



# HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

26 June 2020

## NOTICE OF ANNUAL GENERAL MEETING

Please find attached the Notice of Meeting, Explanatory Statement and Proxy Form for the Annual General Meeting of Horseshoe Metals Limited which is to be held at 10:00am on Thursday, 30 July 2020 at 1/24 Mumford Place, Balcatta, Western Australia. Mailing to shareholders will commence today.

The Notice of Meeting has been authorised by Horseshoe Metals Limited's board of directors.

### BOARD OF DIRECTORS

Mr Craig Hall  
*Non-Executive Director*

Mr Alan Still  
*Non-Executive Director*

Ms Carol New  
*Non-Executive Director,  
Joint Company Secretary*

Ms Kate Stoney  
*Joint Company Secretary*

### *Enquiries*

#### **Carol New**

*Non-Executive Director and  
Joint Company Secretary*

**T:** +61 8 6241 1844

**E:** [info@horseshoemetals.com.au](mailto:info@horseshoemetals.com.au)

### HORSESHOE METALS LIMITED

ABN 20 123 133 166  
24 Mumford Place  
Balcatta WA 6021

**T:** +61 8 6241 1844

**F:** +61 8 6241 1811

**E:** [info@horseshoemetals.com.au](mailto:info@horseshoemetals.com.au)

[www.horseshoemetals.com.au](http://www.horseshoemetals.com.au)



**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**

30 July 2020

**Time of Meeting**

10.00am (WST)

**Place of Meeting**

24 Mumford Place  
Balcatta WA 6021

**YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:**

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

## **NOTICE OF ANNUAL GENERAL MEETING**

The 2020 Annual General Meeting of Shareholders (**Annual General Meeting** or **Meeting**) of Horseshoe Metals Limited ABN 20 123 133 166 (**Company**) is to be held on Thursday, 30 July 2020 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 30 July 2020 at:

24 Mumford Place  
BALCATTWA WA 6021

## **ORDINARY BUSINESS**

### **Financial Statements – Year ended 31 December 2019**

To receive and consider the annual financial report of the Company for the year ended 31 December 2019 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 resolution 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 2019."*

**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 a 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 – Ms Carol New**

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

“That, for the purposes of clause 3.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Ms Carol New a Director who was appointed on 9 April 2019, retires, and being eligible, is elected as a Director.”

#### **Resolution 3 – Election of Director – Mr Craig Hall**

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

“That, for the purposes of clause 3.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Craig Hall a Director who was appointed on 30 April 2019, retires, and being eligible, is elected as a Director.”

#### **Resolution 4 – Ratification of Prior Issue - Shares**

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
2. the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (a) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (b) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 5 – Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, the Company have the additional capacity to issue Equity Securities provided for in Listing Rule 7.1A.”*

**Voting Exclusion:** As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Consequently, no voting exclusion statement is required in accordance with Listing Rule 7.3A.7.

### **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 7.00pm (EST) on 28 July 2020. 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 7.00pm (EST) on 28 July 2020. If facsimile transmission is used, the power of attorney must be certified.

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

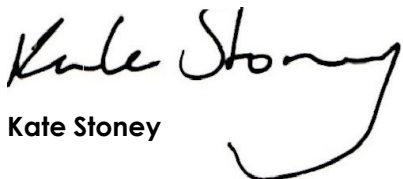
In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (EST) on 28 July 2020.

**Enquiries**

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

**DATED THIS 11th DAY OF JUNE 2020**

**BY ORDER OF THE BOARD**

A handwritten signature in black ink that reads "Kate Stoney". The signature is written in a cursive style with a large, sweeping flourish at the end.

**Kate Stoney**

**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 2019**

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 2019 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 28 July 2020.

## **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 2019 (**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



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 – ELECTION OF DIRECTOR – MS CAROL NEW**

Clause 3.3 of the Constitution allows the Directors to appoint a person to be a Director. Any Director so appointed automatically retires at the next annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Carol New, appointed by the Board as a Director on 9 April 2019, will retire in accordance with clause 3.3 of the Constitution at the Meeting and, being eligible seeks election pursuant to Resolution 2.

