



**HORSESHOE METALS**  
LIMITED

ABN 20 123 133 166

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**NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY STATEMENT  
PROXY FORM**

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**Date of Meeting**

22 May 2019

**Time of Meeting**

10.00am (WST)

**Place of Meeting**

24 Mumford Place  
Balcatta WA 6021

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[www.asx.com.au/asx/statistics/announcements.do](http://www.asx.com.au/asx/statistics/announcements.do)

## **NOTICE OF ANNUAL GENERAL MEETING**

The 2019 Annual General Meeting of Shareholders (**Annual General Meeting**) of Horseshoe Metals Limited ABN 20 123 133 166 (**Company**) is to be held on 22 May 2019 at 24 Mumford Place, Balcatta, Western Australia, commencing at 10.00am (WST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (**Notice**).

Terms and abbreviations used in this Notice and accompanying Explanatory Statement are defined in the Glossary to the Explanatory Statement.

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

### **Time and Place of Meeting**

Notice is given that the Meeting will be held at 10.00am (WST) on 22 May 2019 at:

24 Mumford Place  
BALCATTWA WA 6021

## **ORDINARY BUSINESS**

### **Financial Statements – Year ended 31 December 2018**

To receive and consider the annual financial report of the Company for the year ended 31 December 2018 including the Directors' report and the auditor's report as set out in the Company's Annual Report.

Note: there is no requirement for Shareholders to approve these reports.

### **Resolution 1 – Non Binding Resolution to adopt Remuneration Report**

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

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given to adopt the Remuneration Report as set out in the Annual Report for the year ended 31 December 2018."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 1 by or on behalf of either of the following persons:

1. a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
2. a closely Related Party of such a member.

However, the Company will not disregard any votes cast on Resolution 1 by such person (the voter) if the vote is not cast on behalf of a person described above and either:

1. the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
2. the voter is the Chair and the appointment of the Chair as proxy:
  - a. does not specify the way the proxy is to vote on this Resolution; and
  - b. expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

### **Resolution 2 – Re-election of Director – Mr Alan Still**

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

*“That, for the purpose of clause 3.6 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Alan Still, who retires in accordance with clause 3.6 of the Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”*

### **Resolution 3 – Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to pass with 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 totalling 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 and on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who may participate in the issue of Equity Securities under the Additional 10% Placement Capacity and any person who might obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) if Resolution 3 is passed, and any person associated with those persons. However, the Company will not disregard a vote cast on Resolution 3 by such person if:

1. the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. the vote is cast by the Chair 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.

### **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

## **How to vote**

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

## **Voting in person (or by attorney)**

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Annual General Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

## **Voting by a Corporation**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed.

## **Voting by proxy**

- A Shareholder who is entitled to attend and cast two or more votes may appoint two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies in accordance with section 249X of the Corporations Act (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy holder votes, they must cast all directed proxies as directed.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of Resolution 1.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chair of the meeting as their proxy to vote on their behalf, who must vote the proxies as directed.

- Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does the proxy need not vote on a show of hands, but if the proxy does so the proxy must vote that way (i.e. as directed); and if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands and if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote that way (i.e. as directed) and if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- Section 250BC of the Corporations Act provides that if an appointment of a proxy specified the way the proxy is to vote on a particular resolution at a meeting of the Company's members and the appointed proxy is not the Chair of the meeting and at the meeting, a poll is duly demanded on the resolution and either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution, the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution of the meeting.
- **To be effective, proxies must be lodged by 10.00am (WST) on 20 May 2019. Proxies lodged after this time will be invalid.**
- Proxies may be lodged using any of the following methods:
  - (a) by returning a completed proxy form in person or by post to 24 Mumford Place, Balcatta, Western Australia 6021; or
  - (b) by faxing a completed proxy form to +61 8 6241 1811.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.00am (WST) on 20 May 2019. If facsimile transmission is used, the power of attorney must be certified.

### **Shareholders who are entitled to vote**

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (WST) on 21 May 2019.

### **Enquiries**

Shareholders are invited to contact the Company Secretary, Carol New on 08 6241 1844 if they have any queries in respect of the matters set out in this document.

**DATED THIS 12th DAY OF APRIL 2019**

**BY ORDER OF THE BOARD**



**Carol New**

**Company Secretary**

*The Notice, Explanatory Statement and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.*

**EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice preceding this Explanatory Statement. Certain terms and abbreviations used in this Explanatory Statement have defined meanings which are explained in the glossary appearing at the end of this Explanatory Statement.

**FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2018**

The Corporations Act requires the annual financial report, Directors' report and the auditor's report to be received and considered at the Annual General Meeting. The first item of the Notice deals with the consolidated annual financial report of the Company for the financial year ended 31 December 2018 together with the Directors' declaration and report and the auditor's report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered. The reports are available on the ASX website at [www.asx.com.au/asx/statistics/announcements.do](http://www.asx.com.au/asx/statistics/announcements.do), simply search the Company's ASX code 'HOR'.

No resolution is required to be moved in respect of these reports.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Company's auditor will be present at the Annual General Meeting. The Chair will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chair or to the Company's auditor may be submitted no later than 15 May 2019.

**RESOLUTION 1 – NON BINDING RESOLUTION TO ADOPT REMUNERATION REPORT**

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 31 December 2018 (**Remuneration Report**). The Remuneration Report is a distinct section of the annual Director's report, contained within the Company's Annual Report, which sets out the policy for the remuneration of the Directors and executives of the Company. The Remuneration Report is set out in the Annual Report,

available on the ASX website, announcements section, at [www.asx.com.au/asx/statistics/announcements.do](http://www.asx.com.au/asx/statistics/announcements.do)

Section 250R(3) of the Corporations Act expressly provides that the vote on the Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share-based compensation.

The Chair must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

### **Voting consequences**

Notwithstanding that the vote on Resolution 1 is advisory only and is non-binding, the Corporations Act sets out a process where a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote as an ordinary resolution at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a Shareholder Meeting (**Spill Meeting**) within 90 days after the Spill Resolution is passed. All of the Company's directors who were in office when the resolution to make the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **Previous Voting Results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### **Voting Restriction**

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a closely Related Party of such a member as your proxy you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a closely Related Party of such a member) you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, by signing the Proxy Form you expressly authorise the Chair to exercise his/her discretion in

exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel. Shareholders should note that the Chair intends to use his/her discretion to vote in favour of the Resolution.

If you appoint any other person as your proxy you do not need to direct your proxy how to vote on this Resolution.

### **Board Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

### **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR ALAN STILL**

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 3.6 of the Constitution provides that at each annual general meeting, one-third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not required to retire under clause 3.3, the Managing Director or alternate directors, and any director who would, if that director remained in office until the next annual general meeting, have held that office for more than 3 years, must retire from office and be eligible for re-election.

Mr Still retires by rotation in accordance with clause 3.6 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election.

#### **Mr Alan Still** (Non-Executive Director)

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

### **Board Recommendation**

The Board (other than Mr Still) recommends Shareholders vote in favour of this resolution.

### **RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY**

#### **Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity is not included in the S&P/ASX 300 Index, as at the time of the Annual General Meeting. The Company is an eligible entity for the purposes of Listing Rule 7.1A as at the date of this Notice and is expected to be an eligible entity as at the time of the Annual General Meeting.

If Shareholders approve Resolution 3, the number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2 (as set out below).

The Company is putting Resolution 3 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.



## **Listing Rule 7.1A**

Listing Rule 7.1A came into effect on 1 August 2012 and enables an eligible entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the eligible entity's 15% annual placement capacity.

The effect of Resolution 3 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

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

As at the date of this Notice, the Company has 194,652,190 Shares on issue. Accordingly, if Shareholders approve Resolution 3 the Company will have the capacity to issue approximately 19,465,219 Equity Securities under the Additional 10% Placement Capacity. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Resolution 3 is a special resolution, requiring 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) in order to be passed.

## **Specific information required by Listing Rule 7.3A**

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

### **(a) Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Capacity will be issued at an issue price of not less than 75% of the VWAP for securities in the same class, calculated over the 15 ASX 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 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

### **(b) Dilution**

The precise 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 following formula:

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

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

          (A) plus the number of fully paid shares issued in the previous 12 months under an

exception in Listing Rule 7.2;

- (B) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (C) plus the number of fully paid shares issued in the previous 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 ordinary shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the previous 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.

If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, existing Shareholders' economic and voting interests in the Company will be diluted as shown in the table below (in the case of quoted Options, only if the quoted Options are exercised). There is also 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 of the Equity Securities, or the Equity Securities are issued as part 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 table below shows the dilution of existing Shareholders of the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable "A" is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities. Variable "A". 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.

