



# HORSESHOE METALS

LIMITED

**A.B.N. 20 123 133 166**

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED  
30 JUNE 2020**

## CORPORATE INFORMATION

### **Board of Directors**

Craig Hall (Non-executive Director)  
Alan Still (Non-executive Director)  
Carol New (Non-executive Director)

### **Company Secretary**

Carol New  
Kate Stoney

### **Registered Office**

24 Mumford Place  
Balcatta, WA 6021  
Telephone: +61 8 6241 1844  
Facsimile: +61 8 6241 1811

### **Solicitors**

Dentons  
Level 7  
150 St George's Terrace  
PERTH WA 6000  
Telephone: +61 8 9323 0999

### **Bankers**

National Australia Bank  
Level 14, 100 St Georges Terrace  
Perth WA 6000

### **Share Registry**

Advanced Share Registry  
110 Stirling Hwy  
Nedlands WA 6009  
Telephone: +61 8 9389 8033

### **Auditors**

Rothsay Auditing  
Level 1 Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005  
Telephone: +61 8 9486 7094

### **Securities Exchange Listing**

The Company is listed on the Australian Securities Exchange  
ASX Code: HOR

### **Website**

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

## CONTENTS

DIRECTORS' REPORT .....	1
AUDITOR'S INDEPENDENCE DECLARATION .....	5
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED 30 JUNE 2020 .....	7
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2020.....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2020.....	9
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020 .....	10
DIRECTORS' DECLARATION .....	14
INDEPENDENT AUDITORS REVIEW REPORT .....	15

## DIRECTORS' REPORT

Your Directors submit the financial report of the consolidated group ("the Group") consisting of Horseshoe Metals Limited ("the Company") and the entity it controlled during the period for the half year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

### DIRECTORS

The names of the Directors of the Company in office during the half year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated:

Alan Still	Non-Executive Director
Carol New	Non-Executive Director
Craig Hall	Non-Executive Director

### REVIEW OF OPERATIONS

The Group realised a net loss for the half year of \$508,365 (2019: \$275,810).

#### Exploration and Evaluation

##### **Mt Horseshoe Lights Copper/Gold Project (HOR: 100%) (GRR: 3% NSR Royalty)**

The Horseshoe Lights Project covers an area of approximately 60 km<sup>2</sup> including the previously mined Horseshoe Lights copper-gold mine, which is located 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine. There has been renewed interest in joint venture of some or all the Project with particular focus on the gold potential adjacent to the Horseshoe Light Copper deposit. The Board is seeking to complete a suitable transaction.

##### **Kumarina Copper Project (HOR: 100%)**

The Kumarina Project consists of an exploration licence and one mining lease covering approximately 120km<sup>2</sup>. The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia. During 2019 the Company applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27.

##### **Glenloth Gold Project (HOR:100% of EL6301; and rights to explore and develop ML5848, ML5849, ML5885 and MPL62):**

Glenloth is located about 50 km east of the 0.5 MOz Tunkillia Gold deposit and 500km northwest of Adelaide in the Central Gawler Craton. The Glenloth Goldfield was found with the discovery of alluvial gold in 1893, and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620 t of ore, at an average grade of 21.6 g/t.

HOR considers the acquisition of interests in the project as a value-based entry into a dominant position of a very prospective area with the tenement covering most of the recognised goldfields, that previous exploration of the field is piecemeal and inadequate; and that larger, high grade gold deposits could be uncovered by systematic exploration and a more considered approach to drilling. HOR is currently compiling historical data for the area and the company intends to release a more comprehensive update of the geology and mineralisation at Glenloth in 2020, along with a planned field exploration programme during the December quarter.

##### **Mt Gunson Copper Project (HOR earning to 50%) (ML3717-21, ML5598, ML5599; MPL1):**

Mt Gunson is located on the Stuart Shelf about 400km nor northeast of Adelaide, comprising an undeformed cover sequence of flat-lying, late Adelaide platform sediments on Gawler Craton crystalline basement. Both sandstone-hosted (e.g. Cattlegrid, MOC) and shale-hosted (e.g. MG14) mineralisation types occur at relatively shallow depths within the Mt Gunson region, typically within 25-50m of the surface.

Activities completed include the sale by CMM of some residual bags of copper cement product that remained on site from the previous pilot-scale operation and database compilation of historical activity including airborne geophysics, geochemistry mapping and historic drilling.

Table 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 June 2020.

