HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT **31 October 2022**

QUARTERLY ACTIVITIES REPORT
QUARTER ENDED 30 September 2022

Horseshoe Metals Limited (ASX: HOR) (**Horseshoe**, **HOR** or **the Company**) is pleased to present its Quarterly Activities Report for the period ending 30 September 2022.

Horseshoe Lights Activity Summary

- **Initial drill testing of selected surface materials returns significant copper and gold results including:**
  - ***5m @ 1.07 % Cu from 2m*** *(Copper Subgrade Stockpile)*
  - ***8m @ 0.51 % Cu from 8m*** *(Copper Oxide Stockpile)*
  - ***10m @ 1.63 g/t Au from 0m*** *(Gold A Stockpile)*
  - ***4m @ 1.77 g/t Au from 4m*** *(Gold D Stockpile)*
  - ***9m @ 2.09g/t Au from surface*** *(C20 Stockpile)*

- **RC drilling confirms wide zones of mineralisation at Main Zone and Motters with significant copper and gold results including:**
  - ***72m @ 1.11% Cu from 32m incl.*** *(RC1180 - NW Zone)*
    - ***29m @ 1.65 % Cu from 32m and***
    - ***12m @ 1.52% Cu from 182m***
  - ***16m @ 1.10% Cu from 50m*** *(RC1161 - Motters)*

- **Drilling highlights significant mineralised potential outside existing in situ resource 128,000 t Cu metal @ 1.0% (0.5% cut-off)**

- **Review of historic RC and diamond drilling at 0.3% Cu cut-off confirms wide zones of copper mineralisation. Significant copper results include:**
  - ***53m @ 1.35% Cu from 0m*** *(RC1058 – Drilled 2012)*
  - ***32m @ 1.77% Cu from 197m*** *(RC1101 – Drilled 2013)*
  - ***48m @ 1.17% Cu from 0m*** *(RC1151 – Drilled 2021)*

- **Mineralisation open along strike and down plunge to the south above the south dipping dolerite contact**

Glenloth Goldfield Activity Summary

- **Maiden 19 hole, 1500m, RC drilling programme underway at the Glenloth Goldfield Project in Gawler Craton**

- **EL6301 is 107 km², comprising two parts, covering the Glenloth Goldfield in the East, and the northern trend of the 1.0Moz Tunkillia deposit at Old Well to the West**

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Exploration & Development

Western Australia

Horseshoe Lights Copper-Gold Project, Western Australia
(HOR: 100% and excluded from ENRG Elements JV)

<u>Horseshoe Lights Project Summary</u>

The Horseshoe Lights Copper-Gold Project is the original Cu/Au VMS discovery in the Bryah Basin and is located approx. 60 km west of DeGrussa Copper Mine operated by Sandfire Resources (ASX: SFR). Past production from Horseshoe Lights includes **~316,000 oz Au & 55 kt Cu metal** and the deposit contains a current in situ resource **128 kt Cu metal @ 1.0% (0.5% cut-off)**.

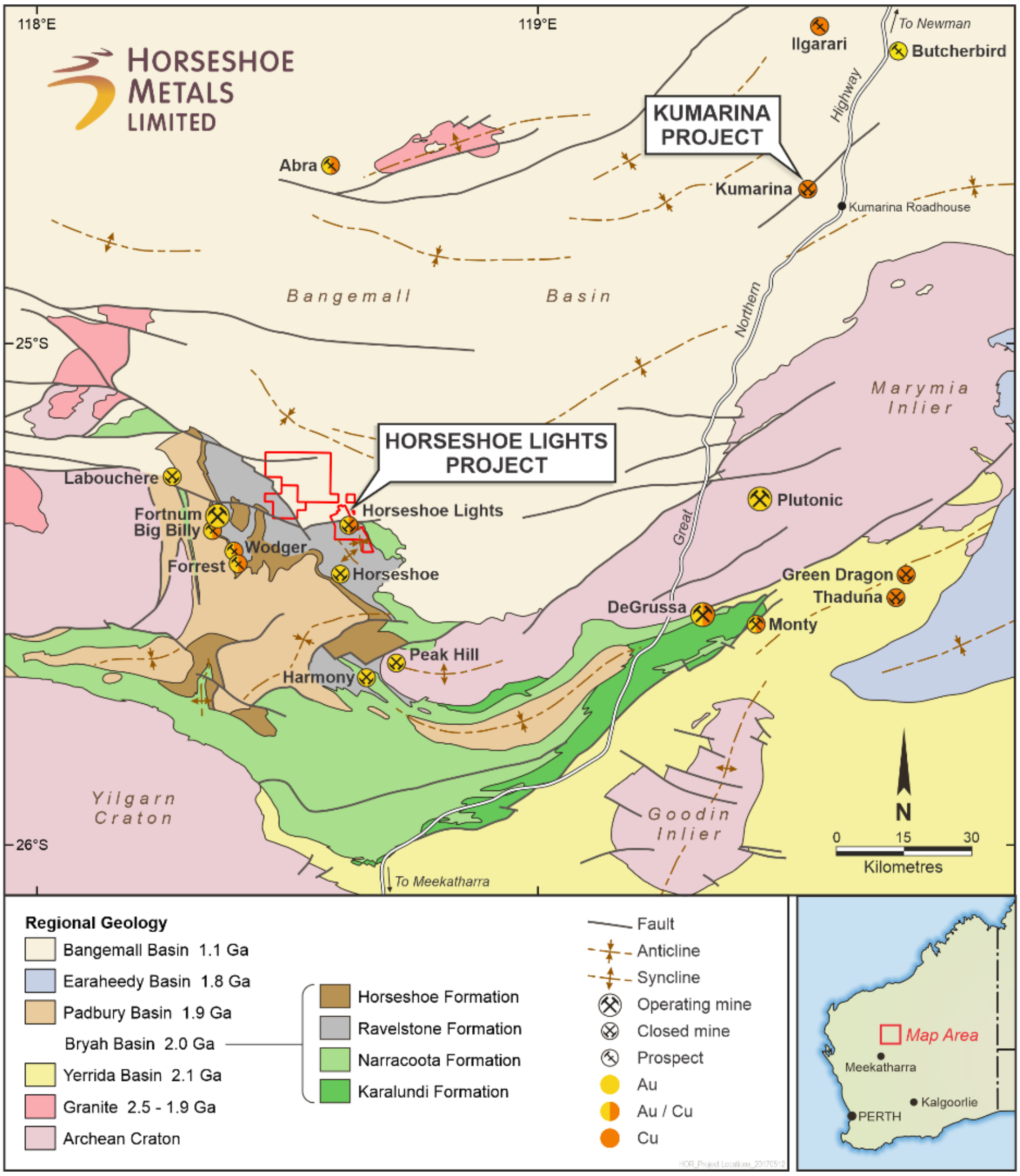

Figure 1: Location of Horseshoe Lights and Kumarina Projects, WA

Significant Drilling Results in Copper-Gold Surface Material

In August, the Company reported the results of initial Reverse Circulation ("RC") drill testing of the significant surface materials including stockpiles and dumps at the Company's Horseshoe Lights Copper-Gold Project.

Phase 2 drilling completed in May included 70 holes for 778m (refer ASX announcements dated 18 March and 19 May 2022) targeting selected stockpiles and dumps as an initial follow-up to historic reconnaissance drilling. The objective was to confirm the existence and style of mineralisation and/or infill drilling completed by the Company (e.g. C20 stockpile).

