



# HORSESHOE METALS

LIMITED

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

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED  
30 JUNE 2024**

## CORPORATE INFORMATION

### Board of Directors

Seldon Mart (Non-Executive Director)  
Kate Stoney (Non-Executive Director)  
Peter Walker (Non-executive Director) – appointed 13 June 2024  
Alan Still (Non-Executive Director) – resigned 13 June 2024

### Company Secretaries

Kate Stoney  
Josh Merriman

### Registered Office

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WEST PERTH WA 6005  
Telephone: +61 8 6241 1844

### Solicitors

Nova Legal  
2/50 Kings Park Road  
WEST PERTH WA 6005  
Telephone: +61 8 9466 3177

### Bankers

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

### Share Registry

Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Telephone: 1300 288 664

### Auditors

In.Corp Audit & Assurance Pty Ltd  
Level 1 Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005

### 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)

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## 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 2024. 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:

|              |                                                 |
|--------------|-------------------------------------------------|
| Kate Stoney  | Non-Executive Director                          |
| Seldon Mart  | Non-Executive Director                          |
| Peter Walker | Non-Executive Director (appointed 13 June 2024) |
| Alan Still   | Non-Executive Director (resigned 13 June 2024)  |

### REVIEW OF OPERATIONS

During the half-year the Company's exploration activities continued to focus on its flagship Horseshoe Lights Copper-Gold Project in Western Australia.

### Horseshoe Lights Copper-Gold Project, Western Australia (HOR: 100%)

#### Project Summary

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 owned by Sandfire Resources (ASX: SFR) (refer Figure 1). Past production from Horseshoe Lights includes around **316,000 oz Au & 55 kt Cu metal** in two phases of mining and the deposit contains a current in situ resource **128 kt Cu metal @ 1.0% (0.5% cut-off) and 36,000 oz Au** (refer Table 1).