Ms New holds a Bachelor of Business Degree, is a Chartered Accountant and has over 20 years' experience working with public companies in director, accounting and secretarial roles.

Ms New is currently not a director of any ASX listed entity other than the Company. Ms New was previously a Non-executive Director of Redbank Copper Limited and Target Energy Ltd.

### **Board Recommendation**

The Board (other than Ms New) recommends Shareholders vote in favour of this resolution.

### **RESOLUTION 3 – ELECTION OF DIRECTOR – MR CRAIG HALL**

Clause 3.3 of the Constitution allows the Directors to appoint a person to be a Director. Any Director so appointed automatically retires at the next annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Craig Hall, appointed by the Board as a Director on 30 April 2019, will retire in accordance with clause 3.3 of the Constitution at the Meeting and, being eligible seeks election pursuant to Resolution 3.

Mr 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 metals. He has held a variety of senior positions with mid-tier and junior sector resource companies within Australia and overseas.

In addition to his directorship of the Company, Mr Hall is currently a Non-executive director ASX listed Auris Minerals Limited. Mr Hall was previously a Non-executive Director of Redbank Copper Limited and Target Energy Limited.

### **Board Recommendation**

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

## RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

### 4.1 General

On 10 December 2019, the Company announced an issue of 10,000,000 Shares (**Issue**) as part payment of fees owing to Mines Trust by Copper Mining and Metallurgy Pty Ltd (**CMM**). This amount is deemed to form part of Horseshoe Metals Limited's funding of the Mount Gunson project.

Resolution 4 seeks Shareholder ratification of the Issue pursuant to Listing Rule 7.4 (**Ratification**).

Listing Rule 7.1 provides, broadly, that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. The Issue did not fit within any of the exceptions and, as it has not yet been approved by the Company's shareholders, it has effectively used up part of the 15% limit under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and so do not reduce the Company's capacity to issue further equity securities without shareholder approval under that Listing Rule.

By ratifying the Issue, 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.

If Resolution 4 is passed, the Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue.

If Resolution 4 is not passed, the Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue.

### 4.2 Technical information required by Listing Rule 7.4

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) the Shares were issued to Steven Sickerdick as trustee for The Mines Trust, who is not a related party of the Company;
- (b) 10,000,000 fully paid ordinary shares were issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued on 10 December 2019;

- (e) the deemed issue price was \$0.02 per Share. The Shares were issued in connection with the Company's investment in CMM, by way of part payment of money owed by CMM to Mines Trust. In consideration for the issue of the Shares to Mines Trust, CMM issued 400 fully paid ordinary shares in its capital to the Company. Consequently, no funds were raised from the issue of the Shares;
- (f) the other material terms of the agreements governing the Company's investment in CMM (in connection with which the Shares were issued) are as follows:
- the Company (or its related nominee) has the right to earn a 50% interest in CMM and the Mt Gunson Project by sole funding of up to \$5M during a 4-year period with a minimum commitment of \$500,000. Funding will be provided by way of cash generated from production and anticipated capital raisings that may include placements and rights entitlement offers. The Company has the right, over a 4-year period, to subscribe for up to 10,000 shares in CMM (representing 50% of CMM's share capital following the issue of those shares) to fund CMM's development of Mt Gunson as an incorporated joint venture. Shares in CMM are to be issued to the Company (or its nominee) as funding is provided over time, with every \$50k contribution earning 100 shares in CMM (representing 1% of CMM's share capital prior to issue of any shares to the Company);
  - the nominal \$200,000 value of the issue of the Shares to Mines Trust comprises part of the minimum commitment of \$500,000. Therefore, the Company will be required to spend a further \$300,000 within 4 years before either electing to withdraw, or continue to earn up to 50% of CMM by sole funding of an additional \$4.5M within the same 4 year period. The Company has no additional obligation in relation to monies owed between Mines Trust and CMM, which will be paid out of CMM's share of surplus cash flow;
  - while the Company is sole funding it has rights to 50% of all surplus cash flow from any copper production conducted by CMM;
  - the Company has first right of refusal should other shareholders in CMM wish to sell their respective interests in CMM. If any shareholder in CMM (including the Company) is the subject of a change of control or an insolvency event, or breaches the agreement governing the incorporated joint venture, the other shareholders will have a right of first refusal to acquire the relevant CMM shares, at an independently determined fair value;
  - CMM director Mr Steven Sickerdick will be retained as Operations Manager at Mt Gunson, while the Company will manage administration, exploration and development; and
- (g) a voting exclusion statement is included in the Notice preceding this Explanatory Statement.