<b>TABLE 1</b> <b>HORSESHOE LIGHTS PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>AS AT 30 December 2019</b>									
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)	
<b>In-situ Deposit</b> (0.5% Cu cut-off grade)	<i>Measured</i>	1.73	1.04	0.0	0.5	18,000	1,900	28.8	
	<i>Indicated</i>	2.43	0.95	0.0	0.7	23,200	3,400	52.2	
	<i>Inferred</i>	8.69	1.01	0.1	2.6	87,400	30,700	712.4	
	<b>Total</b>	<b>12.85</b>	<b>1.00</b>	<b>0.1</b>	<b>1.9</b>	<b>128,600</b>	<b>36,000</b>	<b>793.4</b>	
<b>Flotation Tailings</b>	<b>Inferred</b>	<b>1.421</b>	<b>0.48</b>	<b>0.34</b>	<b>6.5</b>	<b>6,800</b>	<b>15,300</b>	<b>294.8</b>	
<b>M15 Stockpiles</b>	<b>Inferred</b>	<b>0.243</b>	<b>1.10</b>	<b>0.17</b>	<b>4.7</b>	<b>2,650</b>	<b>1,300</b>	<b>36.7</b>	
Note: At 0% Cu cut-off grade unless otherwise stated						<b>TOTAL</b>	<b>138,050</b>	<b>52,600</b>	<b>1,124.9</b>

These Mineral Resource Estimates meet the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Table 2 below summarises the total Mineral Resources for the Kumarina Project as at 30 December 2019.

<b>TABLE 2</b> <b>KUMARINA PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>AS AT 30 December 2019</b>				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
<b>Rinaldi Prospect</b> (0.5% Cu cut-off)	<i>Measured</i>	415,000	1.46	6,100
	<i>Indicated</i>	307,000	1.16	3,500
	<i>Inferred</i>	114,000	0.9	1,000
	<b>Total</b>	<b>835,000</b>	<b>1.3</b>	<b>10,600</b>

The Mineral Resource Estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

### ***Forward Looking Statements***

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

### ***Competent Persons Statement***

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Hall is a non-executive director Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5th June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30<sup>th</sup> June 2013", released on the 31<sup>st</sup> July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited, and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Kumarina Project (Rinaldi Prospect) Mineral Resources is based on information compiled by or under the supervision of Mr Robert Spiers, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company's ASX announcement "Horseshoe releases Maiden Mineral Resource Estimate for Kumarina", released to the ASX on 4th March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30th June 2013", released on the 31st July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

## AUDITOR'S INDEPENDENCE DECLARATION

The Company has obtained an independence declaration from its auditors, Rothsay Auditing, as per s.307(C) of the Corporations Act 2001 which forms part of this report. A copy of that declaration is included on page 5 of this report.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.



**Carol New**  
Director  
Perth  
11 September 2020



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Phone (08) 9486 7094 www.rothsayresources.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001**

As lead auditor of the review of Horseshoe Metals Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Horseshoe Metals Limited and the entity it controlled during the year.

Rothsay Auditing

**Daniel Dalla**  
Partner  
11 September 2020



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	NOTE	Half year to 30 June 2020 \$	Half year to 30 June 2019 \$
<b>Revenue</b>			
Other income		-	-
Interest income		-	-
		-	-
<b>Expenses</b>			
Occupancy expenses		(15,000)	(15,000)
Consulting expenses		(98,557)	(52,674)
Administrative expenses		(72,535)	(48,874)
Depreciation expense		(2,725)	(7,181)
Directors' remuneration		(57,300)	(24,500)
Exploration expense		(215,939)	(93,553)
Interest expense		(46,309)	(34,028)
<b>Loss before income taxes</b>		(508,365)	(275,810)
Income tax expense		-	-
<b>Loss after tax from continuing operations</b>		(508,365)	(275,810)
<b>Loss for the period</b>		(508,365)	(275,810)
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		(508,365)	(275,810)
<b>Loss per share:</b>			
Basic loss per share (cents per share)		(0.248)	(0.142)
Diluted loss per share (cents per share)		(0.248)	(0.142)

These financial statements should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	NOTE	Consolidated	
		30 June 2020 \$	31 December 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,257	473
Trade and other receivables	2	57,795	79,195
Other assets		8,969	7,071
<b>Total current assets</b>		<b>68,021</b>	<b>86,739</b>
<b>Non-current assets</b>			
Plant and equipment		20,370	23,096
Exploration and evaluation expenditure	3	6,508,801	6,508,801
Investments		243,000	205,000
<b>Total non-current assets</b>		<b>6,772,171</b>	<b>6,736,897</b>
<b>TOTAL ASSETS</b>		<b>6,840,192</b>	<b>6,823,636</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	1,370,503	1,380,968
<b>Total current liabilities</b>		<b>1,370,503</b>	<b>1,380,968</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	5	1,113,973	859,043
Borrowings	6	1,478,753	1,198,297
Provisions	4	5,812,890	5,812,890
<b>Total non-current liabilities</b>		<b>8,405,616</b>	<b>7,870,230</b>
<b>TOTAL LIABILITIES</b>		<b>9,776,119</b>	<b>9,251,198</b>
<b>NET ASSETS (DEFICIENCY)</b>		<b>(2,935,927)</b>	<b>(2,427,562)</b>
<b>EQUITY</b>			
Issued Capital	7	17,358,393	17,358,393
Accumulated losses		(20,294,320)	(19,785,955)
<b>TOTAL EQUITY</b>		<b>(2,935,927)</b>	<b>(2,427,562)</b>

