



HORSESHOE METALS

LIMITED

ACN 123 133 166

NOTICE OF GENERAL MEETING EXPLANATORY STATEMENT PROXY FORM

Date of Meeting

12 December 2019

Time of Meeting

10:00 am (WST)

Place of Meeting

The Vasto Club

5 Vasto Place

Balcatta WA 6021

The Directors of Horseshoe Metals Limited UNANIMOUSLY recommend that you:

Vote AGAINST Resolutions 1 to 6.

This is an important document that requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the General Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 4:00 pm (WST) on 11 December 2019.

If you have questions about the General Meeting or the resolutions to be voted on, please call the Company on 08 6241 1854 (within Australia) or +61 8 6241 1854 (outside Australia), Monday to Friday between 8:30 am and 5:00 pm WST.

HORSESHOE METALS LIMITED

ACN 123 133 166

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Horseshoe Metals Limited (**Company**) will be held at the Vasto Club, 5 Vasto Place, Balcatta Western Australia on 12 December 2019 at 10:00 am WST (**Meeting**).

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Proxy Form also forms part of this Notice of General Meeting.

Shareholders are urged to vote by attending the Meeting in person, or by returning a completed Proxy Form. Instructions on how to complete the Proxy Form are set out in the Explanatory Statement.

Proxy Forms must be received by no later than 10:00 am WST on 10 December 2019.

Terms and abbreviations used in this Notice on General Meeting and Explanatory Statement are defined in the Glossary of the Explanatory Statement.

Shareholders should read the Explanatory Statement before deciding how to vote.

AGENDA

RESOLUTION 1 – ELECTION OF MR ANDREW STUART LAMBERT AS A DIRECTOR

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

“Andrew Stuart Lambert having consented to act, be and is hereby appointed as a director of the Company with effect from the closing of this meeting.”

RESOLUTION 2 – REMOVAL OF MS CAROL MARGARET NEW AS A DIRECTOR

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

“Pursuant to section 203D of the Corporations Act 2001, Carol Margaret New be and is hereby removed as director of the Company with effect from the closing of this meeting.”

RESOLUTION 3 – ELECTION OF MR JOHN ANTHONY GILFILLAN AS A DIRECTOR

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

“John Anthony Gilfillan having consented to act, be and is hereby appointed as a director of the Company with effect from the closing of this meeting.”

RESOLUTION 4 – REMOVAL OF MR ALAN WALLACE STILL AS A DIRECTOR

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

“Pursuant to section 203D of the Corporations Act 2001, Alan Wallace Still be and is hereby removed as director of the Company with effect from the closing of this meeting.”

RESOLUTION 5 – ELECTION OF MR DOUGAL JAMES FERGUSON AS A DIRECTOR

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

“Dougal James Ferguson having consented to act, be and is hereby appointed as a director of the Company with effect from the closing of this meeting.”

RESOLUTION 6 – REMOVAL OF MR CRAIG ROBERT HALL AS A DIRECTOR

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

“Pursuant to section 203D of the Corporations Act 2001, Craig Robert Hall be and is hereby removed as director of the Company with effect from the closing of this meeting.”

VOTING

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. Shareholders should read the Explanatory Statement before deciding how to vote.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) 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 the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged directly by the member making the appointment at least 48 hours before the appointed time of the meeting.

Lodgement details for proxy forms are as follows:

Post:

Horseshoe Metals Limited
Unit 1/24 Mumford Place
Balcatta WA 6021

Facsimile:

+61 08 6241 1811

Dated: 29 October 2019
By order of the Board
Carol New
Company Secretary

EXPLANATORY STATEMENT

1. Introduction

1.1 Material information

This Explanatory Statement has been prepared to explain the Resolutions and to provide information that the Board believes is material to Shareholders in relation to the Resolutions. The Company recommends that Shareholders read this Explanatory Statement before making any decisions in relation to the Resolutions.

1.2 Ordinary resolutions

All the Resolutions are ordinary resolutions, meaning that they can be passed by a simple majority of votes cast by Shareholders entitled to vote.

2. Background to Resolutions 1 to 6 being put to the Meeting

2.1 Section 249D notice received from the Requisitioning Shareholder

On 15 October 2019, the Company received a notice under section 249D of the Corporations Act from Botsis Holdings Pty Ltd (**Requisitioning Shareholder**) proposing resolutions for the removal of Mr Craig Hall, Mr Alan Still and Ms Carol New as Directors and the appointment of Mr Andrew Lambert, Mr John Gilfillan and Mr Dougal Ferguson as Directors (**Requisition**).