The surface materials have been broadly grouped as follows (Figure 2):

Copper - Gold	Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
Copper	Subgrade, rehandle, Low-grade oxide and sulphide stockpiles
Gold	Gold tailings, leach vats, low grade, rehandle and ROM stockpiles

Results of Phase 1 testing of gold vat, gold re-handle and C20 stockpiles was reported in ASX announcements dated 10 September 2021, 26 November 2021 and 18 March 2022 respectively.

C20 Stockpile

The C20 stockpile is understood to be a low grade rehandle stockpile created during the gold only CIP operations phase in the mid to late 1980's. During the subsequent 'Chalcocite' Direct Shipped Ore ("DSO") mining phase, the surface of this stockpile was used a resample area for high grade ore excavated from the margins of the DSO orebody that may have been diluted during mining.

The C20 stockpile contains significant oxide gold and copper mineralisation, with significant new drilling results including:

- **9m @ 2.09 g/t Au from surface** in hole C20_RC45
- **9m @ 0.97 g/t Au from surface** in hole C20_RC10
- **10m @ 0.78 g/t Au from surface** in hole C20_RC9

As there is currently insufficient information to estimate a Mineral Resource for the C20 stockpile, the Company contends releasing an Exploration Target for the C20 area the most appropriate way to discuss these results. From a grade assessment of recoverable volumes within the stockpile, preliminary investigation of the stockpile volume and anticipated density the Company considers an Exploration Target for the C20 area at Horseshoe Lights of between:

Exploration target – C20

- **41,000 to 50,000 tonnes**
- **Grading between 0.85 to 0.94g/t Au, 0.28% Cu**
- **Containing metal of 1100-1500 oz gold**

The above does not represent an estimate of a Mineral Resource or Ore Reserve. The Company notes that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Low Grade oxide, Subgrade and Re-handle Stockpiles

These stockpiles (Figures 2 and 3) were created during the DSO phase of mining in the upper parts of the Cu orebody and during copper sulphide mining phase by in the late 1980's, and early 1990's.During the 'Chalcocite' DSO mining phase, these stockpile and re-handle areas were likely used as resample areas for high grade ore excavated from the margins of the DSO orebody that may have been diluted during mining. The Low-grade oxide (LGO) appears to comprise low grade Cu oxide and Cu mineralised wasted mined from the mineralised halo adjacent to the high-grade Cu mineralisation.

Significant new drilling results include:

- **5m @ 1.07 % Cu from 2m in hole LGRC2** (subgrade stockpile)
- **5m @ 0.66 % Cu from 2m in hole LGRC1** (subgrade stockpile)
- **8m @ 0.51 % Cu from 8m in hole SMRC5** (low-grade oxide stockpile)
- **10m @ 0.39 % Cu from 6m in hole SMRC3** (low-grade oxide stockpile)

There is currently insufficient information to estimate a Mineral Resource for the Low-grade copper oxide stockpiles. The Company contends releasing an Exploration Target for the Subgrade Stockpile area the most appropriate way to discuss the results for that volume, while the other Low grade copper oxide stockpiles require further investigation. From the grade assessment, preliminary investigation of the stockpile volume and anticipated density the Company considers an Exploration Target for the Subgrade Stockpile area at Horseshoe Lights of between:

Exploration target – Subgrade Stockpile

- **27,000 to 34,000 tonnes**
- **Grading between 0.4% to 0.8% Cu**
- **Containing metal of 110-270 tonnes Cu**

The above does not represent an estimate of a Mineral Resource or Ore Reserve. The Company notes that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Further details on the results from RC surface drilling programme can be found in the ASX announcement dated 11 August 2022.

