



HORSESHOE METALS

LIMITED

ABN 20 123 133 166

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact
Mr Neil Marston on telephone (+61 8) 6241 1844*

HORSESHOE METALS LIMITED
A.B.N. 20 123 133 166

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Horseshoe Metals Limited will be held at 24 Mumford Place, Balcatta, Western Australia at 10.00am (WST) on 28 May 2015 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

AGENDA

ORDINARY BUSINESS

FINANCIAL & OTHER REPORTS

To receive and consider the financial report for the year ended 31 December 2014 and the accompanying Directors' Report, Directors' Declaration, and Auditor's Report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report that forms part of the Directors' Report for the financial period ended 31 December 2014, be adopted.”

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting Exclusion – Resolution 1

In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on Resolution 1 by any Key Management Personnel (“KMP”) and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

The Company's KMPs are set out in the Remuneration Report. Generally speaking they are people having authority and responsibility for planning, controlling and directing the Company's activities in a direct or indirect manner. KMPs include the Directors, and senior executives of the Company.

A closely related party of a KMP generally speaking means a spouse, child, or dependant of the key management personnel, or a child or dependant of the spouse of the KMP. It includes anyone else who is a member of the key management personnel's family who would influence or may be expected to influence the KMP in relation to his or her dealings with the Company. It also includes any company which is controlled by the KMP, and includes any other people prescribed as closely related parties by ASIC in the regulations to the Corporations Act (none are prescribed at this time).

KMPs and their closely related parties will commit an offence under the Corporations Act if they vote in relation to Resolution 1 in breach of the voting restrictions.

RESOLUTION 2 – RE-ELECTION OF MR ALAN WALLACE STILL

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That Mr Alan Wallace Still, having retired in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any Associates of such person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders ratify the allotment and issue of 762,468 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue, and any associates of such a person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – APPROVAL OF SHARE PLACEMENT FACILITY

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*“That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue up to 25,000,000 Shares (“**Placement Shares**”) at an issue price of no less than 80% of the average market price of Shares over the last five days over which sales were recorded prior to the date of the issue of the Shares or, if there is a prospectus relating to the issue of Shares, over the last five days on which sales of Shares were recorded prior to the date of the prospectus (“**Placement Facility**”) to investors to whom disclosure is not required pursuant to section 708 of the Corporations Act.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if this Resolution is passed, and any associates of such a person. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 24 April 2015

BY ORDER OF THE BOARD



NEIL MARSTON
Company Secretary

Definitions

Capitalised terms in this Notice are defined in the Definitions in Section 8 of the Explanatory Memorandum.

Note

If you have recently changed your address or if there is any error in the name and address used for this notice, please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

Proxies

A Shareholder who is entitled to vote at the AGM has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the AGM. The representative should bring to the AGM evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act 2001 will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received:

- at 24 Mumford Place, Balcatta, Western Australia 6021; or
- on fax number (+61 8) 6241 1811;

not later than 10:00am WST on 26 May 2015.

Pursuant to regulation 7.11.37 of the Corporations Act, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the AGM will be as it appears in the share register at 5.00pm WST on 26 May 2015.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the AGM evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

HORSESHOE METALS LIMITED
A.B.N. 20 123 133 166

EXPLANATORY MEMORANDUM TO ACCOMPANY THE NOTICE OF MEETING

1. Introduction

This Explanatory Memorandum forms part of the Notice convening the 2015 Annual General Meeting of Horseshoe Metals Limited to be held at 10:00am (WST) on 28 May 2015 at 24 Mumford Place, Balcatta, Western Australia.

Capitalised terms used in this Explanatory Memorandum are defined in Section 8 of this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider Resolutions:

- adopting the Remuneration Report; this Resolution is advisory only;
- re-electing Mr Alan Still as a director who retires by rotation in accordance with the Company's Constitution;
- approve the additional 10% Placement Facility;
- ratify a previous Share issue; and
- approve the potential issue of the Placement Shares.

