



HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

10 March 2021

UPDATE ON REINSTATEMENT TO OFFICIAL QUOTATION

Horseshoe Metals Limited (ASX: **HOR**) (**Company**) announces that it has received confirmation from ASX Limited (**ASX**) that ASX can see no reason why the securities of the Company should not be reinstated to official quotation, subject to compliance by 17 May 2021 with certain conditions precedent, as set out below.

This confirmation follows submissions made by the Company to ASX in relation to:

- the Company's proposed exploration programme at its Horseshoe Lights, Mt Gunson and Glenloth projects, in connection with the Company's compliance with Listing Rule 12.1 (level of operations); and
- the structure of a proposed recapitalisation, in connection with the Company's compliance with Listing Rule 12.2 (financial condition) (**Capital Raising**). The elements of the proposed Capital Raising are as follows:
 - a placement of 20,666,667 fully paid ordinary shares under Listing Rule 7.1, satisfying amounts owed by HOR of \$310,000 at a deemed issue price of \$0.015 per share (this element of the Capital Raising has already been completed);
 - a placement of 18,933,333 fully paid ordinary shares under Listing Rule 7.1A at an issue price of \$0.015 per share (this element of the Capital Raising has already been completed);
 - further borrowings of \$87,500 (**Borrowings**) (this element of the Capital Raising has already been completed);
 - a placement of 55,000,000 fully paid ordinary shares subject to shareholder approval. Of these shares 5,833,333 shares will be issued at a deemed issue price of \$0.015 by way of satisfaction of the Borrowings, with the remaining 49,166,667 shares to be issued for cash consideration of \$0.015 per share to raise \$737,500; and
 - an entitlement offer to eligible shareholders at an issue price of \$0.015 per share on a 1 share for every 2 shares basis, to raise approximately \$2,300,000 before costs.

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
Company Secretary*

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The conditions precedent to reinstatement set out in the confirmation from ASX are:

- the Company's shareholders approving all the resolutions required to effect the proposed Capital Raising to be considered at a general meeting of shareholders (**Meeting**);
- the Company releasing a full form prospectus pursuant to section 710 of the *Corporations Act 2001* (Cth) (**Prospectus**) in relation to the proposed Capital Raising;
- completion of the Capital Raising, closure of the Prospectus and confirmation that the Company has reached minimum subscription;
- confirmation in a form acceptable to ASX that the Company has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising;
- the Company demonstrating compliance with Listing Rules 12.1 and 12.2, to the satisfaction of the ASX, as set out below:
 - the Company satisfies the requirements of Listing Rule 12.1 by:
 - a) completion of its Phase 1 exploration program comprising surface sampling, auger/air core drilling, RC drilling, camp refurbishment and geological mapping at the Horseshoe Lights Project, and geological mapping & geochemistry and RC drilling at the Glenloth Project; and
 - b) announcement of the results of the Phase 1 exploration program and confirmation it is proceeding with Phase 2.
 - the Company's financial condition satisfies the requirements of listing rule 12.2, by completion of the Capital Raising and that, after payment of the costs of the Capital Raising the Company can demonstrate to ASX that it will have working capital of \$1,500,000;
- lodgement of all outstanding Appendices 3B with ASX for issues of new securities;
- lodgement of any outstanding reports for the period since the Company's securities were suspended and any other outstanding documents required by Listing Rule 17.5;
- lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required;
- confirmation that there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus;
- payment of any ASX fees, including listing fees, applicable and outstanding;
- confirmation the securities to be issued following the Meeting have been issued, and despatch of each of the following has occurred:
 - in relation to all holdings on the CHESSE subregister, a notice from the Company under ASX Settlement Operating Rule 8.9.1;
 - in relation to all other holdings, issuer sponsored holding statements; and
 - any refund money;
- provision of the following documents, in a form suitable for release to the market:

- a statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders;
- a distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories:
 - 1 - 1,000
 - 1,001 - 5,000
 - 5,001 - 10,000
 - 10,001 - 100,000
 - 100,001 and over
- completion of the Capital Raising, closure of the Prospectus and confirmation that the Company has reached minimum subscription;
- a statement outlining the Company's capital structure following the Meeting on a post-issue basis;
- the Company's pro forma balance sheet based on actual funds raised;
- the Company's updated statement of commitments based on actual funds raised;
- a consolidated activities report setting out the proposed business strategy for the Company (including an update on the status of the Company's assets and the current activities with respect thereto);
- full terms and conditions of all options on issue (if any); and
- confirmation that the Company is in compliance with Listing Rule 3.1.

The Company has commenced preparation of the required notice of Meeting and the Prospectus, and further details will be announced in due course.

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

Enquiries

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Secretary

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