



HORSESHOE METALS

LIMITED

A.B.N. 20 123 133 166

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
30 JUNE 2023**

CORPORATE INFORMATION

Board of Directors

Craig Hall (Non-executive Director)
Alan Still (Non-executive Director)
Kate Stoney (Non-executive Director)

Company Secretaries

Kate Stoney
Josh Merriman

Registered Office

2/50 Kings Park Road
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

Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009
Telephone: +61 8 9389 8033

Auditors

Rothsay Audit & Assurance Pty Ltd
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

CONTENTS

CORPORATE INFORMATION	i
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	8
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED 30 JUNE 2023	10
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2023	12
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023	13
DIRECTORS' DECLARATION	17
INDEPENDENT AUDITOR'S REVIEW REPORT	18

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 2023. 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
Kate Stoney	Non-Executive Director

REVIEW OF OPERATIONS

During the half-year the Company's exploration activities focused 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).

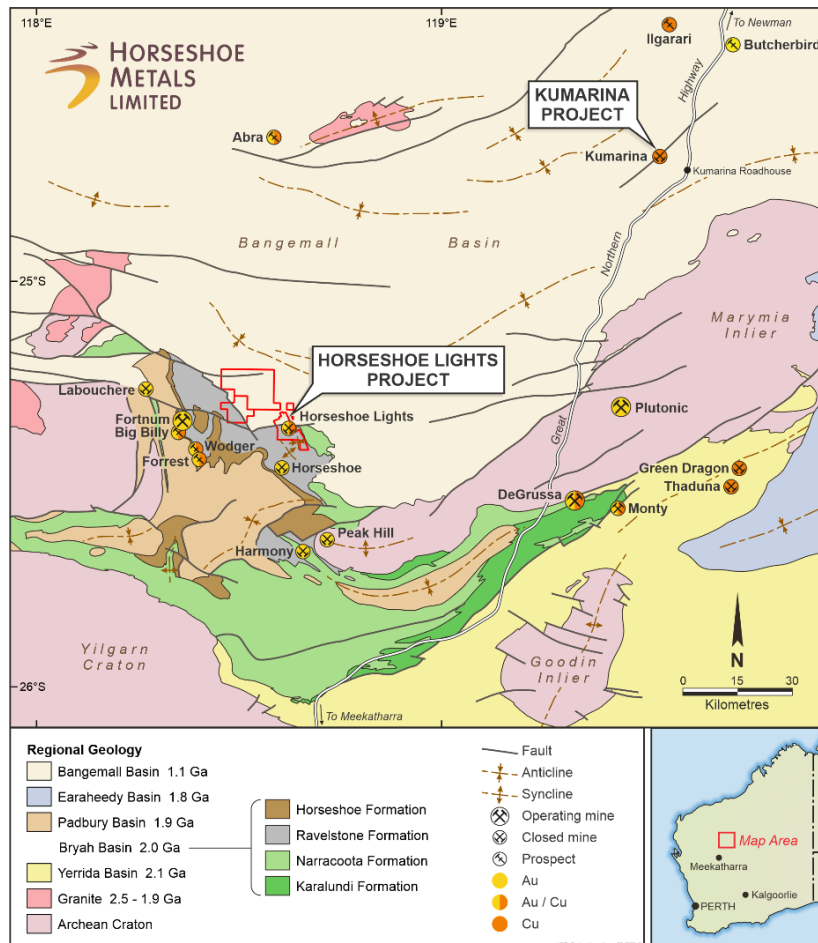


Figure 1: Location of Horseshoe Lights and Kumarina Projects, WA

Activities during the half-year

During the half-year, the Company continued to systematically evaluate the ground surrounding the existing in situ resource at Horseshoe Lights, as well as continuing its evaluation of copper surface materials for potential near-term cashflow opportunities.

In March 2023, the Company received assays results from the latest round of drilling and sampling activities at Horseshoe Lights (refer ASX release 9 March 2023). The reverse circulation (RC) programme completed in December 2022 consisted of a total of 11 holes for 1,972 m, with 5 holes completed for 1,148 m at Motters, 4 holes for 730m at Main Zone (north-west extension), and 2 holes for 94 m at the North Dump.

Assays results confirmed multiple zones of high-grade copper mineralisation outside the existing in situ resources at Main Zone and Motters. The results provide further clarity around the mineralisation structure at Horseshoe Lights and affirm significant potential for resource extensions, with clear expansion potential at depth in historically overlooked zones of mineralisation.

Main Zone

RC1191, completed at the north-west extension to the Main Zone, was designed to test a gap in the detailed information on this section and to confirm the continuity and grade of the oxide mineralisation immediately north of the open pit (refer Figure 2). The below significant result (0.3% Cu cut-off) was achieved:

- **55 m @ 0.88% Cu from 22 m, incl. 14 m @ 1.30% Cu from 22 m & 21 m @ 1.15% Cu from 44 m**

Additional drilling on the northernmost accessible section intersected significant mineralisation and confirms Main Zone is open to the north.

