



HORSESHOE METALS

LIMITED

A.B.N. 20 123 133 166

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2021**

CORPORATE INFORMATION

Board of Directors

Craig Hall (Non-executive Director)

Alan Still (Non-executive Director)

Kate Stoney (Non-executive Director) (appointed 16 February 2021)

Carol New (Non-executive Director) (resigned 16 February 2021)

Company Secretary

Carol New (resigned 16 February 2021)

Kate Stoney (appointed 16 February 2021)

Registered Office

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Balcatta, WA 6021

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Solicitors

Mills Oakley

Level 24, 240 St George's Terrace

PERTH WA 6000

Telephone: +61 8 6167 9800

Bankers

National Australia Bank

Level 14, 100 St Georges Terrace

Perth WA 6000

Share Registry

Advanced Share Registry

110 Stirling Hwy

Nedlands WA 6009

Telephone: +61 8 9389 8033

Auditors

Rothsay Auditing

Level 1 Lincoln House

4 Ventnor Avenue

West Perth WA 6005

Telephone: +61 8 9486 7094

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange

ASX Code: HOR

Website

www.horseshoemetals.com.au

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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 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

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

Alan Still	Non-Executive Director
Craig Hall	Non-Executive Director
Carol New	Non-Executive Director (resigned 16 February 2021)
Kate Stoney	Non-Executive Director (appointed 16 February 2021)

REVIEW OF OPERATIONS

The Group realised a net loss for the half year of \$865,084 (2020: \$508,365).

Exploration and Evaluation

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

The Horseshoe Lights Project covers an area of approximately 60 km² including the previously mined Horseshoe Lights copper-gold mine, which is located 75km west of Sandfire Resources NL's DeGrussa copper-gold mine.

Horseshoe's wholly-owned subsidiary, Murchison Copper Mines Pty Ltd (**MCM**) has commenced a farm-in and joint venture (JV) with a wholly-owned subsidiary of Kopore Metals Limited (ASX:KMT), providing for an earn in and joint venture in relation to certain tenements (area of 32.4km²) surrounding the historical Horseshoe Lights Copper-Gold Mine (**Horseshoe Lights Mine**) which is excluded from the JV.

During the period the following activities were completed:

1. Initial camp refurbishment allowing occupation of up to 10 rooms for personnel involved in site activities.
2. Initial surface sampling of gold and copper stockpiles prior to auger and RC drilling.
3. Design of auger drilling programmes to assess existing residual stockpiles for gold and copper content.
4. Design of a 3-phase reverse circulation (RC) drilling programme to assess existing stockpiles and to improve the knowledge and definition of shallow copper mineralisation identified at Motters, immediately north-northeast of the current pit.

Kumarina Copper Project (HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2km². 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.

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

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

HOR considers the acquisition of interests in the project as a value-based entry into a dominant position of a very prospective area with the tenement covering most of the recognised goldfields, that previous exploration of the field is piecemeal and inadequate; and that larger, high grade gold deposits could be uncovered by systematic exploration and a more considered approach to drilling. HOR is currently in the process of obtaining statutory approvals to allow Reverse RC drilling to commence.

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

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

Horseshoe has the right to earn up to a 50% interest in a right to produce copper at Mt Gunson Copper Mine through contribution to expenditure and has the immediate rights to 50% of all surplus cashflow from any copper operation conducted under the agreement with a partner whom operates under agreement with the licensor.

The initial term of the agreement between the partner and the Licensor, who holds the tenements, expired on 29 June 2020 and can be extended by CMM for a period of a further two years to 29 June 2022. Further extension beyond 29 June 2022 can be negotiated during the term of this lease. The Company is currently re-negotiating the terms of an extension with the partner and the Licensor.

Forward Looking Statements

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

Competent Persons Statement

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

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The Company has obtained an independence declaration from its auditors, Rothsay Auditing, as per s.307(C) of the Corporations Act 2001 which forms part of this report. A copy of that declaration is included on page 14 of this report.