These financial statements should be read in conjunction with the accompanying notes

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2020

NOTE	Consolidated 30 June 2020 \$	30 June 2019 \$
<b>CASH FROM OPERATING ACTIVITIES</b>		
Receipts from customers	-	46,181
Payments to suppliers and employees	(72,511)	(101,643)
Interest paid	(4,463)	(12,013)
Interest received	-	-
Payments for exploration and evaluation expenditure	(122,854)	(82,180)
<b>Net cash used in operating activities</b>	<b>(199,828)</b>	<b>(137,642)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for investments	(38,000)	-
<b>Net cash used by investing activities</b>	<b>(38,000)</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(12,000)
Proceeds from borrowings	238,612	149,100
<b>Net cash provided by financing activities</b>	<b>238,612</b>	<b>137,100</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>784</b>	<b>(542)</b>
Cash and cash equivalents at the beginning of the period	473	3,593
<b>Cash and cash equivalents at the end of the period</b>	<b>1,257</b>	<b>3,051</b>

These financial statements should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Total
	\$	\$	\$	\$
Balance as at 1 Jan 2020	17,358,393	(19,785,955)	-	(2,427,562)
Loss attribute to members of the parent entity	-	(508,365)	-	(508,365)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(508,365)	-	(508,365)
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Sub-total	-	(508,365)	-	(508,365)
Balance as at 30 June 2020	17,358,393	(20,294,320)	-	(2,935,927)

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Total
	\$	\$	\$	\$
Balance as at 1 Jan 2019	17,158,393	(19,039,053)	-	(1,880,660)
Loss attribute to members of the parent entity	-	(275,810)	-	(275,810)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(275,810)	-	(275,810)
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Sub-total	-	(275,810)	-	(275,810)
Balance as at 30 June 2019	17,158,393	(19,314,863)	-	(2,156,470)

These financial statements should be read in conjunction with the accompanying notes

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard 134 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included within the annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of Horseshoe Metals Limited and the consolidated entity ("the Group") as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 31 December 2019 and any public announcements made by Horseshoe Metals Limited during the half-year in accordance with continuous disclosure requirements arising under the ASX Listing Rules.

#### Basis of Preparation

The half-year report has been prepared on a historical cost basis modified, where applicable, by measurement at fair value of selected items. Cost is based on the fair values of the consideration given in exchange for assets.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period. The half-year report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

#### Accounting policies and methods of computation

The accounting policies adopted are consistent with those applied and disclosed in the 31 December 2019 annual report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Going concern

The financial statements have been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

Cash and cash equivalents on hand as at the date of this report was \$1,257. The going concern basis is dependent upon the Group raising sufficient funds to pay the Group's debts as and when they fall due.

On the 6th March 2019, the Company has signed a mandate with PCF Capital Group to carry out a sale process of the Horseshoe Lights Copper-Gold Project to identify options that deliver best value for Horseshoe shareholders. Any potential sale will be subject to shareholder and any regulatory approvals. The Company continues to pursue the sale of the Project.

The Company has executed a loan facility agreement with associated entities. The loan facility with associated entities is to be repaid in cash within 7 days of the successful completion of a capital raising. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including the requirement to seek shareholder approval for a related party transaction. The loan bears interest of 8% p.a. The undrawn loan balance available to the Company as at 30 June 2020 from associated entities amounts to \$85,000.

As per the ASX Announcement dated 1 September 2020, a Letter of Variation was executed to increase the loan facility limit from \$1,500,000 to \$2,000,000. In addition, the lenders have confirmed unconditionally that these entities will not call on or demand any repayment of the advances made to the Group up until such time that repayment will not impact the going concern status of the Group.

The Directors have also prepared a cash flow forecast that further indicates the Company's ability to continue to operate as a going concern.

In the Directors' opinion, at the date of signing the financial report there are reasonable grounds to believe that the matters set out above will be achieved and have therefore prepared the financial statements on a going concern basis.

Should the Directors not achieve the matters set out above, there is material uncertainty whether the Group will be able to continue as a going concern. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, which might be necessary should the Group not be able to continue as a going concern.