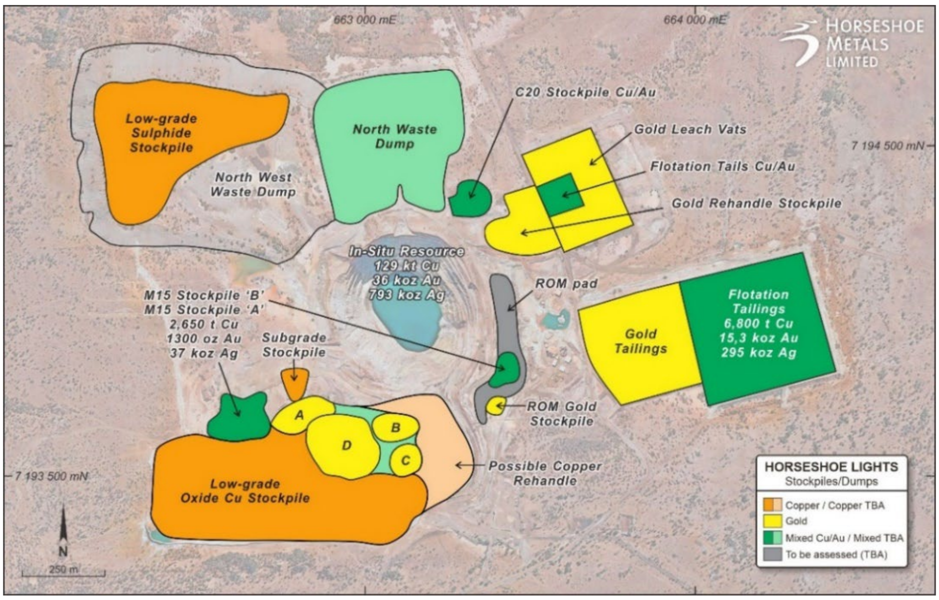

Figure 2 – Surface Stockpile and Dump Locations

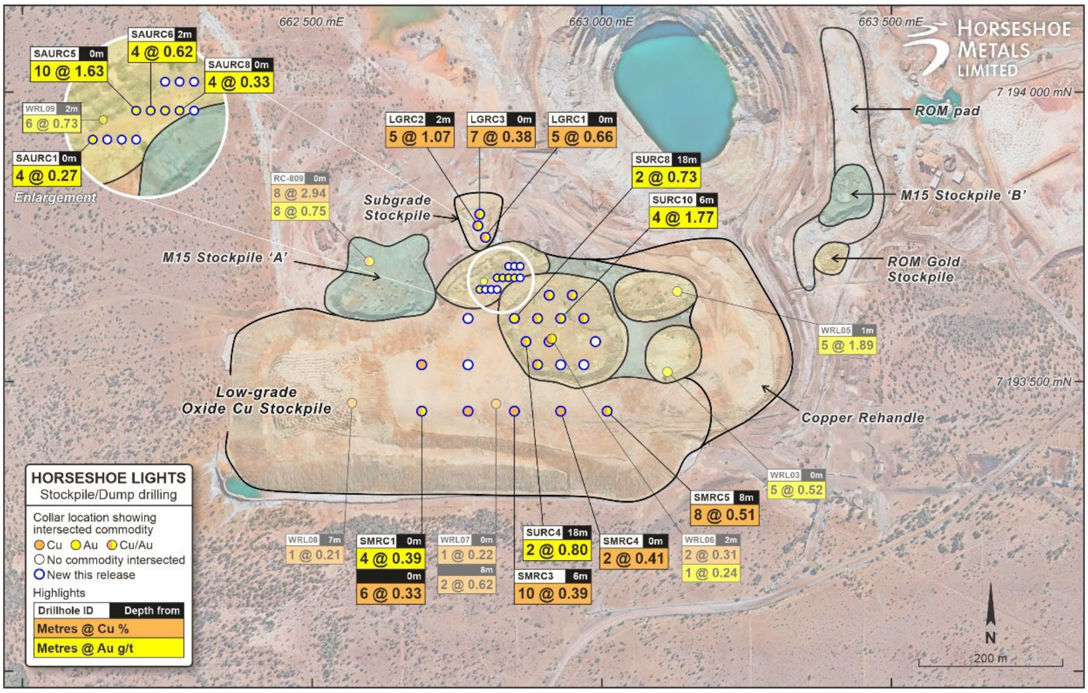

Figure 3 – Southern Stockpiles Significant Results

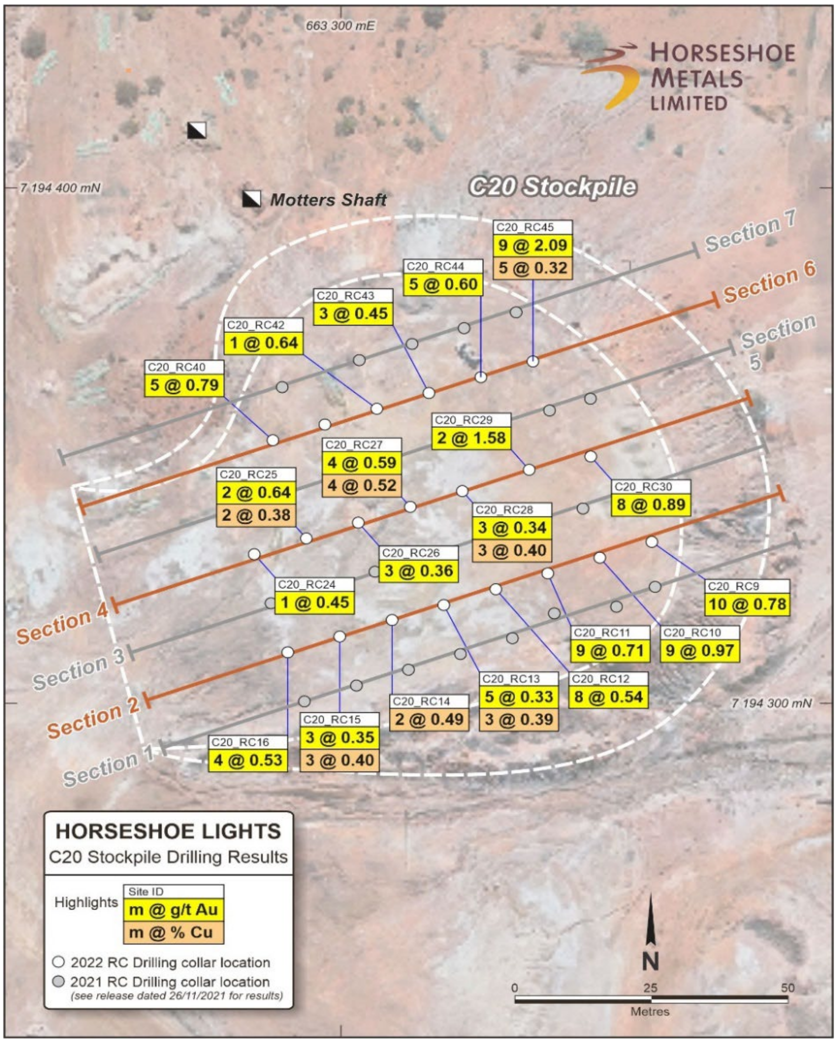

Figure 4 – New C20 Stockpile Results

Outstanding Copper Results – Main Zone and Motters

In late August, the Company was pleased to report the results of Phase 2 Reverse Circulation ("RC") drilling completed at Horseshoe Lights.

Phase 2 drilling completed in May consisted of 21 holes totalling 2966m targeting Motters (RC1160 to RC1179 located Northeast of the pit) and a single hole (RC1180) into the north west extension of the Main Zone (refer Figures 5 and 6).

The objective was to confirm and extend mineralisation and confidence levels in drilling previously completed by the Company. An additional 70 holes for 778m targeting selected stockpiles and dumps was also completed (refer ASX announcement dated 15 August 2022 for results).

Assays have confirmed the continuity of the Motters structure with typically two coherent lodes (refer Figures 6, 7 and 8) and will improve the confidence level for resource classification in future resource modelling.

Main Zone

RC1180 was designed to test a gap in the detailed information on this section (Figure 7) and to confirm continuity of mineralisation immediately north of the open pit. An outstanding result (0.3% Cu cut-off) was achieved:

- **72m @ 1.11% Cu from 32m incl. 29m @ 1.65 % Cu from 32m and 12m @ 1.52% Cu from 182m**

Planning is underway to test the northern strike extension of the Main Zone including an interpreted northern plunge to the mineralisation. Previous geological interpretation and magnetic data suggests the dolerite that cuts the northern end of the Motters structure does not extend far enough west to intersect the Main Zone. Future drilling will test this interpretation There remains potential for extensions of mineralisation north of the dolerite (which intruded post mineralisation) and at depth.

Motters Zone

Results confirm significant widths of mineralisation in the northern half of the Motters structure (Figures 6 and 8) including significant results (0.3% Cu cut-off) of:

- **16m @ 1.1% Cu from 50m** (RC1161)
- **37m @ 0.68% Cu from 54m incl. 12m @ 1.02% Cu from 75m** (RC1164)
- **21m @ 0.61% Cu from 63m incl. 5m @1.45% Cu from 63m** (RC1165)
- **36m @ 0.62% Cu from 50m incl. 13m @ 0.91% Cu from 73m** (RC1166)

Future drill targeting will focus on the sparsely drilled mineralisation south along strike from the completed drilling (refer Figure 5). Results from previous drilling (0.5% Cu cut-off, refer Table 3 in ASX release dated 31 August 2022) include highlights of:

- **31m @ 1.81 % Cu from 197m in Hole RC1101_**(downhole intersect only, not true width- "dhio, ntw")
- **20m @ 2.11 % Cu from 0m (in pit)** and **12m @ 1.96 from 86m in Hole RC524** (dhio, ntw)
- **9m @ 2.66 % Cu from 49m (in pit);** considered true width