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



Craig Hall

Director

Perth

31 August 2021



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

As lead auditor of the review of Horseshoe Metals Limited for the half-year ended 30 June 2021, 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.

Rothsay Auditing

A handwritten signature in black ink, appearing to read 'Dalla', written in a cursive style.

Daniel Dalla
Partner
31 August 2021

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	Half year to 30 June 2021 \$	Half year to 30 June 2020 \$
Revenue		
Other income	78,840	-
Interest income	-	-
	<u>78,840</u>	<u>-</u>
Expenses		
Occupancy expenses	(15,000)	(15,000)
Consulting expenses	(98,566)	(98,557)
Administrative expenses	(135,613)	(72,535)
Depreciation expense	(2,940)	(2,725)
Directors' remuneration	(52,000)	(57,300)
Exploration expense	(575,920)	(215,939)
Interest expense	(63,885)	(46,309)
Loss before income taxes	<u>(865,084)</u>	<u>(508,365)</u>
Income tax expense	-	-
Loss after tax from continuing operations	<u>(865,084)</u>	<u>(508,365)</u>
Loss for the period	<u>(865,084)</u>	<u>(508,365)</u>
Other comprehensive income		-
Total comprehensive loss for the period	<u>(865,084)</u>	<u>(508,365)</u>
Loss per share:		
Basic loss per share (cents per share)	<u>(0.340)</u>	<u>(0.248)</u>
Diluted loss per share (cents per share)	<u>(0.340)</u>	<u>(0.248)</u>

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2021**

	NOTE	Consolidated	
		30 June 2021 \$	31 December 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents		183,444	98,270
Trade and other receivables	2	88,035	72,037
Other assets		12,792	29,425
Total current assets		284,271	199,732
Non-current assets			
Plant and equipment		15,861	17,695
Exploration and evaluation expenditure	3	6,708,801	6,708,801
Investments		243,000	243,000
Total non-current assets		6,967,662	6,969,766
TOTAL ASSETS		7,251,933	7,169,498
LIABILITIES			
Current Liabilities			
Trade and other payables	5	1,759,066	1,459,444
Borrowings		452,500	-
Total current liabilities		2,211,566	1,459,444
Non-Current Liabilities			
Trade and other payables	5	1,363,189	1,065,678
Borrowings	6	1,534,926	1,637,040
Provisions	4	5,812,890	5,812,890
Total non-current liabilities		8,711,005	8,515,608
TOTAL LIABILITIES		10,922,571	9,975,052
NET ASSETS (DEFICIENCY)		(3,670,638)	(2,805,554)
EQUITY			
Issued Capital	7	18,152,393	18,152,393
Accumulated losses		(21,823,031)	(20,957,947)
TOTAL EQUITY		(3,670,638)	(2,805,554)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2021

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
CASH FROM OPERATING ACTIVITIES		-
Receipts from customers	83,071	-
Payments to suppliers and employees	(86,479)	(72,511)
Interest paid	(6,497)	(4,463)
Payments for exploration and evaluation expenditure	(197,921)	(122,854)
Net cash used in operating activities	(207,826)	(199,828)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for investments	-	(38,000)
Net cash used by investing activities	-	(38,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	293,000	238,612
Net cash provided by financing activities	293,000	238,612
Net (decrease)/increase in cash and cash equivalents	85,174	784
Cash and cash equivalents at the beginning of the period	98,270	473
Cash and cash equivalents at the end of the period	183,444	1,257

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 2021

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance as at 1 Jan 2021	18,152,393	(20,957,947)	(2,805,554)
Loss attribute to members of the parent entity	-	(865,084)	(865,084)
Other comprehensive income	-	-	-
Total comprehensive income	-	(865,084)	(865,084)
Sub-total	-	(865,084)	(865,084)
Balance as at 30 June 2021	18,152,393	(21,823,031)	(3,670,638)

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 31 December 2020 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 2020 annual report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Going concern

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

Cash and cash equivalents on hand as at the date of this report was \$183,444. The going concern basis is dependent upon the Group raising sufficient funds to pay the Group's debts as and when they fall due.