Resolution 1 is an advisory resolution and Resolutions 2, 4 and 5 are ordinary resolutions requiring passage by a simple majority of votes cast by the Shareholders entitled to vote on it. Resolution 3 is a special resolution requiring it to be passed by a majority of 75% of votes cast by the Shareholders entitled to vote on it.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above Resolutions. This Explanatory Memorandum is an important document and should be read carefully in full by all Shareholders.

2. Financial and Other Reports

As required by section 317 of the Corporations Act, the financial report for the year ended 31 December 2014 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the report at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the auditor's report and audit conduct. Written questions may be submitted 5 business days prior to the Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Director, and Key Management Personnel.

The Remuneration Report, which is part of the 2014 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2014 Annual Report are available by contacting the Company's Share Registry or visiting the Company's website (www.horseshoemetals.com.au).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Shareholders are informed that under recent reforms to the Corporations Act, if 25% or more of the vote on this Resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action is proposed to be (if any) or has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to Resolution 1. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then the Company's next annual general meeting must contain an extra resolution ("**Spill Resolution**") proposing that another general meeting ("**Spill Meeting**") should be held within 90 days of that annual general meeting. A simple majority of over 50% of the votes cast at that next annual general meeting is required to pass the Spill Resolution. If the Spill Resolution is passed, within 90 days the Spill Meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the annual general meeting of the second strike, will be required to resign and offer themselves for re-election.

If at the Spill Meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the Managing Director, the remaining two positions will be filled by the Directors whose re-election resolutions at the Spill Meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this Spill Meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the next annual general meeting.

Furthermore, depending on the outcome of voting at the subsequent annual general meeting, Shareholders may be obliged to consider a resolution to requiring the full Board (excluding the Managing Director) to seek re-election.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form, the Shareholder is considered to have provided the Chairman with express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intentions.

The Directors make no recommendation on Resolution 1.

4. RESOLUTION 2 - RE-ELECTION OF MR ALAN STILL AS A DIRECTOR

Resolution 2 deals with the re-election of Mr Alan Still who having been appointed a director on 23 June 2014 retires as required by the Company's Constitution and the Listing Rules and being eligible, has offered himself for re-election.

Mr Alan Still is a qualified metallurgist with over 40 years' experience in a variety of commodities.

All the Directors except for Mr Alan Still recommend that Shareholders vote in favour of Resolution 2.

5. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

5.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The primary purpose for the 10% Placement Facility is to use the funds raised towards the exploration and development of the Company's Horseshoe Lights and Kumarina projects, and for general working capital purposes.

The Directors of the Company believe that Resolution 3 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman intends to vote all available proxies in favour of Resolution 3.

5.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue one class of quoted Equity Securities, being Shares (having the ASX code HOR).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period up to 12 months after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 169,752,190 Shares and therefore (subject to the passage of Resolution 4) has a capacity to issue:

- (i) 25,462,828 Equity Securities under Listing Rule 7.1; and
- (ii) 16,975,219 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 5.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) (**10% Placement Period**).

5.3 Listing Rule 7.1A

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table (Table A) shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

TABLE A

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.01 50% decrease in issue price	\$0.02 Issue price	\$0.04 100% increase in issue price
Current Variable "A" 169,752,190 Shares	10% voting dilution	16,975,219 Shares	16,975,219 Shares	16,975,219 Shares
	Funds raised	\$169,752	\$339,504	\$679,008
50% Increase in current Variable "A" 254,628,285 Shares	10% voting dilution	25,462,829 Shares	25,462,829 Shares	25,462,829 Shares
	Funds raised	\$254,628	\$509,256	\$1,018,513
100% Increase in current Variable "A" 339,504,380 Shares	10% voting dilution	33,950,438 Shares	33,950,438 Shares	33,950,438 Shares
	Funds raised	\$339,504	\$679,008	\$1,358,017

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Listed Options (including any Listed Options under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes the issue of Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The Issue Price is \$0.02, being the closing price of Shares on ASX on 30 March 2015.
 - (viii) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the exploration and development of the Company's Horseshoe Lights and Kumarina projects, and for general working capital purposes.

- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the financial situation and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (f) The Company has obtained Shareholder approval under Listing Rule 7.1A at its 2014 Annual General Meeting.

The Company did not issue any Equity Securities under Listing Rule 7.1A during the preceding 12 months. However, during the preceding 12 month period a total of 83,679,217 (on a post consolidation basis) Shares were issued, which based on the number of Equity Securities currently on issue comprises 49.3% of the Company's Shares. Information relating to the issue of Equity Securities in the preceding 12 months is set out in Table B below.

TABLE B

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price ¹ on the trading day prior to the issue	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
20/06/2014	8,348,892	Fully paid ordinary shares	Those eligible shareholders who subscribed under the entitlements offer document dated 26 May 2014.	Issue price of \$0.02. Market price on date prior to issue was \$0.023	A total of \$166,977 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital.
24/06/2014	45,742,857	Fully paid ordinary shares	Issued pursuant to approvals obtained at the AGM held on 23 May 2014.	(a) 9,642,857 Shares were issued for an issue price of \$0.0311. (b) 11,000,000 Shares were issued for an issue price of \$0.03 and 100,000 Shares were issued for an issue price of \$0.02. (c) 25,000,000 Shares were issued for a deemed issue price of \$0.02.	(a) A total of \$300,000 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital. (b) A total of \$332,000 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital. (c) These Shares were issued to certain creditors of the Company. As such, no new cash was raised therefrom, but rather, cash amounts payable by the Company were forgiven.
18/07/2014	21,250,000	Fully paid ordinary shares	Issued as shortfall under the entitlements offer document dated 26 May 2014.	Issue price of \$0.02. Market price on date prior to issue was \$0.027.	A total of \$425,000 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital.
29/07/2014	6,000,000	Fully paid ordinary shares	Issued as shortfall under the entitlements offer document dated 26 May 2014.	Issue price of \$0.02. Market price on date prior to issue was \$0.035.	A total of \$120,000 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital.
15/08/2014	1,575,000	Fully paid ordinary shares	Issued as shortfall under the entitlements offer document dated 26 May 2014 to the Lead Manager.	Issue price of \$0.02. Market price on date prior to issue was \$0.028.	A total of \$31,500 was raised. This amount was spent on exploration activities at the Horseshoe Lights and Kumarina Projects, and towards working capital.
11/03/2015	762,468	Fully paid ordinary shares	The vendors of M52/600 in accordance with the terms and conditions of the Option to Purchase Agreement dated 19 January 2015.	Issued for nil in cash consideration for the option fee in respect of M52/600. Deemed issue price of \$0.314768 (being the 5 day VWAP up to and including 5 March 2015) Market price on date prior to issue was \$0.027.	These Shares were issued for nil in cash consideration and were valued at \$24,000 on the date of issue. Value as at the date of this Notice is \$13,724.

(g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6. RESOLUTION 4 – RATIFICATION OF PRIOR SHARE ISSUE

6.1 Background

On 11 March 2015, the Company issued 762,468 Shares at a deemed issue price of approximately 3.1 cents per Share in satisfaction of the \$24,000 option fee payable to the vendors of M52/600.

The Company issued these Shares without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1 and Resolution 4 seek Shareholder approval for the ratification of the issue of these Shares.

Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be ratified by shareholders, in order to refresh the Company's 15% placement capacity, provided that, at the time the issue was made, the issue was made within the Company's existing placement capacity pursuant to Listing Rule 7.1.

By ratifying these issues the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4 for the purpose of Resolution 4:

- (a) A total of 762,468 were issued;
- (b) The Shares were issued for a deemed issue price of \$0.0314768 cents per Share;
- (c) All of the Shares the subject of Resolution 4 rank equally with existing Shares on issue;
- (d) The Shares the subject of the Resolution 4 were issued to the vendors of M52/600 as the option fee under the Option to Purchase Agreement, none of whom are related parties of the Company;
- (e) The Shares the subject of Resolution 4 were issued for nil cash consideration and as such, no funds were raised from the issue thereof.

The Chairman intends to vote all available proxies in favour of Resolution 4.