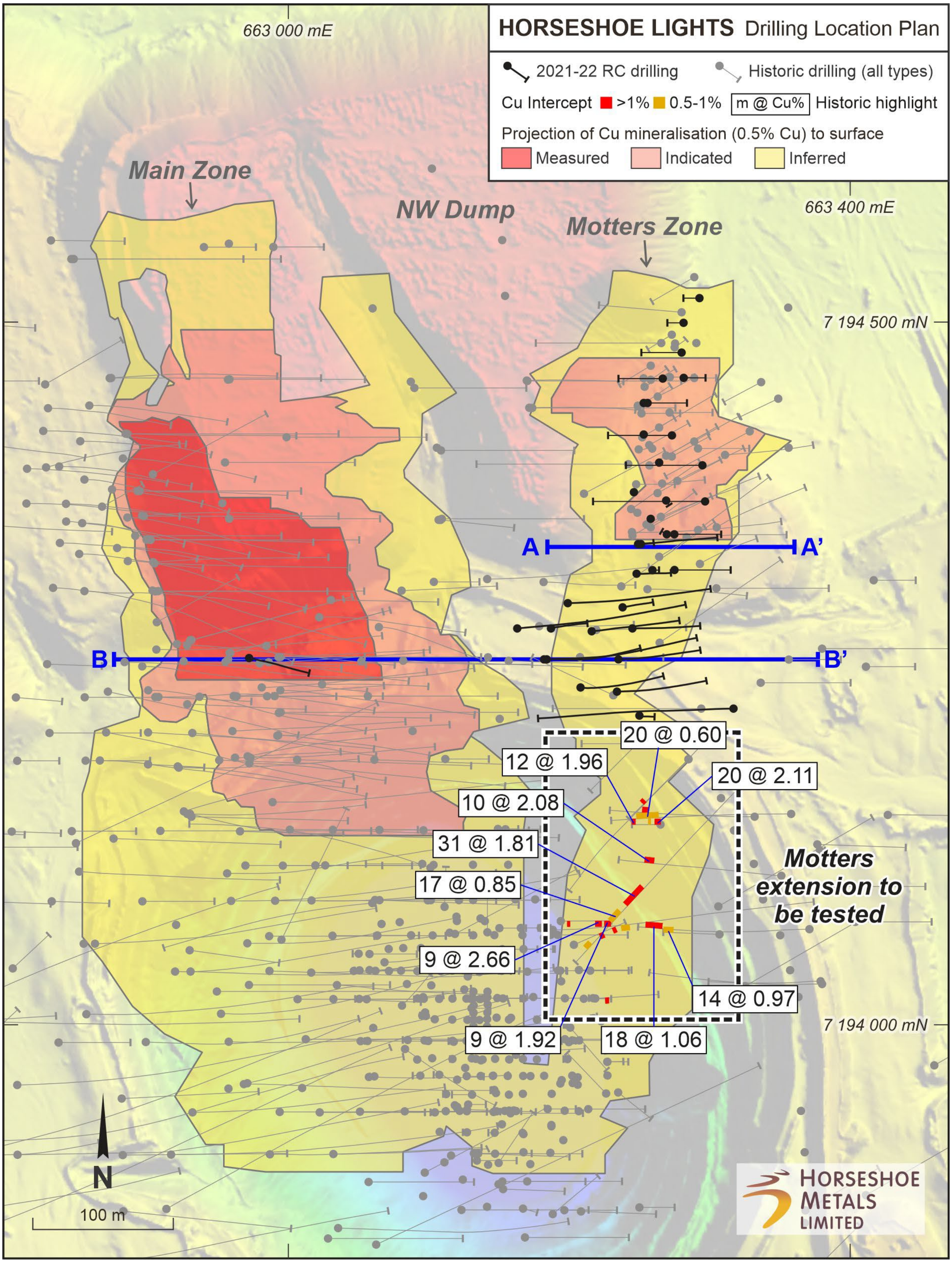

Figure 5: Drill Location Plan highlighting Phase 2 RC Drilling 2022 – into primarily Motters Zone, highlighting sparse drilling and historical drilling highlights in the 'Motter's Gap' extension area