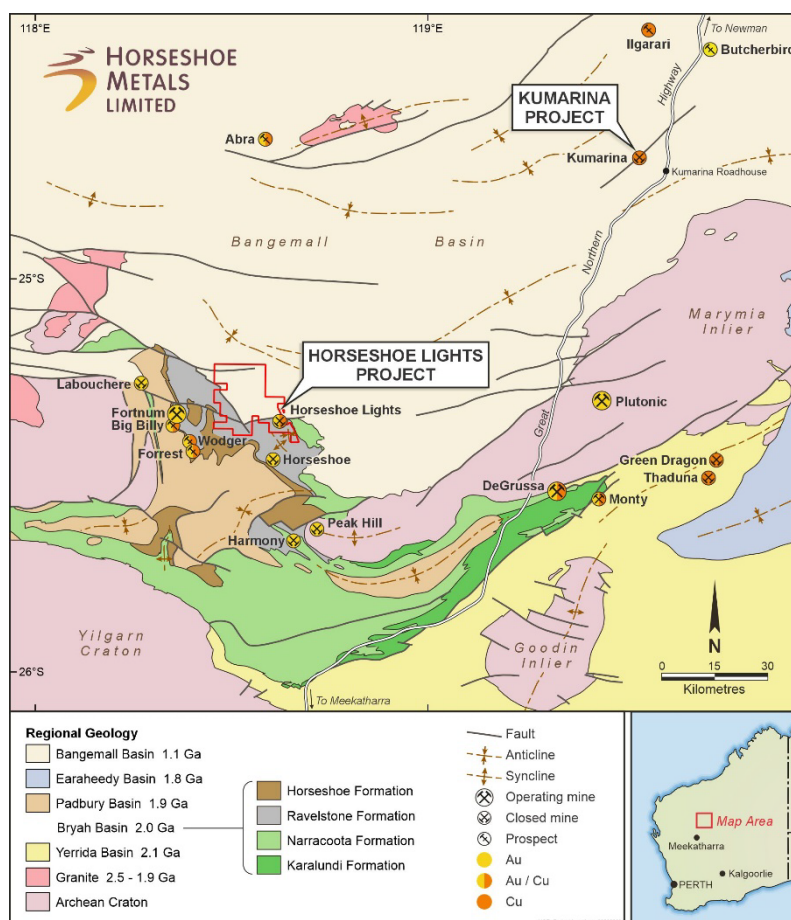


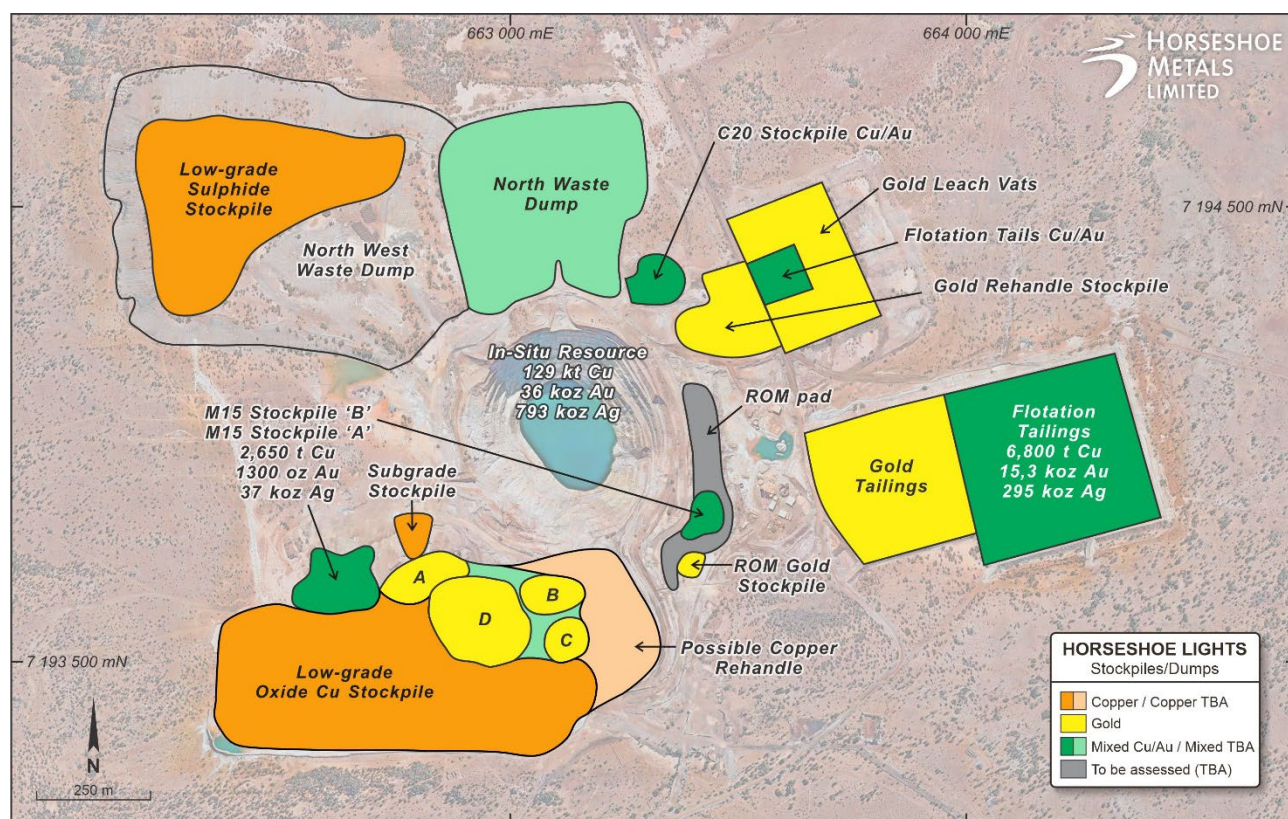
Figure 1: Location of Horseshoe Lights and Kumarina Projects, WA

## Surface materials – DSO strategy

During the half-year, the Company continued its work to capitalise on the high-grade direct shipping ore (DSO) copper surface stockpiles at Horseshoe Lights, which form part of significant copper-gold surface materials including tailings, stockpiles and dumps (refer Figure 5).

