

16 December 2019

Mr Daniel Nicholson
Adviser, Listings Compliance (Perth)
ASX Limited

By email: ListingsCompliancePerth@asx.com.au

Dear Daniel,

Horseshoe Metals Limited ('HOR'): ASX Aware Query letter dated 13 December 2019

We refer to the above letter. HOR responds as follows:

1. *Does HOR consider the Statutory Demand to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No.

2. *Does HOR consider the Winding Up Proceedings to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No.

3. *If the answer to questions 1 or 2 is "no", please advise the basis for that view.*

In respect of 1, the liabilities the subject of the Statutory Demands have been included in financial information already released by HOR to the ASX, as has the available headroom under HOR's financing facilities (which at all relevant times covered the amount of the liabilities).

In respect of 2, in addition to the matters in the previous paragraph, following receipt of the originating processes in respect of the Winding Up Proceedings, HOR made contact with Ora Banda Mining Ltd (the creditor plaintiff), and was informed that the Winding Up Proceedings would be withdrawn following receipt of payment.

HOR also notes that, following HOR's general meeting on 12 December 2019, the amounts owing to the creditor have been requested and the liabilities are expected shortly to be repaid.

4. *When did HOR first become aware of the Statutory Demand? In responding to this question:*
 - 4.1 *Please specify the date on which HOR was served with a copy of the Statutory Demand.*
 - 4.2 *Please specify the date on which HOR was deemed to have failed to comply with the Statutory Demand.*

HOR became aware of the Statutory Demands on 1 November 2019, being the date on which it was served with them. The Statutory Demands required payment within 21 days of service (that is, by 22 November 2019). Consequently, HOR and MCM were deemed to have failed to comply with the respective Statutory Demands on 23 November 2019.

5. *When did HOR first become aware of the Winding Up Proceedings? In responding to this question, please specify the date on which HOR was served with a copy of any applicable originating process.*

HOR became aware of the Winding Up Proceedings on 27 November 2019, being the date on which it was served with the originating processes in respect of them.

6. *If the answer to question 1 is “yes” and HOR first became aware of the Statutory Demand before the relevant date (being 13 December 2019), did HOR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HOR took to ensure that the information was released promptly and without delay.*

Not applicable.

7. *If the answer to question 2 is “yes” and HOR first became aware of the Winding Up Proceeding before the relevant date (being 13 December 2019), did HOR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HOR took to ensure that the information was released promptly and without delay.*

Not applicable.

8. *Please confirm that HOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Confirmed.

9. *Please confirm that HOR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HOR with delegated authority from the board to respond to ASX on disclosure matters.*

Confirmed.

Yours sincerely



Carol New
Non-Executive Director/Joint Company Secretary



13 December 2019

Ms Carol New &
Ms Kate Stoney
Joint Company Secretary
Horseshoe Metals Limited

By email

Dear Ms New & Ms Stoney

Horseshoe Metals Limited ('HOR'): Aware Query

It has come to the attention of ASX that HOR has failed to comply with a statutory demand in respect of monies owing ("Statutory Demand") and that winding up proceedings ("Winding Up Proceedings") have been commenced against HOR.

Further to the above, ASX refers to the following:

- A. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- B. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- C. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

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- D. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks HOR to respond separately to each of the following questions and requests for information:

1. Does HOR consider the Statutory Demand to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. Does HOR consider the Winding Up Proceedings to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to questions 1 or 2 is "no", please advise the basis for that view.
4. When did HOR first become aware of the Statutory Demand? In responding to this question:
 - 4.1 Please specify the date on which HOR was served with a copy of the Statutory Demand.
 - 4.2 Please specify the date on which HOR was deemed to have failed to comply with the Statutory Demand.
5. When did HOR first become aware of the Winding Up Proceedings? In responding to this question, please specify the date on which HOR was served with a copy of any applicable originating process.
6. If the answer to question 1 is "yes" and HOR first became aware of the Statutory Demand before the relevant date (being 13 December 2019), did HOR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HOR took to ensure that the information was released promptly and without delay.
7. If the answer to question 2 is "yes" and HOR first became aware of the Winding Up Proceeding before the relevant date (being 13 December 2019), did HOR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HOR took to ensure that the information was released promptly and without delay.
8. Please confirm that HOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that HOR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HOR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4.00 PM AWST Tuesday, 17 December 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HOR's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require HOR to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to HOR’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that HOR’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in HOR’s securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)