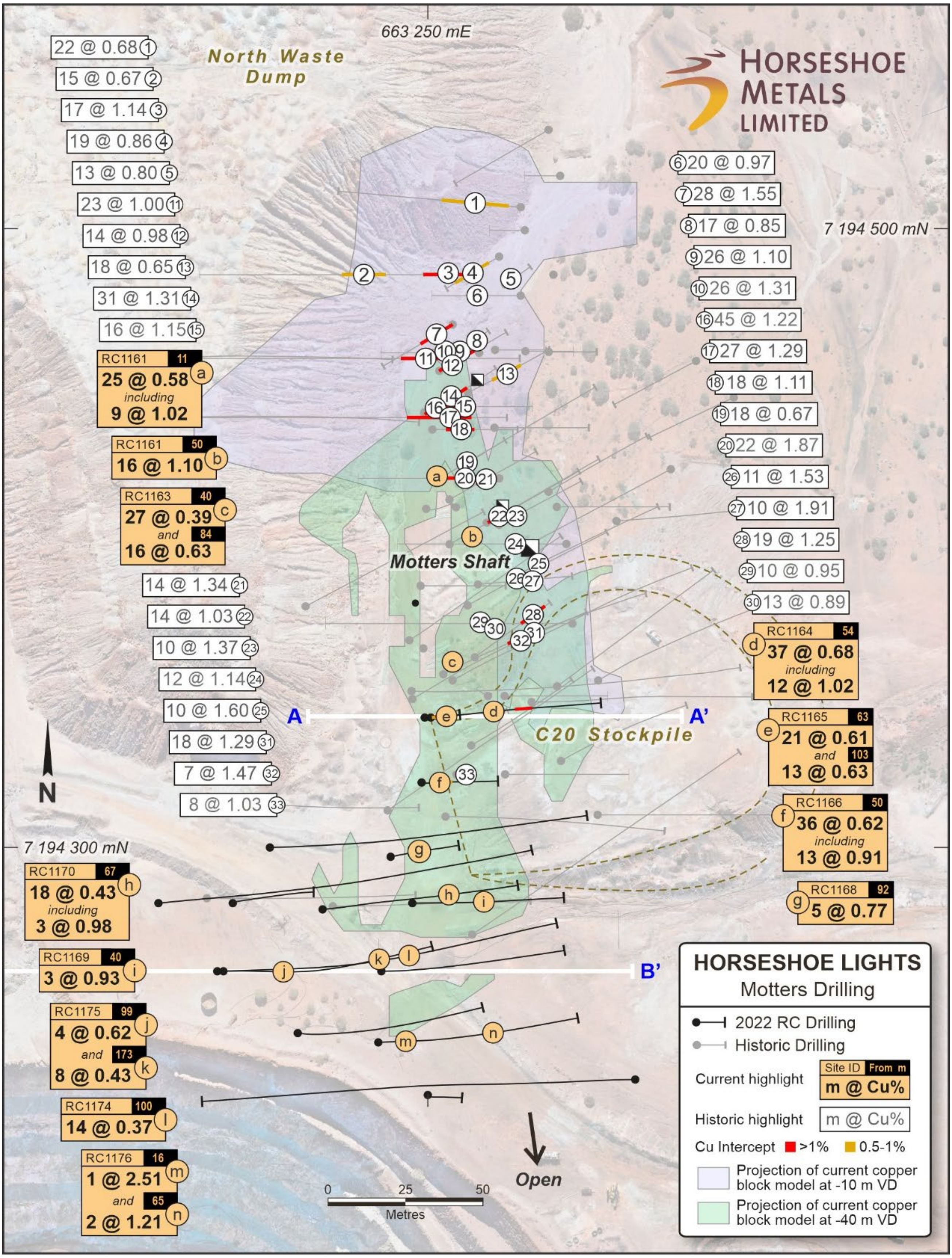

Figure 6: Significant Results Phase 2 RC Drilling 2022 – Motters Zone

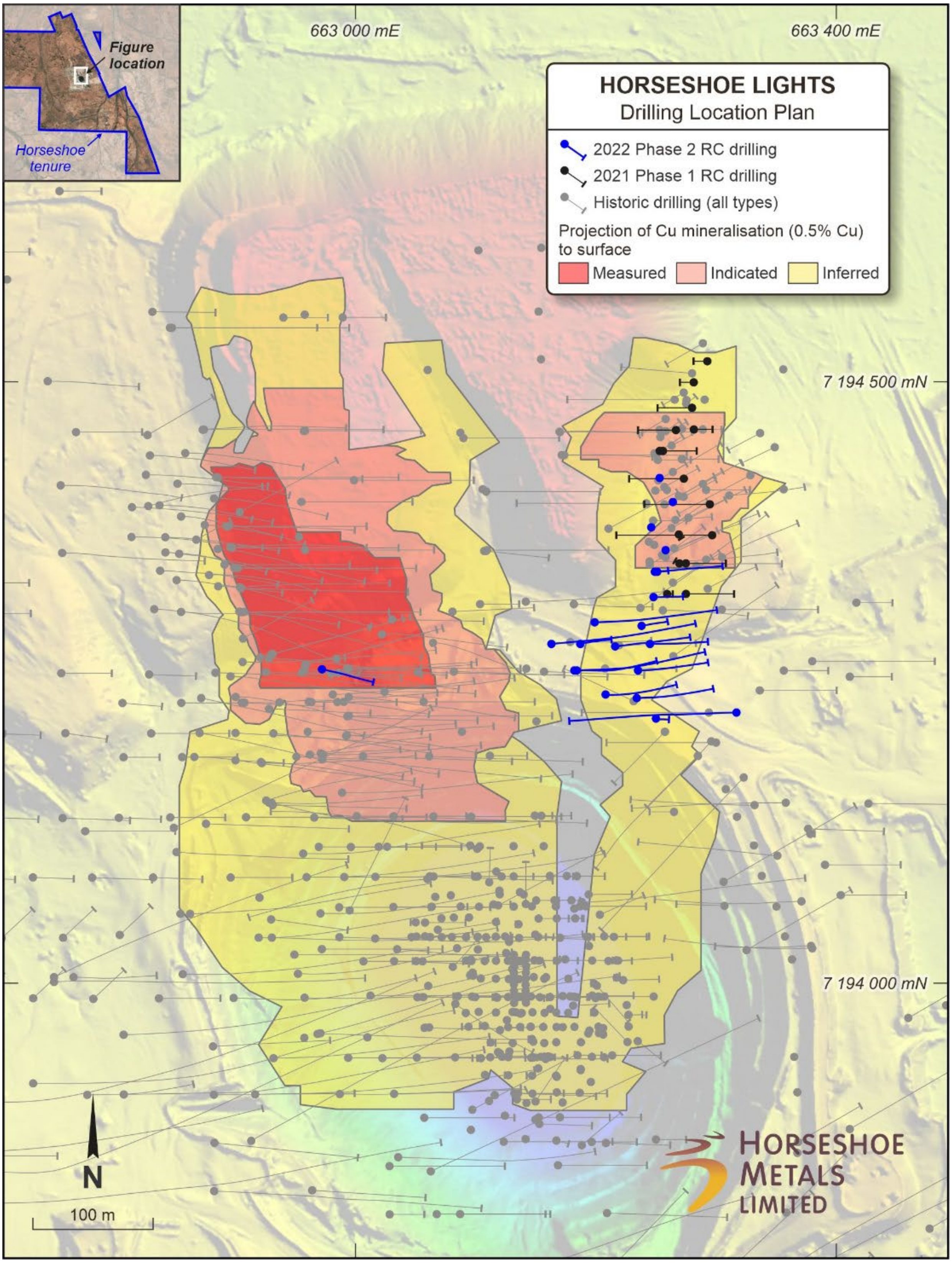

Figure 7: Drill Location Plan, highlighting Initial Phase 2 RC Drilling, Horseshoe Lights Copper-Gold Project

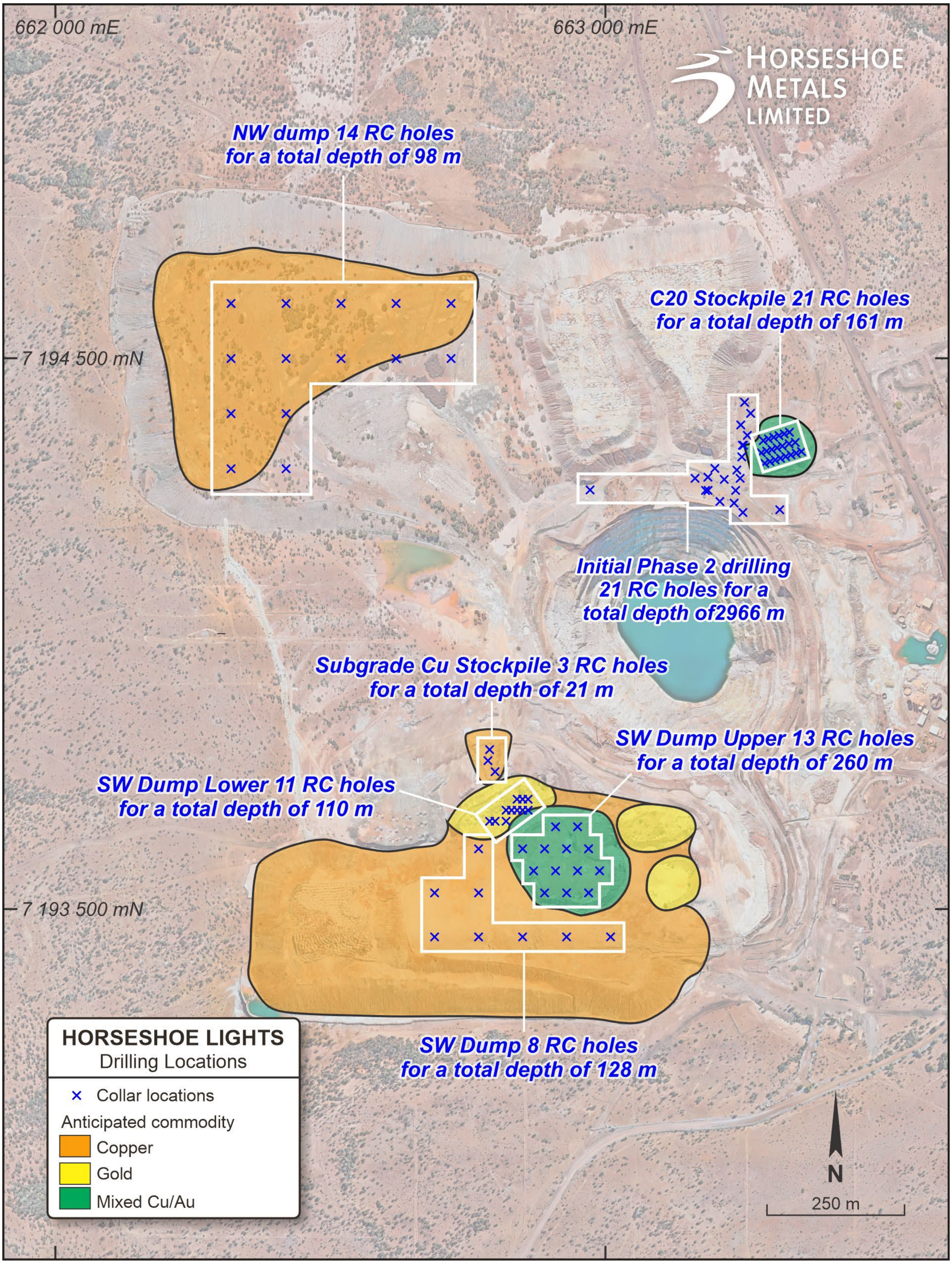

Figure 8: Drill Location Plan, Initial Phase 2 RC Drilling, includes infill and first-pass stockpile assessment; Horseshoe Lights Copper-Gold Project

Further details on the results from Phase 2 RC drilling programme can be found in the ASX announcement dated 31 August 2022.

Review Confirms Multiple Broad Zones of Copper Mineralisation at Motters Zone

Post-quarter end, the Company reported encouraging results from a review of historic RC and diamond drilling targeting the Motters Zone within the Horseshoe Lights Copper-Gold Project.

Importantly, the review identified a **significant number of broad copper intercepts in the Motters Zone at a 0.3%Cu cut-off**, which given the current copper price, is considered the appropriate cut-off grade and more accurately reflects the size and scale of the mineralised system at Horseshoe Lights.