The DSO strategy envisages the following potential development sequence, subject to any statutory and regulatory approvals required (refer ASX release 23 April 2024):

1. Copper concentrate offtake discussions, including potential offtake funding.
2. Scavenging of remnant coarse DSO material, bagging and transport.
3. Heavy media separation of fine DSO material from select stockpiles.
4. Small-scale heap leach / vat leach of oxide material followed by cementation.
5. Large-scale heap leach / vat leach of surface oxide material followed by cementation.



**Figure 2: Locations of surface stockpiles and dumps at Horseshoe Lights**

## Background

The copper phase of mining included early DSO copper production that has left significant quantities of subgrade and rehandle material around Horseshoe Lights. Areas identified as having future DSO potential include the M15, Subgrade and C20 stockpiles, along with rehandle and surface pimple dumps located on the north waste dump gold tailings, and southern low-grade stockpile (refer Figure 5).

Grab samples collected from the surface have assayed up to 40.3% copper, with composite assays from stockpiles assaying up to 39.0% copper (refer ASX release 31 October 2023). The DSO material is easily scavenged using loaders and excavators equipped with sieve buckets. Sub-samples of the composite sample have been provided to potential customers for assessment who have expressed strong interest in purchasing the material, which is identical to the historically produced and sold DSO material. The Company is working with a group experienced in small-scale production to progress its DSO strategy.

The Company has previously confirmed the presence of significant oxide and gold copper mineralisation at the C20 and subgrade stockpiles, considering the below Exploration Targets to be appropriate given grade assessments of recoverable volumes within the stockpiles and preliminary investigations of the stockpile volumes and anticipated density:

- **C20 stockpile:** 41,000 to 50,000 tonnes grading between 0.85 to 0.94g/t Au and 0.28% Cu, containing metal of 1,100 to 1,500 oz Au
- **Subgrade stockpile:** 27,000 to 34,000 tonnes grading between 0.4% to 0.8% Cu, containing metal of 110 to 270 tonnes Cu

#### Activities during the half-year

The Company has held positive discussions with third parties that have expressed interest in offtake of DSO and potential future concentrates produced at Horseshoe Lights, including copper cement. Non-dilutive offtake funding is being considered to provide capital for the proposed development sequence.

The Company has progressed a surface material resource assessment utilising historic sampling, drilling and detailed drone survey data is nearing completion. The assessment includes all surface copper and gold stockpiles, dumps and vat material, with further investigations planned including additional RC and/or auger drilling of stockpiles, auger drilling of the gold and copper rehandle areas, acid leaching test work on oxide copper stockpiles and targets, gravity recovery test work on copper flotation and CIP tailings, and detailed assessment of the recovery of high-grade chalcocite, digenite and covellite DSO remnant from the historic mining phases via mechanical scavenging and/or heavy media separation.

The Company is also assessing if the existing information available is sufficient to complete a resource calculation of surface resources outside of existing resources at M15 and the sulphide tailings.

| <b>TABLE 1</b><br><b>HORSESHOE LIGHTS PROJECT</b><br><b>SUMMARY OF MINERAL RESOURCES</b><br><b>as at 30 June 2024</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><br>(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>  |

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".

#### **Horseshoe West, Western Australia** (HOR: 100%)

The Horseshoe West tenements are located approximately 1.5 km west of the Company's existing Horseshoe Lights copper-gold deposit and are considered prospective for Horseshoe Lights style Volcanogenic Massive Sulphide (VMS) copper-gold and shear-zone hosted gold mineralisation.

Post period end, the Company expanded its ground position around Horseshoe Lights with an application for a new exploration licence, E52/4372.



