[insert location]	
	(5) as at the end of each reporting period, the number	[If the entity complies with paragraph (b):]	
	of times the committee met throughout the period and the individual attendances of the members at those meetings; or	and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate	
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience,	balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:	
	independence and diversity to enable it to discharge its duties and responsibilities effectively.	[insert location]	
2.2	A listed entity should have and disclose a board skills matrix		
	setting out the mix of skills that the board currently has or is looking to achieve in its membership.	and we have disclosed our board skills matrix at:	□ we are an externally managed entity and this recommendation is therefore not applicable
		[insert location]	

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
2.3	A listed entity should disclose:	\boxtimes	□ set out in our Corporate Governance Statement
	(a) the names of the directors considered by the board to be independent directors;	and we have disclosed the names of the directors considered by the board to be independent directors at:	
	(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the	www.horseshoemetals.com.au	
	independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and	and, where applicable, the information referred to in paragraph (b) at:	
	(c) the length of service of each director.	[insert location]	
		and the length of service of each director at:	
		[insert location]	
2.4	A majority of the board of a listed entity should be independent	\boxtimes	□ set out in our Corporate Governance Statement <u>OR</u>
	directors.		□ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an	\boxtimes	□ set out in our Corporate Governance Statement <u>OR</u>
	independent director and, in particular, should not be the same person as the CEO of the entity.		□ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new	\boxtimes	□ set out in our Corporate Governance Statement <u>OR</u>
	directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.		□ we are an externally managed entity and this recommendation is therefore not applicable

Corpora	te Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in <u>full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIP	LE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY	Y AND RESPONSIBLY	
3.1	A listed entity should articulate and disclose its values.	and we have disclosed our values at: www.horseshoemetals.com.au	□ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is	and we have disclosed our code of conduct at: www.horseshoemetals.com.au and we have disclosed our whistleblower policy at:	□ set out in our Corporate Governance Statement □ set out in our Corporate Governance Statement
3.4	informed of any material incidents reported under that policy. A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and	www.horseshoemetals.com.au. and we have disclosed our anti-bribery and corruption policy at: www.horseshoemetals.com.au	□ set out in our Corporate Governance Statement
	(b) ensure that the board or committee of the board is informed of any material breaches of that policy.	www.noisesnoemetals.com.au	

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
PRINCIP	PLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPOR	TS	
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are	[If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at:	⊠ set out in our Corporate Governance Statement
	executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose:	[insert location] and the information referred to in paragraphs (4) and (5) at: [insert location]	
	 (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or 	[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:	
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[insert location]	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		□ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.		□ set out in our Corporate Governance Statement

Corpora	ate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCII	PLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	and we have disclosed our continuous disclosure compliance policy at: www.horseshoemetals.com.au	□ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.		□ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.		□ set out in our Corporate Governance Statement
PRINCII	PLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	and we have disclosed information about us and our governance on our website at: www.horseshoemetals.com.au.	□ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	\boxtimes	□ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	and we have disclosed how we facilitate and encourage participation at meetings of security holders at: www.horseshoemetals.com.au	□ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.		□ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		□ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
PRINCIP	LE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should:		⊠ set out in our Corporate Governance Statement
	(a) have a committee or committees to oversee risk, each of which:	[If the entity complies with paragraph (a):]	
	(1) has at least three members, a majority of whom are independent directors; and	and we have disclosed a copy of the charter of the committee at:	
	(2) is chaired by an independent director, and disclose:	[insert location] and the information referred to in paragraphs (4) and (5) at:	
	 (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number 	[insert location] [If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a risk committee	
	of times the committee met throughout the period and the individual attendances of the members at those meetings; or	or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:	
	(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[insert location]	
7.2	The board or a committee of the board should:	\boxtimes	
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and	and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:	
	(b) disclose, in relation to each reporting period, whether such a review has taken place.	www.horseshoemetals.com.au	

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in <u>full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:5
7.3	A listed entity should disclose:		
	(a) if it has an internal audit function, how the function is structured and what role it performs; or	[If the entity complies with paragraph (a):]	
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually	and we have disclosed how our internal audit function is structured and what role it performs at:	
	improving the effectiveness of its governance, risk management and internal control processes.	[insert location]	
		[If the entity complies with paragraph (b):]	
		and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:	
		[insert location]	
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.		□ set out in our Corporate Governance Statement
		and we have disclosed whether we have any material exposure to environmental and social risks at:	
		www.horseshoemetals.com.au	
		and, if we do, how we manage or intend to manage those risks at:	
		[insert location]	

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIP	PLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is	[If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: [insert location] and the information referred to in paragraphs (4) and (5) at: [insert location] [If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: [insert location]	 ⊠ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable
8.2	appropriate and not excessive. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: www.horseshoemetals.com.au	 ⊠ set out in our Corporate Governance Statement <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	and we have disclosed our policy on this issue or a summary of it at:	 □ set out in our Corporate Governance Statement <u>OR</u> □ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> □ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	recon	re a box below is ticked, we have NOT followed the mmendation in full for the whole of the period above. Our ons for not doing so are:5
ADDITIO	NAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CA	SES		
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	and we have disclosed information about the processes in place at: [insert location]		set out in our Corporate Governance Statement <u>OR</u> we do not have a director in this position and this recommendation is therefore not applicable <u>OR</u> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.			set out in our Corporate Governance Statement <u>OR</u> we are established in Australia and this recommendation is therefore not applicable <u>OR</u> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.			set out in our Corporate Governance Statement <u>OR</u> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIO	NAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED	D LISTED ENTITIES		
-	Alternative to Recommendation 1.1 for externally managed listed entities: The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]		set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities: An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	and we have disclosed the terms governing our remuneration as manager of the entity at: [insert location]	□ set out in our Corporate Governance Statement