The table shows:

- (i) examples of where variable "A" is calculated as at the date of this Notice, and where variable "A" has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 29 March 2019 (current market price), where the issue price is halved, and where it is doubled; and

- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.01 Issue Price at half the current market price	\$0.02 Issue Price at current market price	\$0.04 Issue Price at double the current market price
<b>Current Variable A</b> 194,652,190 Shares	<b>Shares issued</b>	19,465,219	19,465,219	19,465,219
	<b>Funds raised</b>	\$194,652	\$389,304	\$778,608
<b>50% increase in current Variable A</b> 291,978,285 Shares	<b>Shares issued</b>	29,197,829	29,197,829	29,197,829
	<b>Funds raised</b>	\$291,979	\$583,957	\$1,167,913
<b>100% increase in current variable A</b> 389,304,380 Shares	<b>Shares issued</b>	38,930,438	38,930,438	38,930,438
	<b>Funds raised</b>	\$389,304	\$778,609	\$1,557,218

**Note: this table assumes:**

- (i) Current Variable A is 194,652,190, being the number of ordinary securities on issue at the date of this Notice.
- (ii) The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Capacity.
- (iii) The Company has not issued any other Equity Securities using its placement capacity under Listing Rule 7.1A in the 12 months preceding the Annual General Meeting.
- (iv) 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 with approval under Listing Rule 7.1.
- (v) 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 as 10%.
- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (viii) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes 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.

### **(c) Issue Period**

Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) 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) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

#### **(Additional Placement Period)**

The Company will only issue Equity Securities under the Additional 10% Placement Capacity during the Additional Placement Period.

### **(d) Purpose of Issues**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds for further exploration of the Company's current assets, potential acquisition of new assets or investments (including the expenses associated with such acquisition), exploration expenditure on new assets or investments and/or general working capital purposes; or
- (ii) non-cash consideration for the acquisition of new assets or investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

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

### **(e) Allocation Policy**

The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be determined having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of the following matters:

- (i) the purpose of the issue;
- (ii) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer or other offer where existing Shareholders may participate;

- (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issue of Equity Securities;
- (iv) the effect of the issue of the Equity Securities on the control of the Company;
- (v) the circumstances of the Company, including, but not limited to, the financial situation and solvency of the Company; and
- (vi) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The recipients under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include Related Parties (or their associates) of the Company. The recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

At the date of this Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity.

**(f) Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 May 2018 (**Previous Approval**).

The Company did not issue any Shares since the Previous Approval.

In the 12 months preceding this Notice, the Company has not issued any Equity Securities representing 0% of the total number of Equity Securities on issue at the commencement of that 12 month period.

**(g) Voting Exclusion Statement**

A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Statement.

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities pursuant to the Additional 10% Placement Capacity. Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

Therefore, no existing Shareholder's votes will be excluded under the voting exclusion in the Notice.

#### **Compliance with ASX Listing Rule 7.1A.4**

In accordance with Listing Rule 7.1A.4, when the Company issues Equity Securities pursuant to the Additional 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (which is not for release to the market); and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

#### **Board Recommendation**

The Board recommends Shareholders vote in favour of this resolution.

## **GLOSSARY**

The following terms have the following meanings in this Explanatory Statement:

**“Accounting Standards”** has the meaning given to that term in the Corporations Act;

**“Additional 10% Placement Capacity”** has the meaning set out in the Explanatory Statement for Resolution 3;

**“Annual General Meeting”** means the annual general meeting the subject of the Notice;

**“Annual Report”** means the annual report of the Company for the year ended 31 December 2018;

**“ASX”** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

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

**“Chair”** means the chairperson of the Annual General Meeting;

**“Company”** means Horseshoe Metals Limited (ABN 20 123 133 166);

**“Constitution”** means the constitution of the Company;

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

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

**“Equity Securities”** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security;

**“Explanatory Statement”** means this explanatory statement accompanying the Notice;

**“Key Management Personnel”** has the meaning given to that term in the Accounting Standards;

**“Listing Rules”** means the Listing Rules of the ASX;

**“Meeting”** means the annual general meeting the subject of this Notice;

**“Notice”** means the notice of the Annual General meeting accompanying this Explanatory Statement;

**“Option”** means an option to acquire a Share;

**“Related Party”** has the meaning given to that term in the Corporations Act;

**“Remuneration Report”** means the remuneration report set out in the Director's report section of the Company's Annual Report;

**“Restricted Voter”** means Key Management Personnel and their closely Related Parties;

**“Resolution”** means a resolution the subject of the Notice;

**“Share”** means an ordinary fully paid share in the capital of the Company;

**“Shareholder”** means the holder of a Share in the Company;

**“VWAP”** means the volume weighted average market price; and

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





# HORSESHOE METALS

LIMITED

ABN 20 123 133 166

HOR

## Lodge your vote:



### By Mail:

Horseshoe Metals Limited  
24 Mumford Place  
Balcatta Western Australia 6021

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) Monday, 20 May 2019

### 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](http://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.asx.com.au/asx/statistics/announcements.do](http://www.asx.com.au/asx/statistics/announcements.do)**

To view and update your securityholding:

**[www.investorcentre.com](http://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.

**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.

| 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 Wednesday, 22 May 2019 at 10:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** 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	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Alan 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"/>

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 / /