## Kumarina Copper Project, Western Australia (HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2 km<sup>2</sup>. The Project is located 95 km 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 continues to progress 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 half-year.

| <b>TABLE 2<br/>KUMARINA PROJECT<br/>SUMMARY OF MINERAL RESOURCES<br/>AS AT 30 June 2024</b> |                  |                       |                   |                              |
|---------------------------------------------------------------------------------------------|------------------|-----------------------|-------------------|------------------------------|
| <b>Location</b>                                                                             | <b>Category</b>  | <b>Tonnes<br/>(t)</b> | <b>Cu<br/>(%)</b> | <b>Cu metal<br/>(tonnes)</b> |
| <b>Rinaldi Prospect</b><br>(0.5% Cu cut-off)                                                | <i>Measured</i>  | <i>415,000</i>        | <i>1.46</i>       | <i>6,100</i>                 |
|                                                                                             | <i>Indicated</i> | <i>307,000</i>        | <i>1.16</i>       | <i>3,500</i>                 |
|                                                                                             | <i>Inferred</i>  | <i>114,000</i>        | <i>0.9</i>        | <i>1,000</i>                 |
|                                                                                             | <b>Total</b>     | <b>835,000</b>        | <b>1.3</b>        | <b>10,600</b>                |

## Glenloth Gold Project, South Australia (EL6301 and rights to explore and develop ML5848, ML5849, ML5885 & MPL62)

The Glenloth Project is located in the Central Gawler Craton of South Australia. The project consists of a single exploration licence, EL 6301, which comprises two areas totalling 107 km<sup>2</sup>. The larger eastern block *Glenloth* covers 81 km<sup>2</sup> and includes the Glenloth Goldfield and part of the Harris Greenstone Belt. The smaller western block *Old Well* takes in the northern trend of the 1.0M oz Tunkillia gold deposit located 6 km to the south, under development by Barton Gold Holdings Ltd (ASX:BGD). The Company also holds the rights to explore and develop ML 5848, ML 5849, ML 5885 and MPL 62 within the eastern block of EL 6301.

During the half-year, the Company completed a further technical evaluation of the Old Well area, to form the basis of planning for future exploration activities. The Company has also progressed a Native Title Mining Agreement with the Gawler Ranges Aboriginal Corporation to allow for expanded access for future on-ground exploration.

## RESULTS OF OPERATIONS

The Group realised a net loss for the half year of \$533,082 (2023: \$646,912).

## CORPORATE

During the half-year, the Company executed a short-term loan agreement with Obsidian Metals Group Pty Ltd ("Obsidian"), an entity associated with Mr Michael Fotios, a consultant to and former director of the Company. Ms Kate Stoney, a Non-Executive Director, was a director of Obsidian during the half-year but resigned as a director of Obsidian in July 2024. For the avoidance of doubt, Ms Stoney does not have and did not have any beneficial interest in the loan agreement.

The Annual General Meeting of the Company was held on 30 May 2024, with all resolutions put to shareholders being passed.

On 13 June 2024, the Company announced the appointment of Mr Peter Walker as a Non-Executive Director of the Company in place of Mr Alan Still. Mr Walker is a highly experienced metallurgist with over 45 years of experience in project design, project management and operational roles, working across multiple commodities and internationally.

## AUDITOR'S INDEPENDENCE DECLARATION

The Company has obtained an independence declaration from its auditors In.Corp Audit & Assurance Pty Ltd, as per s.307(C) of the *Corporations Act 2001*, which forms part of this report. A copy of that declaration is included on the following page.

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*.

A handwritten signature in dark ink, appearing to read 'Kate Stoney', with a long horizontal flourish extending to the right.

**Kate Stoney**  
Non-Executive Director  
Perth  
13 September 2024



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

To the directors of Horseshoe Metals Limited:

As lead auditor of the review of Horseshoe Metals Limited for the half-year ended 30 June 2024, 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 half-year.