A review of historic RC and diamond drilling results at a 0.3% Cu cut off was undertaken following the successful RC drilling completed in May that returned the significant results highlighted above (see ASX announcement dated 31 August 2022):

Results from previous RC and diamond drilling are provided in Table 1 in the ASX announcement dated 11 October 2022. Significant intercepts include:

- ***53m @ 1.35% Cu from 0m*** *(RC1058 – Drilled 2012)*
- ***32m @ 1.77% Cu from 197m*** *(RC1101 – Drilled 2013)*
- ***48m @ 1.17% Cu from 0m*** *(RC1151 – Drilled 2021)*
- ***36m @ 1.27% Cu from 9m*** *(RC1152 – Drilled 2021)*
- ***33m @ 1.37% Cu from 0m*** *(HDD004 – Drilled 2012)*
- ***30m @ 1.44% Cu from 42m*** *(RC-826 – Drilled 1992)*
- ***37m @ 1.14% Cu from 0m*** *(RC1112 – Drilled 2015)*
- ***34m @ 1.09% Cu from 0m*** *(RC1149 – Drilled 2021)*
- ***28m @ 1.26% Cu from 90m*** *(RC1084 – Drilled 2012)*
- ***28m @ 1.23%Cu from 9m*** *(RC848 – Drilled 1992)*

Note the results in Table 1 only include all or parts of drill holes that sit outside the existing open pit at Horseshoe Lights and most holes are downhole intersect only and not true width.

The next phase of RC drilling will focus on the sparsely drilled mineralisation south along strike from the completed drilling and north of the late cross cutting dolerite dyke (refer Figure 9). In addition, targets that are down plunge to the south of the existing intercepts and above the south dipping dolerite (Figure 10) will be tested.

Planning is underway to test the northern strike extension of the Main Zone including an interpreted northern plunge to the mineralisation. Previous geological interpretation and magnetic data suggests the dolerite that cuts the northern end of the Motters structure does not extend far enough west to intersect the Main Zone. Future drilling will test this interpretation. There remains potential for extensions of mineralisation north of the dolerite (which intruded post mineralisation) and at depth.

Further details and relevant imagery on the completed review of historic RC and diamond drilling targeting the Motters Zone are available in the ASX announcement dated 11 October 2022.

