16 February 2023

Nicholas Mountain
ASX Listings Compliance
Level 40 Central Park
152-158 St Georges Tce
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Nicholas

Response to ASX Aware Query

Horseshoe Metals Ltd (**ASX:HOR**) (**Horseshoe** or **Company**) refers to your letter dated 13 February 2023 requesting further information on the Company's recent Placement.

In response to your letter, Horseshoe advises:

1. Yes.
2. Not applicable.
3. The Company became aware of the Information over the following time period:
    - At approximately 8:30pm AWST on 31 January 2023, the Company received a proposal from Merchant Capital Partners Pty Ltd ("**Merchant**") to raise funds via a share placement, noting that the recent appreciation in the Company's share price presented favourable terms to undertake a raising.
    - At approximately 6:30am AWST on 1 February 2023, prior to market open, the Company requested a trading halt for the purpose of considering, planning and executing a capital raising.
    - On 1 February 2023, following discussions with Merchant around the quantum of the proposed raising and the proposed issue price for any new shares, the Company agreed to proceed with the Placement on the terms subsequently announced to market.
    - On 2 February 2023, the Company received confirmation from Merchant that it had received firm commitments from investors for the Placement.
4. The Company initiated the Placement on the timeline outlined in paragraph 3 above.

    On 13 December 2022, Horseshoe signed a mandate with Merchant to act as Corporate Adviser and Lead Manager to the Company for an initial term of 12 months ("**Mandate**"). The Mandate grants Merchant a right of first refusal to act as Lead Manager to any equity capital raising, but does not oblige Horseshoe to undertake any such raising or place any stipulations on the timing or quantum of funds to be raised or the price at which new shares will be issued. The Company agreed to pay Merchant $5,000 (plus GST) per month, for the provision of 'corporate advisor' services. The Company does not consider the entering into of the Mandate with Merchant to be information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

5. As noted in its response to Question 3 above, the Company became aware of the Information on 1 February 2023, when the Company agreed to the proposed terms of the Placement and instructed Merchant to proceed with obtaining firm commitments for the Placement. An announcement confirming the details of the Placement, together with accompanying Appendix 3B, was lodged with ASX pre-open on 3 February 2023. The Company considers that the Information was released promptly and without delay in accordance with Listing Rule 3.1, having regard to the time needed to draft a release containing full and correct details of the Placement and obtain approval for release from the Company's board of directors.

6. Confirmed.

7. Confirmed.

Yours faithfully

Kate Stoney
Director & Company Secretary

13 February 2023

Reference: ODIN68103

Ms Kate Stoney
Company Secretary
Horseshoe Metals Limited

By email: kate.stoney@targetex.com.au

Dear Ms Stoney

Horseshoe Metals Limited ('HOR'): General – Aware Query

ASX refers to the following:

A. The change in the price of HOR's securities from an intraday low of $0.025 on 24 January 2023 to an intraday high of $0.035 on 25 January 2023.

B. The significant increase in the volume of HOR's securities traded between 24 January 2023 and 25 January 2023.

C. ASX's price and volume query letter dated 25 January 2023 ('Price and Volume Query') and HOR's response to the Price and Volume Query dated 25 January 2023, released together on the ASX Market Announcements Platform ('MAP') at 4:10pm AEDT, in which HOR responded to each question as follows (response in italics):

1. Is HOR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

   No.

2. If the answer to question 1 is "yes".

   (a) Is HOR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in HOR's securities would suggest to ASX that such information may have ceased to be confidential and therefore HOR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

   (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).

   (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

   Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that HOR may have for the recent trading in its securities?

   Horseshoe is not aware of any specific explanation for the increases in trading price and volume in the Company's securities.

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

Confirmed.

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

   Confirmed.

D. HOR's request for a trading halt provided to ASX and released on MAP at 9:37am AEDT on 1 February 2023. HOR requested a trading halt be granted pending the release of an announcement by HOR in relation to a capital raising. The trading halt was granted on this basis and put in place prior to market open on 1 February 2023. The trading halt was to remain until the earlier of commencement of trading on 3 February 2023.

E. HOR's announcement entitled "Placement to Accelerate Horseshoe Lights Copper-Gold Project" lodged on the ASX Market Announcements Platform on 2 February 2023 (the 'Announcement'), disclosing that:

   1. HOR had agreed to place 80,000,000 shares at an issue price of $0.025 to raise $2,000,000 before costs (the 'Placement').
   2. The price per share represented a discount of 21.9% based on the last traded price of $0.032 on 1 February 2023.
   3. Merchant Capital Partners Pty ltd were engaged to act as the lead manager, who would receive a placement fee of 6% of total funds raised and 8,000,000 unlisted options at an exercise price of $0.0375 expiring 24 months from the date of issue.

   (Collectively 'the Information')

F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

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

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

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

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

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

> *3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
>
> *3.1A.3 A reasonable person would not expect the information to be disclosed."*

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

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

Request for information

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

1. Does HOR consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did HOR first become aware of the Information?
4. When did HOR first initiate the Placement? As part of your response, please confirm when HOR signed the mandate/s relating to the Placement with Merchant Capital Partners Pty ltd.
5. If the answer to question 1 is "yes" and HOR first became aware of the Information before the relevant date, did HOR make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe HOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps HOR took to ensure that the information was released promptly and without delay.
6. Please confirm that HOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that HOR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of HOR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AWST Friday, 17 February 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, HOR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require HOR to request a trading halt immediately.

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

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in HOR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

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

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

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

Listing Rules 3.1 and 3.1A

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

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Regards

Nicholas Mountain
Adviser, Listings Compliance