### **Board Recommendation**

The Board recommends Shareholders vote in favour of this resolution.

## RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

### Background

Listing Rule 7.1 provides, broadly, that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.1A enables an eligible entity to seek shareholder approval at its annual general meeting 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 entity's 15% placement capacity under Listing Rule 7.1 and thereby effectively increases the 15% limit by an extra 10%, to 25%..

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.

The Company is putting Resolution 5 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity.

The effect of Resolution 5 will be to permit the Company to issue 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. That is, if Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the Additional 10% Placement Capacity and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in 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 204,652,190 Shares on issue. Accordingly, if Shareholders approve Resolution 5 the Company will have the capacity to issue approximately 20,465,219 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 5 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) 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;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and 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),

**(Additional Placement Period)**

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

**(b) Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Capacity will be issued for cash consideration 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 by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(c) Purpose of Issues**

Funds raised by an issue of Equity Securities under the Additional 10% Placement Capacity may be used 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.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 in relation to the issue of any Equity Securities under the Additional 10% Placement Capacity.

**(d) 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 other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the previous 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where the convertible securities were issued or agreed to be issued before the commencement of the 12 month period, or the issue or agreement to issue the

convertible securities was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

- (C) plus the number of fully paid ordinary shares issued in the previous 12 months under an agreement to issue securities within Listing Rule 7.2 exception 16 where the agreement was entered into before the commencement of the 12 month period or the agreement or issue was approved or taken by the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- (D) 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;
- (E) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (F) 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 where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

If Resolution 5 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,

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. 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%; and
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 30 March 2020 (current market price), where the issue price is halved, and where it is doubled; and

- (iii) the dilution effect 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> 204,652,190 Shares	<b>Shares issued</b>	20,465,219	20,465,219	20,465,219
	<b>Funds raised</b>	\$204,652.19	\$409,304.38	\$818,608.76
<b>50% increase in current Variable A</b> 306,978,285 Shares	<b>Shares issued</b>	30,697,828	30,697,828	30,697,828
	<b>Funds raised</b>	\$306,978	\$613,956	\$1,227,913
<b>100% increase in current variable A</b> 409,304,380 Shares	<b>Shares issued</b>	40,930,438	40,930,438	40,930,438
	<b>Funds raised</b>	\$409,304	\$818,608	\$1,637,217

**Note: this table assumes:**

- (i) Current Variable A is 204,652,190, 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 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.
- (vi) 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.
- (vii) 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.

**(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.

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 22 May 2019 (**Previous Approval**).

The Company did not issue or agree to issue any Equity Securities under Listing Rule 7.1A in the 12 months preceding the date of this Notice, and does not anticipate issuing or agreeing to issue any Equity Securities under Listing Rule 7.1A prior to the date of the Meeting.

**(g) Voting Exclusion Statement**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. Consequently, no voting exclusion statement is required in accordance with Listing Rule 7.3A.7.

**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

- (i) State in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the Equity Securities under Listing Rule 2.7 that the Equity Securities are being issued under Listing Rule 7.1A; and
- (ii) 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).

## **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 5;

**“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 2019;

**“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;

**“Closely Related Party”** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**“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, as defined in the Listing Rules; and

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

# PROXY FORM

## APPOINTMENT OF PROXY

HORSESHOE METALS LIMITED  
ACN 123 133 166

GENERAL MEETING 30 July 2020

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, 30 July 2020 at 24 Mumford Place, Balcatta WA 6021, and at any adjournment thereof.

**The Chair intends to vote undirected proxies for all Resolutions in which the Chair is entitled to vote.**

### Voting on business of the Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Non binding resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Election of Director - Ms Carol Margaret New	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Election of Director – Mr Craig Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Ratification of prior issue - shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of additional 10% placement capacity	<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:** reception@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.**