**In.Corp Audit & Assurance Pty Ltd**



**Volha Romanchik**  
Director

**13 September 2024**

**In.Corp Audit & Assurance Pty Ltd**  
**ABN 14 129 769 151**

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 30 JUNE 2024**

|                                                            | Half year to<br>30 June 2024<br>\$ | Half year to<br>30 June 2023<br>\$ |
|------------------------------------------------------------|------------------------------------|------------------------------------|
| <b>Revenue</b>                                             |                                    |                                    |
| Other income                                               | -                                  | 3,414                              |
|                                                            | -                                  | 3,414                              |
| <b>Expenses</b>                                            |                                    |                                    |
| Occupancy expenses                                         | -                                  | (10,000)                           |
| Consulting and investor relations expenses                 | (124,850)                          | (127,863)                          |
| Administrative and compliance expenses                     | (133,345)                          | (139,660)                          |
| Exploration expense                                        | (244,655)                          | (50,218)                           |
| Directors' remuneration                                    | (80,064)                           | (154,549)                          |
| Director's remuneration – adjustment for options forfeited | 53,059                             | -                                  |
| Share-based payment expense                                | (31,417)                           | (107,299)                          |
| Depreciation expense                                       | (12,527)                           | (6,619)                            |
| Interest expense                                           | (2,403)                            | (54,118)                           |
| Interest expense – adjustment for interest written off     | 43,120                             | -                                  |
| <b>Loss before income taxes</b>                            | (533,082)                          | (646,912)                          |
| Income tax expense                                         | -                                  | -                                  |
| <b>Loss after tax from continuing operations</b>           | (533,082)                          | (646,912)                          |
| <b>Loss for the period</b>                                 | (533,082)                          | (646,912)                          |
| Other comprehensive income                                 | -                                  | -                                  |
| <b>Total comprehensive loss for the period</b>             | (533,082)                          | (646,912)                          |
| <b>Loss per share:</b>                                     |                                    |                                    |
| Basic loss per share (cents per share)                     | (0.082)                            | (0.106)                            |
| Diluted loss per share (cents per share)                   | (0.082)                            | (0.106)                            |

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED 30 JUNE 2024

|                                        | NOTE | Consolidated<br>30 June 2024<br>\$ | 31 December 2023<br>\$ |
|----------------------------------------|------|------------------------------------|------------------------|
| <b>ASSETS</b>                          |      |                                    |                        |
| <b>Current assets</b>                  |      |                                    |                        |
| Cash and cash equivalents              |      | 1,913                              | 2,474                  |
| Trade and other receivables            | 2    | 45,452                             | 47,091                 |
| Other assets                           |      | 66,197                             | 75,002                 |
| <b>Total current assets</b>            |      | <b>113,562</b>                     | <b>124,567</b>         |
| <b>Non-current assets</b>              |      |                                    |                        |
| Property, plant and equipment          |      | 32,722                             | 45,249                 |
| Exploration and evaluation expenditure | 3    | 8,370,508                          | 8,370,508              |
| <b>Total non-current assets</b>        |      | <b>8,403,231</b>                   | <b>8,415,757</b>       |
| <b>TOTAL ASSETS</b>                    |      | <b>8,516,793</b>                   | <b>8,540,324</b>       |
| <b>LIABILITIES</b>                     |      |                                    |                        |
| <b>Current liabilities</b>             |      |                                    |                        |
| Trade and other payables               | 5    | 1,555,826                          | 1,600,103              |
| Borrowings                             | 6    | 1,644,633                          | 1,687,587              |
| <b>Total current liabilities</b>       |      | <b>3,205,228</b>                   | <b>3,287,960</b>       |
| <b>Non-current Liabilities</b>         |      |                                    |                        |
| Trade and other payables               | 5    | 462,880                            | -                      |
| Borrowings                             | 7    | 124,981                            | -                      |
| Provisions                             | 4    | 5,812,890                          | 5,812,890              |
| <b>Total non-current liabilities</b>   |      | <b>6,400,751</b>                   | <b>5,812,890</b>       |
| <b>TOTAL LIABILITIES</b>               |      | <b>9,605,979</b>                   | <b>9,100,850</b>       |
| <b>NET ASSETS (DEFICIENCY)</b>         |      | <b>(1,089,186)</b>                 | <b>(560,526)</b>       |
| <b>EQUITY</b>                          |      |                                    |                        |
| Issued capital                         | 8    | 25,972,884                         | 25,881,784             |
| Reserves                               |      | 390,802                            | 477,480                |
| Accumulated losses                     |      | (27,452,872)                       | (26,919,790)           |
| <b>TOTAL EQUITY</b>                    |      | <b>(1,089,186)</b>                 | <b>(560,526)</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 2024