## NOTE 2: TRADE AND OTHER RECEIVABLES

	Consolidated as at 30 June 2020 \$	Consolidated as at 31 December 2019 \$
Trade Receivables and Other Receivables	57,795	79,195
	<b>57,795</b>	<b>79,195</b>

## NOTE 3: EXPLORATION AND EVALUATION ASSETS

The following table details the movement in deferred exploration and evaluation expenditure reported in the statement of financial position during the half year to 30 June 2020.

	Consolidated as at 30 June 2020 \$	Consolidated as at 31 December 2019 \$
Carrying amount at beginning of year	6,508,801	6,508,801
Capitalised expenditure during the year	-	-
Impairment	-	-
	<b>6,508,801</b>	<b>6,508,801</b>

The recoupment of deferred exploration and evaluation costs carried forward is dependent upon the successful development and commercialisation or sale of the areas of interests being explored and evaluated.

**NOTE 4: PROVISIONS**

	Consolidated as at 30 June 2020 \$	Consolidated as at 31 December 2019 \$
<b>Non-Current</b>		
Provision for Rehabilitation (i)	5,812,890	5,812,890
<b>Total Non-Current</b>	<b>5,812,890</b>	<b>5,812,890</b>

- (i) Pursuant to the Mining Rehabilitation Fund Regulations 2013 (WA) the Company is required to assess its rehabilitation obligations across all its tenement holdings as at 30 June each year. The assessed estimated cost of rehabilitation as at 30 June 2020 using the methodology adopted under the Mining Rehabilitation Fund Regulations 2013 (WA) is \$5,812,890.

Rehabilitation provisions mostly relate to rehabilitation obligations on the Horseshoe Lights Mining Lease M52/743 associated with the flotation tailings dam, the waste dumps and the plant and camp sites.

**NOTE 5: TRADE AND OTHER PAYABLES**

	Consolidated as at 30 June 2020 \$	Consolidated as at 31 December 2019 \$
<b>Current</b>		
Trade Payables and Accruals	1,370,503	1,380,968
<b>Non-Current</b>		
Related party creditors	1,113,973	826,043
Other creditors	-	33,000
	<b>1,113,973</b>	<b>859,043</b>

**NOTE 6: NON-CURRENT/RELATED PARTY BORROWINGS**

	Consolidated as at 30 June 2020 \$	Consolidated as at 31 December 2019 \$
Other Borrowings		
Related Party Borrowings	1,478,753	1,198,297
	<b>1,478,753</b>	<b>1,198,297</b>

The Board of Directors of Delta Resource Management Pty Ltd and Investmet Ltd have confirmed unconditionally that these entities will not call on or demand any repayment of the advances made to the Company up to 30 June 2020.

**NOTE 7: ISSUED CAPITAL**

	<b>Consolidated as at 30 June 2020 \$</b>	<b>Consolidated as at 31 December 2019 \$</b>
<b>Ordinary Shares</b>		
Ordinary Shares – Fully Paid	17,358,393	17,358,393
	<b>Number</b>	<b>Number</b>
Ordinary Shares – Fully Paid	204,652,190	204,652,190
	<b>Ordinary shares (Number)</b>	<b>Value (\$)</b>
Movement in Ordinary Shares on issue		
At 1 January 2020	204,652,190	17,358,393
Ordinary Shares Issue	-	-
Transaction Costs	-	-
<b>At 30 June 2020</b>	<b>204,652,190</b>	<b>17,358,393</b>

**NOTE 8: SEGMENT REPORTING**

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals and evaluation of investment opportunities for its investors, presently solely in Western Australia. All of the Group's activities are inter-related, and discrete financial information is reported to the Board (chief operating decision maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

**NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance that has arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in the future financial years.



## DIRECTORS' DECLARATION

In the Directors' opinion:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



**Carol New**  
Director  
Perth WA  
11 September 2020



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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
HORSESHOE METALS LIMITED**

**Report on the Review of the Half-Year Financial Report**

***Conclusion***

We have reviewed the half-year financial report of Horseshoe Metals Limited ("the Company"), and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

***Material Uncertainty related to Going Concern***

Without modifying our conclusion, we draw attention to Note 1 in the financial report which states that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due is dependent on the ability to secure additional funding through either the issue of shares or the disposal of non-current assets.

In the event the Group is unable to raise additional funds there is a material uncertainty as to whether the Group could continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and for the amounts stated in the financial report.

***Basis for Conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.





INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
HORSESHOE METALS LIMITED (continued)

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

***Directors' Responsibility for the Financial Report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

***Auditor's Responsibility for the Review of the Half-Year Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Auditing

Dated 11 September 2020

Daniel Dalla  
Partner