7. RESOLUTION 5 – APPROVAL OF SHARE PLACEMENT FACILITY

7.1 Background

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 for the Directors to issue and allot up to 25,000,000 Shares ("**Placement Shares**") under the Placement Facility. The effect of passing Resolution 5 will be to allow the Directors to issue the Placement Shares within the three month period after the Meeting (or a longer period, if allowed by ASX), without using any of the Company's 15% placement capacity under Listing Rule 7.1.

The Company has not yet made any agreement or arrangement to issue the Placement Shares or the number of Placement Shares to be issued (other than the limit of 25,000,000 Placement Shares), and there is no certainty that the Directors will proceed with the proposed issue.

7.2 Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the approval of the proposed issue of Shares pursuant to the Placement Facility subject of Resolution 5:

- (a) The maximum number of securities the Company can issue under the Placement Facility is 25,000,000 Shares.
- (b) The Shares under the Placement Facility will be issued no later than 3 months after the date of the Meeting (or such other later date as permitted by any ASX waiver or modification of the Listing Rules) and the allotment may occur progressively.
- (c) The Shares under the Placement Facility will be issued by the Company as an issue price calculated in accordance with Listing Rule 7.3.3 of at least 80% of the average market price for Shares over the last five days on which sales of Shares were recorded prior to the date of issue of the Shares, or, if there is a prospectus relating to the issue of the Shares, over the last five days on which sales of Shares were recorded prior to the date of the prospectus.
- (d) As subscriptions under the Placement Facility have not yet been arranged, the allottees will be identified by the Directors discretion but will not be related parties or associates of related parties of the Company.
- (e) The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
- (f) The funds raised from the Placement Facility will be applied towards the forthcoming exploration program at the Horseshoe Lights and Kumarina Projects, and for general working capital and project/business development purposes.

The Chairman intends to vote all available proxies in favour of Resolution 5.

8. Definitions

In this Explanatory Memorandum:

“**AGM**” or “**Annual General Meeting**” means the annual general meeting convened by this Notice;

“**ASIC**” means Australian Securities & Investments Commission;

“**Associates**” has the meaning given in sections 10 to 15 of the Corporations Act;

“**ASX**” means Australian Securities Exchange operated by ASX Limited (ACN 008 624 691);

“**Board**” means the board of Directors;

“**Company**” means Horseshoe Metals Limited (ACN 123 133 166);

“**Constitution**” means the constitution of the Company as amended from time to time;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Equity Securities**” has the same meaning as in the Listing Rules;

“**Explanatory Memorandum**” means this Explanatory Memorandum;

“**Listed Options**” means any listed options of the Company that may be on issue from time to time;

“**Listing Rules**” means the official listing rules of the ASX;

“**Meeting**” means the meeting of Shareholders convened by this Notice;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Option**” means an option to subscribe for a Share;

“**Related Party**” is defined in section 228 of the Corporations Act;

“**Relevant Interest**” has the meaning given to it in the Corporations Act;

“**Remuneration Report**” means the remuneration report relating to the financial period ended 31 December 2014 and provided to Shareholders;

“**Resolution**” means a resolution set out in this Notice and “**Resolutions**” has a corresponding meaning;

“**Section**” means a section of this Explanatory Memorandum;

“**Share**” means an ordinary fully paid ordinary share in the capital of the Company and “**Shareholder**” has a corresponding meaning;

“**VWAP**” means volume weighted average price;

“**WST**” means Western Standard Time.



HORSESHOE METALS

LIMITED

ABN 20 123 133 166

┌ 000001 000 HOR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Horseshoe Metals Limited
PO Box 695
Balcatta
Western Australia 6914

Alternatively you can fax your form to
(within Australia) 08 6241 1811
(outside Australia) +61 8 6241 1811

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10:00am (WST) Tuesday, 26 May 2015

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.horseshoemetals.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Horseshoe Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Horseshoe Metals Limited to be held at 24 Mumford Place, Balcatta, Western Australia on Thursday, 28 May 2015 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Alan Wallace Still	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Share Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

 / /

HOR

1 9 8 6 5 1 A

Computershare +