|                                                             | Consolidated    |                    |
|-------------------------------------------------------------|-----------------|--------------------|
|                                                             | 30 June 2024    | 30 June 2023       |
|                                                             | \$              | \$                 |
| <b>CASH FROM OPERATING ACTIVITIES</b>                       |                 |                    |
| Receipts from customers                                     | -               | 3,990              |
| Payments to suppliers and employees                         | (27,087)        | (751,175)          |
| Payments for exploration and evaluation expenditure         | (46,874)        | (730,804)          |
| Interest paid                                               | -               | (7,558)            |
| Interest received                                           | -               | 3,414              |
| <b>Net cash used in operating activities</b>                | <b>(73,961)</b> | <b>(1,482,133)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                 |                    |
| Payments for property plant & equipment                     | -               | (727)              |
| <b>Net cash used by investing activities</b>                | <b>-</b>        | <b>(727)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                 |                    |
| Proceeds from the issue of shares                           | -               | 2,000,000          |
| Capital raising costs                                       | -               | (132,937)          |
| Proceeds from borrowings                                    | 123,400         | -                  |
| Repayment of borrowings                                     | (50,000)        | -                  |
| <b>Net cash provided by financing activities</b>            | <b>(73,400)</b> | <b>1,867,063</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b> | <b>(561)</b>    | <b>384,203</b>     |
| Cash and cash equivalents at the beginning of the period    | 2,474           | 6,778              |
| <b>Cash and cash equivalents at the end of the period</b>   | <b>1,913</b>    | <b>390,981</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 2024

|                                                   | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Reserve<br>\$ | Total<br>\$ |
|---------------------------------------------------|-------------------------|-----------------------------|---------------|-------------|
| Balance as at 1 Jan 2024                          | 25,881,784              | (26,919,790)                | 477,480       | (560,526)   |
| Loss attributable to members of the parent entity | -                       | (533,082)                   | -             | (533,082)   |
| Other comprehensive income                        | -                       | -                           | -             | -           |
| Total comprehensive income                        | -                       | (533,082)                   | -             | (533,082)   |
| Shares issued during the period                   | -                       | -                           | -             | -           |
| Options vested during the period                  | -                       | -                           | 57,481        | 57,481      |
| Options exercised during the period               | 91,100                  | -                           | (91,100)      | -           |
| Transfer upon lapse of options                    | -                       | -                           | (53,059)      | (53,059)    |
| Balance as at 30 June 2024                        | 25,972,884              | (27,452,872)                | 390,802       | (1,089,186) |

|                                                   | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Reserve<br>\$ | Total<br>\$ |
|---------------------------------------------------|-------------------------|-----------------------------|---------------|-------------|
| Balance as at 1 Jan 2023                          | 23,685,172              | (25,634,056)                | 415,148       | (1,533,736) |
| Loss attributable to members of the parent entity | -                       | (646,912)                   | -             | (646,912)   |
| Other comprehensive income                        | -                       | -                           | -             | -           |
| Total comprehensive income                        | -                       | (646,912)                   | -             | (646,912)   |
| Shares issued during the period                   | 2,142,770               | -                           | -             | 2,142,770   |
| Options issued during the period                  | -                       | -                           | 191,454       | 191,454     |
| Options exercised during the period               | 172,016                 | -                           | (172,016)     | -           |
| Capital raising costs during the period           | (189,179)               | -                           | 56,242        | (132,937)   |
| Balance as at 30 June 2023                        | 25,810,779              | (26,280,968)                | 490,828       | 20,639      |

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

### NOTE 1: MATERIAL POLICY INFORMATION

#### 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 2023 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 2023 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.

As disclosed in the financial statements, the Group had cash and cash equivalents on hand as at 30 June 2024 of \$1,913 and a net current asset deficiency of \$3,091,666. This indicates a material uncertainty related to the Group continuing to trade on a going concern basis. The ability of the Group to pay its debts as and when they become due is dependent upon:

- the Group's ability to successfully implement its strategy for the sale of stockpiled direct shipping ore (DSO) copper from its Horseshoe Lights project and to generate sufficient cash flows from sales of ore to cover ongoing operational costs;
- the Group's continued ability to call upon the undrawn portion of the loan facility entered into with entities associated with Mr Michael Fotios, a former director of the Company;
- the Group's continued ability to receive short-term funding under the loan agreement entered into with Obsidian Metals Group Pty Ltd ("Obsidian"); and
- negotiating continued deferred terms of repayment or share-based repayments with overdue third-party creditors and lenders.