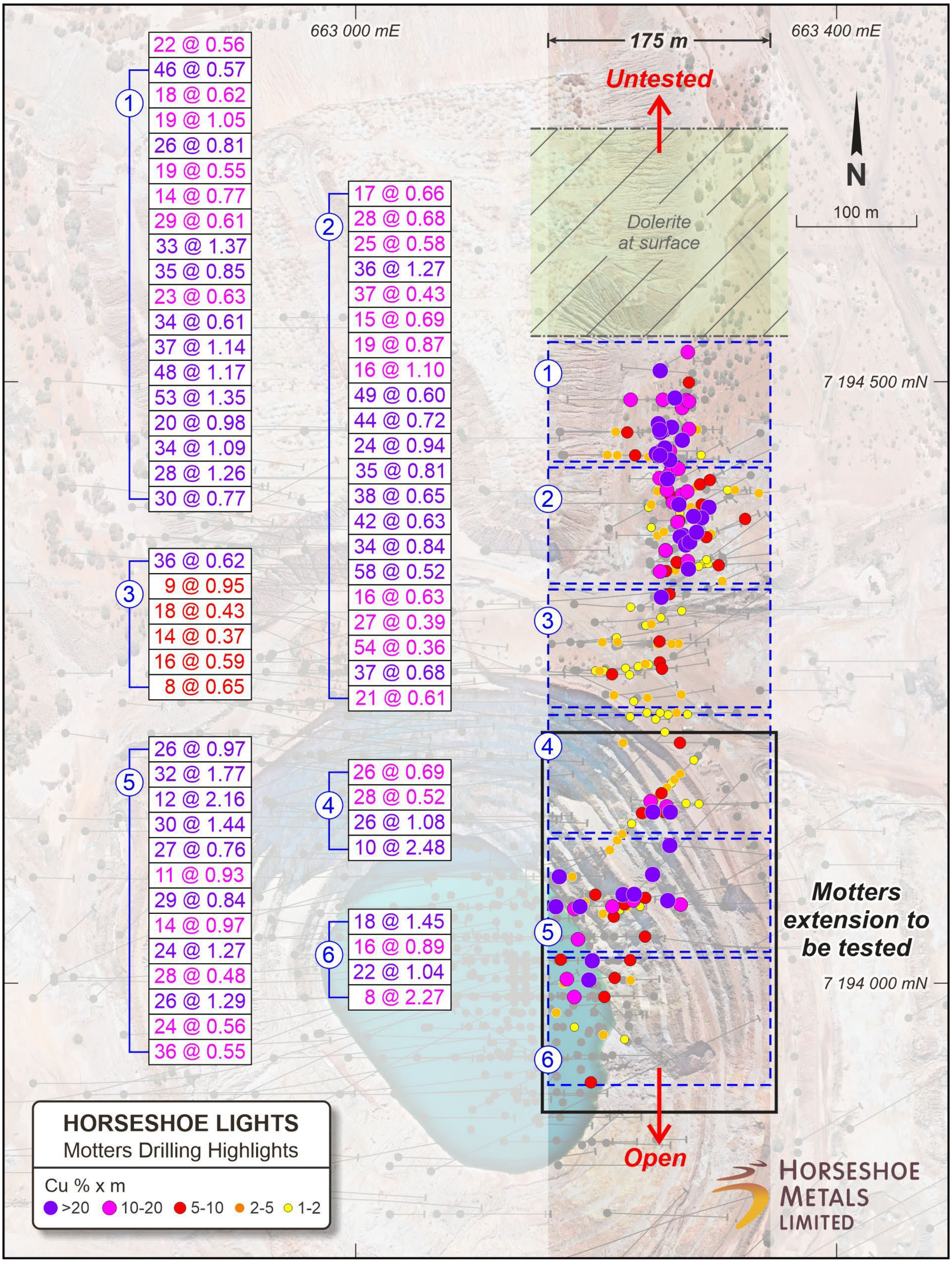

Figure 9: Motters Zone Plan

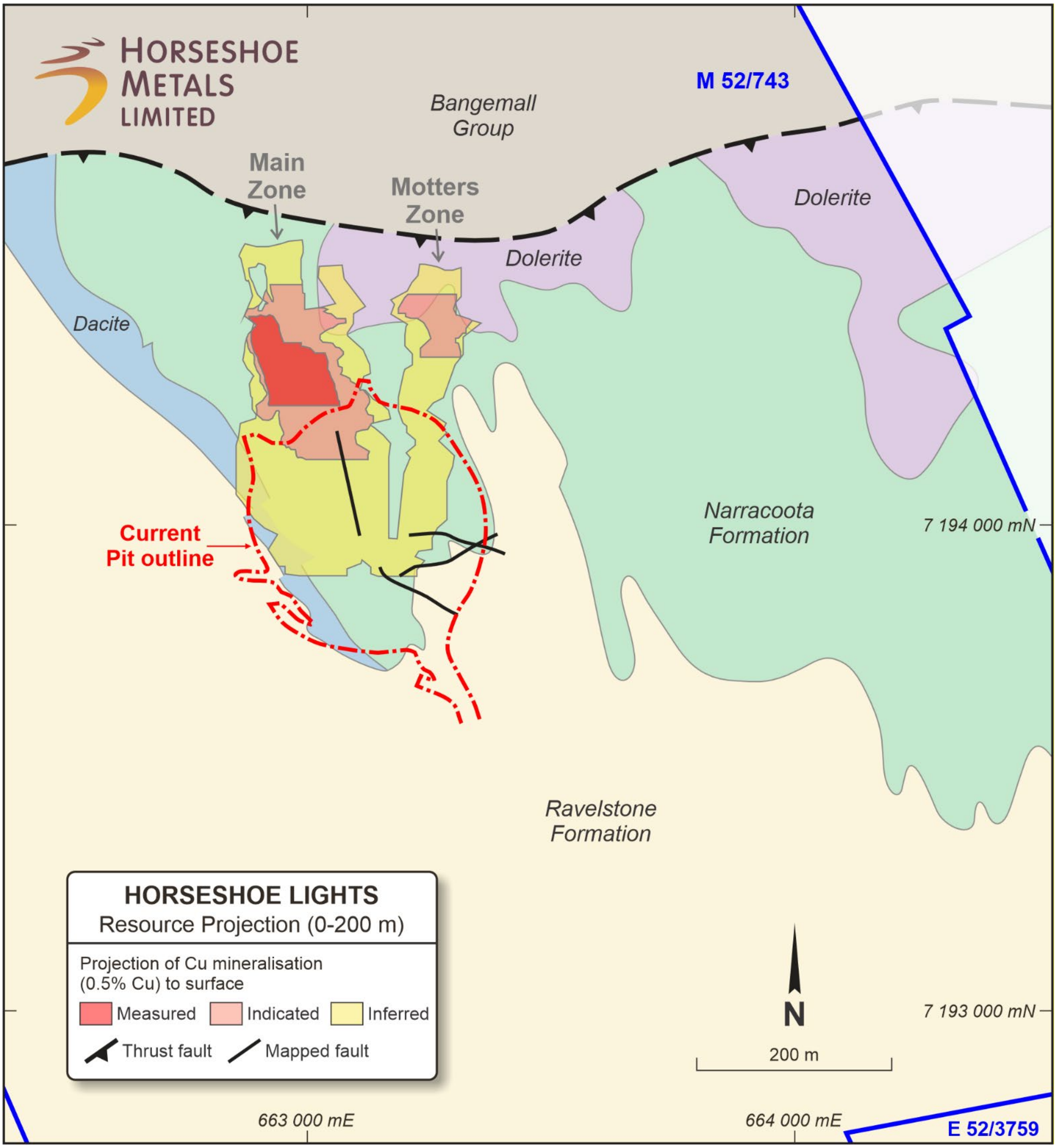

Figure 10: Surface Interpreted Geology Plan Showing Main and Motters Zones and the Interpreted Dolerite

Next Steps

The following activities at Horseshoe Lights are planned over the coming months:

- *RC drill testing Main Zone northern extensions and down plunge*
- *RC drill testing of Motters southern extension and down plunge*
- *RC and or auger infill drilling of surface materials in stockpiles and northern waste dump*
- *Additional metallurgical test work on oxide copper stockpiles and targets*
- *Gravity recovery test work on Copper Flotation and CIP tailings*
- *Ongoing Review of scoping study results to incorporate potential oxide heap leach SXEW treatment*

Horseshoe West JV, Western Australia

(ENRG Elements earning to 70% on tenure surrounding the mine)

No additional field work was undertaken on the Horseshoe West JV during the September quarter.

Kumarina Copper Project, Western Australia

(HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2km^2. The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia. The Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27. The Company is progressing a Project Agreement as part of the application process with the Native Title Party and its lawyers.

No active field work was undertaken during the September quarter.

South Australia

Glenloth Gold Project, South Australia

(EL6301 and rights to explore and develop ML5848, ML5849, ML5885 & MPL62)

In August, Horseshoe reported that a maiden 19-hole Reverse Circulation ("RC") drilling programme has commenced at the Glenloth Goldfield, located in the Gawler Craton, South Australia (refer Figure 11).

The programme is targeting historic workings not previously tested by drilling at Darleys, Blue Peter, Pork, Pioneer Extension, Royal Tiger/Searchlight, Golden Stairs, Ivanhoe and Specimen Flat prospects. In addition, highly kaolinised granite at Specimen Flat will be tested for near surface Rare Earth Element ("REE") mineralisation. EL6301 is comprised of two blocks 107 km^2 in total area, located about 6km north and 50km east of the 1.0 MOz Tunkillia Gold deposit respectively (refer Figures 11 & 12).

Figure 10: Drill rig on site at Glenloth Goldfield

Glenloth Goldfield Background

The Glenloth Goldfield was identified by 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 (refer footnote Figure 12). The Fabian 3, Royal Tiger (both excised from tenure) and the Glen Markie and Jay-Jay mines were considered the largest historical producers.

Since 1955, gold production has been small and sporadic. The tenement is comprised of two areas, a smaller (26km^2) western block referred to as 'Old Well', which takes in the strike to the north of Tunkillia deposit, currently being evaluated by Barton Gold. A larger (81km^2) eastern block 'Glenloth' covering the Glenloth Goldfield, and part of the Harris Greenstone belt in the northwest corner of the Tenure (refer Figure 12).

The Company also has rights to explore and develop ML5848, ML5849, ML5885 and MPL62 within the eastern block of EL6301. EL6301 was recently renewed until November 2023. At Glenloth gold occurrences typically consist of relatively thin (ca. 1m width), high-grade mineralised quartz veins, hosted by sheared and fractured Archaean to Paleoproterozoic Glenloth Granite, and contacts with dolerite dykes.

A shallow Hiltaba Suite batholith has been proposed as the source of mineralisation. Six kilometres south of Old Well, the Tunkillia deposits (Areas 223, 191, 51) are characterised by a large hydrothermal system associated with the Yarlbrinda Shear Zone (YSZ; refer Figure 11), which passes into the Old Well tenure.

Additional background on the Glenloth Goldfield Project is available in the ASX announcement dated 16 August 2022.

Figure 11: Location of Glenloth Gold Project in South Australia, in relation to significant local deposits and developing projects.