Any shareholder (or group of shareholders) holding more than 5% of the votes that may be cast at a general meeting is entitled to requisition, pursuant to section 249D of the Corporations Act, that a general meeting be called to have resolutions considered.

As of the date of receipt of the Requisition, the Requisitioning Shareholder held 12,000,000 Shares, or approximately 6.16% of the voting power in the Company.

Having received the Requisition given under section 249D, the Company must call a general meeting of the Company within 21 days after the receipt of the Requisition. The meeting must be held no later than 2 months after the receipt of the Requisition.

The resolutions to be considered at the General Meeting are in the form required by the Requisitioning Shareholder.

The Company has not received any formal confirmation from the Requisitioning Shareholder as to its reasons for proposing Resolutions 1 to 6, nor any information in respect of the experience and qualifications of Messrs Lambert, Gilfillan and Ferguson, or their plans for the future operations and strategy of your Company. However, the Company notes that the Requisition was received after the Company refused to provide confidential information repeatedly requested by Mr Simeon Botsis, a director of the Requisitioning Shareholder.

2.2 Reasons for continuing with the current Board

The current Board, with relevant experience in Corporate, Administration, Geology and Metallurgy fields, has the appropriate skill set to efficiently operate and manage the Company.

Despite a depressed copper price since circa 2014, the Board has ensured that the Company maintains a healthy balance sheet and a tight capital structure, in part by reducing overheads and fixed costs to reduce expenditure.

The Board has been active in identifying opportunities to advance and realise value from the Company's Horseshoe Lights asset and has reviewed and monitored other copper projects that may benefit the Company.

For example, the Board was instrumental in developing the current opportunity at Mt Gunson which, from current indications, demonstrates significant potential for the existence of shallow oxide copper mineralisation. As the mining leases currently in place in respect of this site allow drilling access to extensions of known mineralisation, the Board intends to progress to drilling as soon as possible (subject to any required regulatory notifications and approvals). It is also important to note that, should planned drilling confirm mineralisation worthy of development, there is already established infrastructure adjacent to the site.

In addition:

1. the Board has received positive feedback with respect to Mt Gunson from investors and Shareholders and believes it is an outstanding opportunity in a copper market that the Board expects to improve significantly in the coming years; and
2. the Company's lenders continue to support the Board and its plans for the Company in the future.

2.3 Current Board and appointment details

The Company currently has three Directors, two of which are recently appointed as set out below:

Director	Appointment Date
Mr Alan Still	23 June 2014
Mr Craig Hall	30 April 2019
Ms Carol New	9 April 2019

2.4 Relationship between Requisitioning Shareholder and Director nominees

Each of Mr Andrew Lambert, Mr John Gilfillan and Mr Dougal Ferguson have been nominated in writing by the Requisitioning Shareholder to be Directors of the Company.

The Requisitioning Shareholder has no contractual or statutory entitlement to appoint Directors to the Board, so it is up to Shareholders to confer or reject these appointments.

3. Resolution 1 – Election of Mr Andrew Lambert as Director

3.1 Introduction

Resolution 1 relates to the election of Mr Andrew Lambert as a Director. This Resolution has been proposed by the Requisitioning Shareholder.

3.2 Information Concerning Mr Andrew Lambert

Mr Andrew Lambert has consented to act as a Director.

The Company has not received any other information concerning Mr Andrew Lambert's credentials and experience, or his plans for the Company.

The Board is unable to comment on the suitability of Mr Andrew Lambert to act as a Director, nor the skills he would bring to the Board.

3.3 Directors' Recommendations

The Board unanimously recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 1.

4. Resolution 2 – Removal of Ms Carol New as a Director

4.1 Introduction

Resolution 2 relates to the removal of Ms Carol New as a Director. This Resolution has been proposed by the Requisitioning Shareholder.

4.2 Information Concerning Ms Carol New

Ms Carol New has previously held director, company secretarial and chief financial officer positions at multiple companies across several industries. She holds a Bachelor of Business Degree and is a member of the Chartered Accountants Australia and New Zealand (CA ANZ). Ms Carol New was appointed as Director on 9 April 2019.

4.3 Directors' Recommendations

Ms Carol New abstains from giving a recommendation given that this Resolution concerns her.