In the Directors' opinion, at the date of signing the financial report it is reasonably foreseeable that the Group will be able to continue as a going concern and it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following factors:

- the Group is evaluating a proposal from a third-party contractor to implement its DSO strategy on terms that require limited upfront capital expenditure and are sufficient to generate positive cash flows;
- the undrawn loan balance to the Group as at 30 June 2024 from the loan facility entered into with Mr Michael Fotios and associated entities was \$1,036,000;
- the Group has been advanced funds under the loan agreement with Obsidian;
- the Group has received expressions of interest from third parties for the sale of non-core exploration assets and is confident that any such transactions can be effected on terms favourable to the Company; and
- the Group has a history of successful capital raisings and is confident it can raise further capital on terms favourable to the Company.

Should the Group not be able to achieve successful outcomes with the above matters, there is material uncertainty whether the Group will be able to continue as a going concern, and therefore it may be required to realise its assets to discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

## NOTE 2: TRADE AND OTHER RECEIVABLES

|                                     | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|-------------------------------------|---------------------------------------------|-------------------------------------------------|
| Trade and miscellaneous receivables | 531                                         | 531                                             |
| Bonds                               | 25,000                                      | 25,000                                          |
| ATO receivables                     | 19,921                                      | 21,560                                          |
|                                     | <b>45,452</b>                               | <b>47,091</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 2024.

|                                            | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|--------------------------------------------|---------------------------------------------|-------------------------------------------------|
| Carrying amount at beginning of the period | 8,370,508                                   | 7,950,975                                       |
| Capitalised expenditure during the period  | -                                           | 419,533                                         |
|                                            | <b>8,370,508</b>                            | <b>8,370,508</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<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|------------------------------|---------------------------------------------|-------------------------------------------------|
| <b>Non-Current</b>           |                                             |                                                 |
| Provision for rehabilitation | 5,812,890                                   | 5,812,890                                       |
| <b>Total Non-Current</b>     | <b>5,812,890</b>                            | <b>5,812,890</b>                                |

Rehabilitation obligations in relation to the Company's tenements exist. The majority of the outstanding rehabilitation obligations are associated with tenement M52/743 at the Company's Horseshoe Lights Project, in particular the flotation tailings dam, the waste dumps, and the plant and camp site.

The Company participates in the Government of Western Australia's Mine Rehabilitation Fund ("MRF"), which is administered by the Department of Energy, Mines, Industry Regulation and Safety (DMIRS). Through this application process a calculation of rehabilitation costs is determined by DMIRS, which is used to establish the Company's contribution amount to the MRF in respect of its Horseshoe Lights Project.

The provision is measured at the present value of management's best estimate of the costs required to settle the obligations. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

#### NOTE 5: TRADE AND OTHER PAYABLES

|                                      | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|--------------------------------------|---------------------------------------------|-------------------------------------------------|
| <b>Current</b>                       |                                             |                                                 |
| Trade payables and accruals          | 1,555,826                                   | 1,600,103                                       |
| <b>Non-Current</b>                   |                                             |                                                 |
| Related party creditors <sup>1</sup> | 462,880                                     | -                                               |

<sup>1</sup> Related party trade creditors at 30 June 2024 include Directors of the Company, Target Exploration Pty Ltd (an entity associated with Obsidian Metals Group Pty Ltd), and Barrier Minerals Pty Ltd (an entity associated with Mr Michael Fotios, a former Director of the Company).