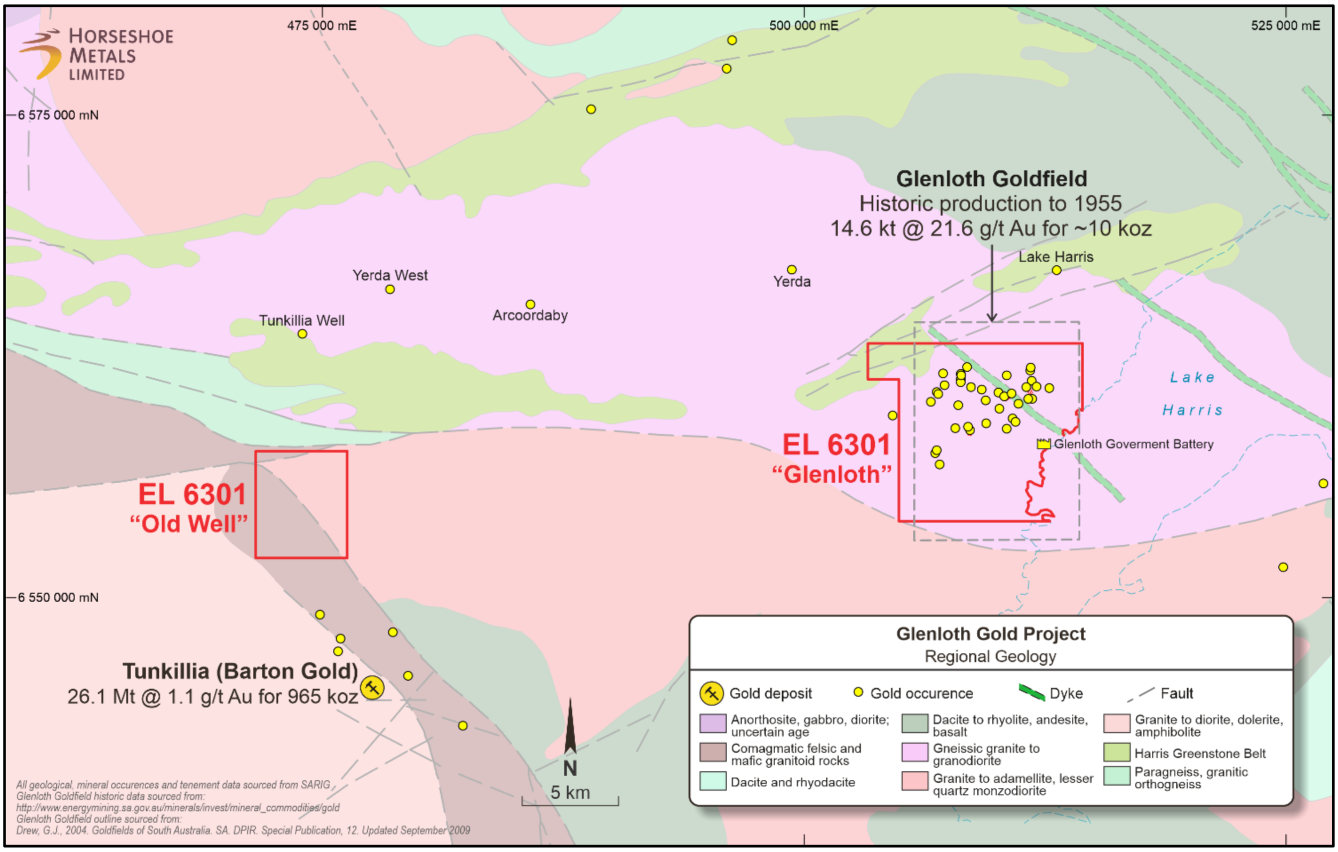

Figure 12: Location of Glenloth Gold Project tenure with regional geology, with known gold occurrences and significant resources.

Corporate Summary

Listing Rule 5.3.5 disclosures

The amount of payments to related parties and their associates disclosed in section 6.1 of Appendix 5B accompanying this report was $24,900. This consisted of payments to Directors for directors' fees and company secretarial fees.

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

-ENDS-

Contacts

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Non-Executive Director & Company Secretary
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About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold-focused Company with a package of tenements covering approximately 500km^2 in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australian and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the historic open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of contained copper including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

The Horseshoe Lights ore body is interpreted as a deformed Volcanogenic Hosted Massive Sulphide (VMS) deposit that has undergone supergene alteration to generate the gold-enriched and copper-depleted cap that was the target of initial mining. The deposit is hosted by quartz-sericite and quartz-chlorite schists of the Lower Proterozoic Narracoota Formation.

Past mining was focused on the Main Zone, a series of lensoid ore zones, which passed with depth from a gold-rich oxide zone through zones of high-grade chalcocite mineralisation into massive pyrite-chalcopyrite. To the west and east of the Main Zone, copper mineralisation in the Northwest Stringer Zone and Motters Zone consists of veins and disseminations of chalcopyrite and pyrite and their upper oxide copper extensions. Table 6 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 September 2022.

TABLE 6
HORSESHOE LIGHTS PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 September 2022

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

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

About the Kumarina Project

The copper deposits at the Kumarina Project were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 5km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine, the workings are entirely underground with drives from the main shaft extending for some 200m in the upper levels and for about 100m in the lower levels at a depth of 49m below surface.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper Mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu. An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate as at 30 September 2022 is shown in Table 7 below.

TABLE 7 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 30 September 2022				
Location	**Category**	**Tonnes (t)**	**Cu (%)**	**Cu metal (tonnes)**
Rinaldi Prospect (0.5% Cu cut-off)	*Measured*	*415,000*	*1.46*	*6,100*
	Indicated	*307,000*	*1.16*	*3,500*
	Inferred	*114,000*	*0.9*	*1,000*
	Total	**835,000**	**1.3**	**10,600**

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 Reserve

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 director of and contractor to 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 5 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 June 2013", released on 31 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 4 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 30 June 2013", released on 31 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.

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

SUMMARY OF MINING TENEMENT INTERESTS AS AT 30 September 2022					
Location	**Tenement No.**	**Interest At Beginning Of Quarter (%)**	**Interests relinquished, reduced or lapsed (%)**	**Interests acquired or increased (%)**	**Interest At End Of Quarter (%)**
Horseshoe Lights, WA	M52/743	100%[1]	-	-	100%[1]
Horseshoe Lights, WA	L52/42	100%	-	-	100%
Horseshoe Lights, WA	L52/43	100%	-	-	100%
Horseshoe Lights, WA	L52/44	100%	-	-	100%
Horseshoe Lights, WA	L52/45	100%	-	-	100%
Horseshoe Lights, WA	L52/66	100%	-	-	100%
Horseshoe Lights, WA	P52/1542	100%	-	-	100%
Horseshoe Lights, WA	P52/1543	100%	-	-	100%
Horseshoe Lights, WA	P52/1544	100%	-	-	100%
Horseshoe Lights, WA	P52/1545	100%	-	-	100%
Horseshoe Lights, WA	P52/1546	100%	-	-	100%
Horseshoe Lights, WA	P52/1547	100%	-	-	100%
Horseshoe Lights, WA	P52/1548	100%	-	-	100%
Horseshoe Lights, WA	P52/1549	100%	-	-	100%
Horseshoe Lights, WA	P52/1550	100%	-	-	100%
Horseshoe Lights, WA	E52/3759	100%	-	-	100%
Horseshoe Lights, WA	E52/3906	100%	-	-	100%
Horseshoe Lights, WA	E52/3908	100%	-	-	100%
Horseshoe Lights, WA	E52/3909	100%	-	-	100%
Horseshoe Lights, WA	E52/3939	100%	-	-	100%
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0%[2]	-	-	0%[2]
Glenloth, SA	EL6301	100%[3]	-	-	100%[3]

Notes:

1. Horseshoe Gold Mine Pty Ltd (a wholly owned subsidiary of Grange Resources Limited) retains a 3% net smelter return royalty in respect to all production derived from M52/743.
2. The Company has applied for a Mining Lease to cover the Rinaldi resource within E52/1998, contiguous with M52/27.
3. The Company recently received an extension of term until November 2023 from the South Australian Department of Mines.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity
Horseshoe Metals Limited

ABN	Quarter ended ("current quarter")
20 123 133 166	30 September 2022

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	30
1.2	Payments for		
	(a) exploration & evaluation	(451)	(1,628)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(7)	(7)
	(e) administration and corporate costs	(225)	(982)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(79)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	52	(7)
1.9	**Net cash from / (used in) operating activities**	**(631)**	**(2,673)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(61)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(61)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,009
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(275)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(67)	(67)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(67)**	**1,667**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,005	1,374
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(631)	(2,673)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(61)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(67)	1,667
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**307**	**307**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	307	1,005
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**307**	**1,005**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments made to Directors for directors' fees and company secretarial fees.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,000	790
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,000	790

7.5	**Unused financing facilities available at quarter end**	1,210

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has an unsecured loan agreement with a syndicate of lenders. The facility limit is $2,000,000, interest rate 8% p.a.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(631)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(631)
8.4	Cash and cash equivalents at quarter end (item 4.6)	307
8.5	Unused finance facilities available at quarter end (item 7.5)	1,210
8.6	Total available funding (item 8.4 + item 8.5)	1,517
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.40

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: By the board.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.