The Board recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 2.

5. Resolution 3 – Election of Mr John Gilfillan as a Director

5.1 Introduction

Resolution 3 relates to the election of Mr John Gilfillan as a Director. This Resolution has been proposed by the Requisitioning Shareholder.

5.2 Lack of information concerning Mr John Gilfillan

Mr John Gilfillan has consented to act as a Director.

The Company has not received any other information concerning Mr John Gilfillan's credentials and experience, or his plans for the Company.

The Board is unable to comment on the suitability of Mr John Gilfillan to act as a Director, nor the skills he would bring to the Board.

5.3 Directors' Recommendations

The Board unanimously recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 3.

6. Resolution 4 – Removal of Mr Alan Still as a Director

6.1 Introduction

Resolution 4 relates to the removal of Mr Alan Still as a Director. This Resolution has been proposed by the Requisitioning Shareholder

6.2 Information Concerning Mr Alan Still

Mr Alan Still is a Metallurgist with over 40 years' experience in a variety of commodities. Mr Still is also a director of Investmet Limited and has served on Australian boards since 2006, including a number of listed companies. Mr Alan Still was appointed as Director on 23 June 2014.

6.3 Directors' Recommendations

Mr Alan Still abstains from giving a recommendation given that this Resolution concerns him.

The Board recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 4.

7. Resolution 5 – Election of Mr Dougal Ferguson as a Director

7.1 Introduction

Resolution 5 relates to the election of Mr Dougal Ferguson as a Director. This Resolution has been proposed by the Requisitioning Shareholder.

7.2 Lack of information concerning Mr Dougal Ferguson

Mr Dougal Ferguson has consented to act as a Director.

The Company has not received any other information concerning Mr Dougal Ferguson's credentials and experience, or his plans for the Company.

The Board is unable to comment on the suitability of Mr Dougal Ferguson to act as a Director, nor the skills he would bring to the Board.

7.3 Directors' Recommendations

The Board unanimously recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 5.

8. Resolution 6 – Removal of Mr Craig Hall as a Director

8.1 Introduction

Resolution 6 relates to the removal of Mr Craig Hall as a Director. This Resolution has been proposed by the Requisitioning Shareholder.

8.2 Information Concerning Mr Craig Hall

Mr Craig Hall is an experienced geologist with over 30 years of mineral industry experience in exploration, development and production roles in a range of commodities, principally precious and base minerals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas. Mr Craig Hall was appointed as Director on 30 April 2019.

8.3 Directors' Recommendations

Mr Craig Hall abstains from giving a recommendation given that this Resolution concerns him.

The Board recommends that you vote **AGAINST** this Resolution.

The Chairman intends to vote all undirected proxies against Resolution 6.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Board means the board of Directors.

Chairman means the chairman of the Annual General Meeting.

Company means Horseshoe Metals Limited ACN 123 133 166.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means this Explanatory Statement.

Meeting or **General Meeting** means the meeting convened by the Notice.

Notice or **Notice of General Meeting** means the notice of meeting that accompanies this Explanatory Statement.

Proxy Form means the proxy form enclosed with this Notice and Explanatory Statement.

Requisition has the meaning given in paragraph 2.1.

Requisitioning Shareholder has the meaning given in paragraph 2.1.

Resolution means a resolution referred to in the Notice.

Share means an ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, Perth, Western Australia.

\$ means Australian dollars.

A reference to a Section or a Schedule is a reference to a Section or Schedule in this Explanatory Statement.

PROXY FORM

APPOINTMENT OF PROXY HORSESHOE METALS LIMITED ACN 123 133 166

GENERAL MEETING 12 DECEMBER 2019

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR

the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am (WST), on Thursday, 12 December 2019 at the Vasto Club, 5 Vasto Place, Balcatta WA 6021, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Election of Mr Andrew Stuart Lambert as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Removal of Ms Carol Margaret New as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Mr John Anthony Gilfillan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Removal of Mr Alan Wallace Still as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Election of Mr Dougal James Ferguson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Removal of Mr Craig Robert Hall as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:
In person at: Unit 1, 24 Mumford Street, Balcatta WA 6021
By post to: Unit 1, 24 Mumford Street, Balcatta WA 6021
By facsimile to: +61 8 6241 1811
By email to: megs.buzza@deltaman.com.au
so that it is received not less than 48 hours prior to commencement of the Meeting.
Proxy Forms received later than this time will be invalid.