#### NOTE 6: CURRENT BORROWINGS

|                    | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|--------------------|---------------------------------------------|-------------------------------------------------|
| Current borrowings | 1,687,657                                   | 1,687,657                                       |
|                    | <b>1,687,657</b>                            | <b>1,687,657</b>                                |

## NOTE 7: NON-CURRENT BORROWINGS

|                        | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|------------------------|---------------------------------------------|-------------------------------------------------|
| Non-current borrowings | 124,981                                     | -                                               |
|                        | <b>124,981</b>                              | <b>-</b>                                        |

## NOTE 8: ISSUED CAPITAL

|                                                      | Consolidated<br>as at<br>30 June 2024<br>\$ | Consolidated<br>as at<br>31 December 2023<br>\$ |
|------------------------------------------------------|---------------------------------------------|-------------------------------------------------|
| <b>Ordinary Shares</b>                               |                                             |                                                 |
| Ordinary Shares – Fully Paid                         | 27,643,726                                  | 27,552,626                                      |
| Share issue costs written off against issued capital | (1,670,642)                                 | (1,670,642)                                     |
|                                                      | <b>25,972,884</b>                           | <b>25,881,784</b>                               |
|                                                      | <b>Number</b>                               | <b>Number</b>                                   |
| Ordinary Shares – Fully Paid                         | 649,578,669                                 | 646,478,669                                     |
|                                                      | <b>Ordinary shares<br/>(Number)</b>         | <b>Value<br/>(\$)</b>                           |
| Movement in Ordinary Shares on issue                 |                                             |                                                 |
| At 1 January 2024                                    | 646,478,669                                 | 25,881,784                                      |
| Option conversions                                   | 3,100,000                                   | 91,100                                          |
| <b>At 30 June 2024</b>                               | <b>649,578,669</b>                          | <b>25,972,884</b>                               |

## NOTE 9: 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 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 10: RELATED PARTY TRANSACTIONS

As disclosed elsewhere in this report, the Company has entered into a short-term loan agreement with Obsidian Metals Group Pty Ltd ("Obsidian"), an entity of which the Company's Non-Executive Director Ms Kate Stoney was a director during the half-year ended 30 June 2024. Ms Stoney resigned as a director of Obsidian in July 2024. At the reporting date, funds advanced by Obsidian under the loan agreement totalled \$124,981 (inclusive of interest).

The Company has entered into a services and consulting agreement with Target Exploration Pty Ltd ("Target"), a wholly owned subsidiary of Obsidian, of which Ms Stoney was also a director during the half-year ended 30 June 2024. Ms Stoney resigned as a director of Target in July 2024. During the half-year ended 30 June 2024, Target provided services to the Company to the value of \$237,102, comprising technical consulting and exploration services to the value of \$147,102 and finance, administrative and company secretarial services to the value of \$90,000. At the reporting date, an amount of \$362,095 (inclusive of GST) was owed to Target in respect of services provided.

For the avoidance of doubt, Ms Stoney did not have and does not have any beneficial interest in the Company's contractual arrangements with Obsidian and Target.

#### **NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE**

The Company has entered into a deed of settlement with Delta Resource Management Pty Ltd (In Liquidation) in respect of loans payable and trade payables. The deed was approved by the Supreme Court of Western Australia following the end of the reporting period. Following an initial down payment of \$50,000 made during the half-year ended 30 June 2024, the deed provides for the remaining balance of \$1,823,155 to be paid in ten equal instalments.

There has been no other matter or circumstance that has arisen since the end of the reporting period 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 correct view of the Group's financial position as at 30 June 2024 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



**Kate Stoney**  
Non-Executive Director  
Perth WA  
13 September 2024

## HORSESHOE METALS LIMITED INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Horseshoe Metals Limited

### Conclusion

We have reviewed the accompanying half-year consolidated 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 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date and notes to the financial statements, including material accounting policy 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 half-year financial report of Horseshoe Metals Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### 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 financial report in Australia. We have also fulfilled our other ethical requirements in accordance with the Code.

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

**In.Corp Audit & Assurance Pty Ltd**  
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## HORSESHOE METALS LIMITED

### INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

#### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$533,082 during the half-year ended 30 June 2024 and has a net current asset deficiency of \$3,091,666. Note 1 sets forth events and conditions, along with other matters that indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with 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 is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for the Review of the 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 2024 and its performance for the half-year ended on that date, and complying with 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.

**In.Corp Audit & Assurance Pty Ltd**



**Volha Romanchik**  
Director

13 September 2024