The Company has executed a loan facility agreement with associated entities. The loan facility with associated entities is to be repaid in cash within 7 days of the successful completion of a capital raising. Prior to a capital raising, any lender may convert all or some of the outstanding balance of the loan in ordinary shares at the price at which the capital raising is to be completed. Conversion of the loan to ordinary shares is subject to compliance with the applicable laws and regulations including the requirement to seek shareholder approval for a related party transaction. The loan bears interest of 8% p.a. The undrawn loan balance available to the Company as at 30 June 2021 from associated entities amounts to \$904,000.

In addition, the lenders have confirmed unconditionally that these entities will not call on or demand any repayment of the advances made to the Company up to 31 December 2021, until such time as the Group is in a position to pay the amount, without its going concern status being affected.

The Group is intending to be reinstated for the official quotation as announced on ASX on 10 March 2021 and raise additional equity through the following proposed recapitalisation:

- Subject to the shareholders' approval, placement of 55,000,000 fully paid ordinary shares at an issue price of \$0.015 per share. 5,833,333 of these shares will be issued at a deemed price of \$0.015 by way of satisfaction of the Borrowings, with the remaining 49,166,667 shares to be issued for cash consideration of \$0.015 per share to raise \$737,500, and
- An entitlement offer to eligible shareholders at an issue price of \$0.015 per share on a 1 share for every 2 shares basis, to raise approximately \$2,300,000 before costs.

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

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

NOTE 2: TRADE AND OTHER RECEIVABLES

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Trade Receivables and Other Receivables	88,035	72,037
	88,035	72,037

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 2021.

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Carrying amount at beginning of year	6,708,801	6,508,801
Capitalised expenditure during the year	-	200,000
Impairment	-	-
	6,708,801	6,708,801

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

NOTE 4: PROVISIONS

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Non-Current		
Provision for Rehabilitation (i)	5,812,890	5,812,890
Total Non-Current	5,812,890	5,812,890

- (i) Pursuant to the Mining Rehabilitation Fund Regulations 2013 (WA) the Company is required to assess its rehabilitation obligations across all its tenement holdings as at 30 June each year. The assessed estimated cost of rehabilitation as at 30 June 2021 using the methodology adopted under the Mining Rehabilitation Fund Regulations 2013 (WA) is \$5,812,890.

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

NOTE 5: TRADE AND OTHER PAYABLES

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Current		
Trade Payables and Accruals	1,759,066	1,459,444
Non-Current		
Related party creditors	1,363,189	1,065,678
Other creditors	-	-
	3,122,255	2,525,122

NOTE 6: NON-CURRENT/RELATED PARTY BORROWINGS

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Other Borrowings		
Related Party Borrowings	1,534,926	1,637,040
	1,534,926	1,637,040

NOTE 7: ISSUED CAPITAL

	Consolidated as at 30 June 2021 \$	Consolidated as at 31 December 2020 \$
Ordinary Shares		
Ordinary Shares – Fully Paid	18,152,393	18,152,393
	Number	Number
Ordinary Shares – Fully Paid	254,252,190	254,252,190

Movement in Ordinary Shares on issue	Ordinary shares (Number)	Value (\$)
At 1 January 2021		
Ordinary Shares Issue	254,252,190	18,152,393
Transaction Costs	-	-
At 30 June 2021	254,252,190	18,152,393

NOTE 8: SEGMENT REPORTING

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

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

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

In the Directors' opinion:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2021 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



Craig Hall

Director

Perth WA

31 August 2021



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

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Horseshoe Metals Limited ("the Company"), and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Material Uncertainty related to Going Concern

Without modifying our audit opinion, we draw attention to Note 1 of the annual financial report, which indicates that the going concern basis is appropriate on the basis of the Group's ability to raise additional capital in the future. These conditions along with other matters that are set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business.

Basis for Conclusion

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





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

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

Directors' Responsibility for the Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Rothsay Auditing

Dated 31 August 2021

Daniel Dalla
Partner