Planning is underway to create drilling access on the north-west waste dump to allow further testing of the northern strike and down plunge extension of the mineralisation. Previous geological interpretation and magnetic data suggests the dolerite that cuts the northern end of the Motters structure does not extend far enough west to intersect the Main Zone. Future drilling will test this interpretation.

Motters Zone

The drilling completed at Motters confirmed significant widths of sulphide mineralisation in two lode positions down plunge at the southern end of the structure, where previous drilling has been limited (refer Figure 3). Significant results (0.3% Cu cut-off) included:

- **10 m @ 1.62% Cu from 252 m incl. 2 m @ 5.19% Cu from 252 m; and** (RC1187)
- **19 m @ 1.49% Cu from 269 m incl. 11 m @ 2.37% Cu from 275 m** (RC1187)

North Dump

Results from the holes completed at the North Dump confirm significant oxide copper-gold mineralised material exists in the upper 10 to 12 metres of the dump, with further infill drilling to be undertaken to allow resource definition.

Surface stockpiles

During the half-year, the Company continued its evaluation of historic direct shipping ore (DSO) stockpiles and other surface materials at Horseshoe Lights. Further sampling of these materials was completed and presented to potential offtake partners for review.

The Company has progressed discussions with a group experienced in oxide heap leaching regarding potential trials at Horseshoe Lights (subject to relevant approvals). A review of historic scoping study results is progressing to assess potential treatment of oxide via heap leach followed by SXEW or copper cementation.

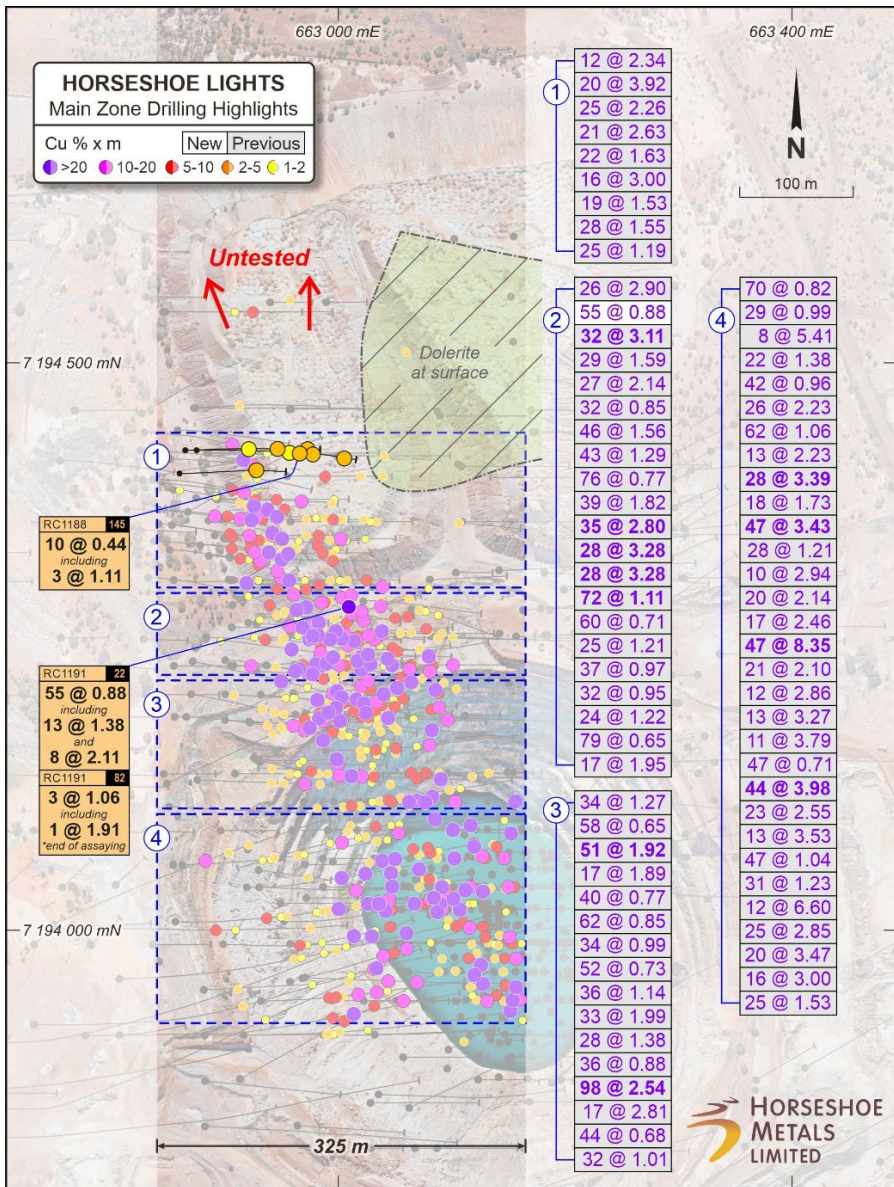


Figure 2: Significant new results at Main Zone during the half-year

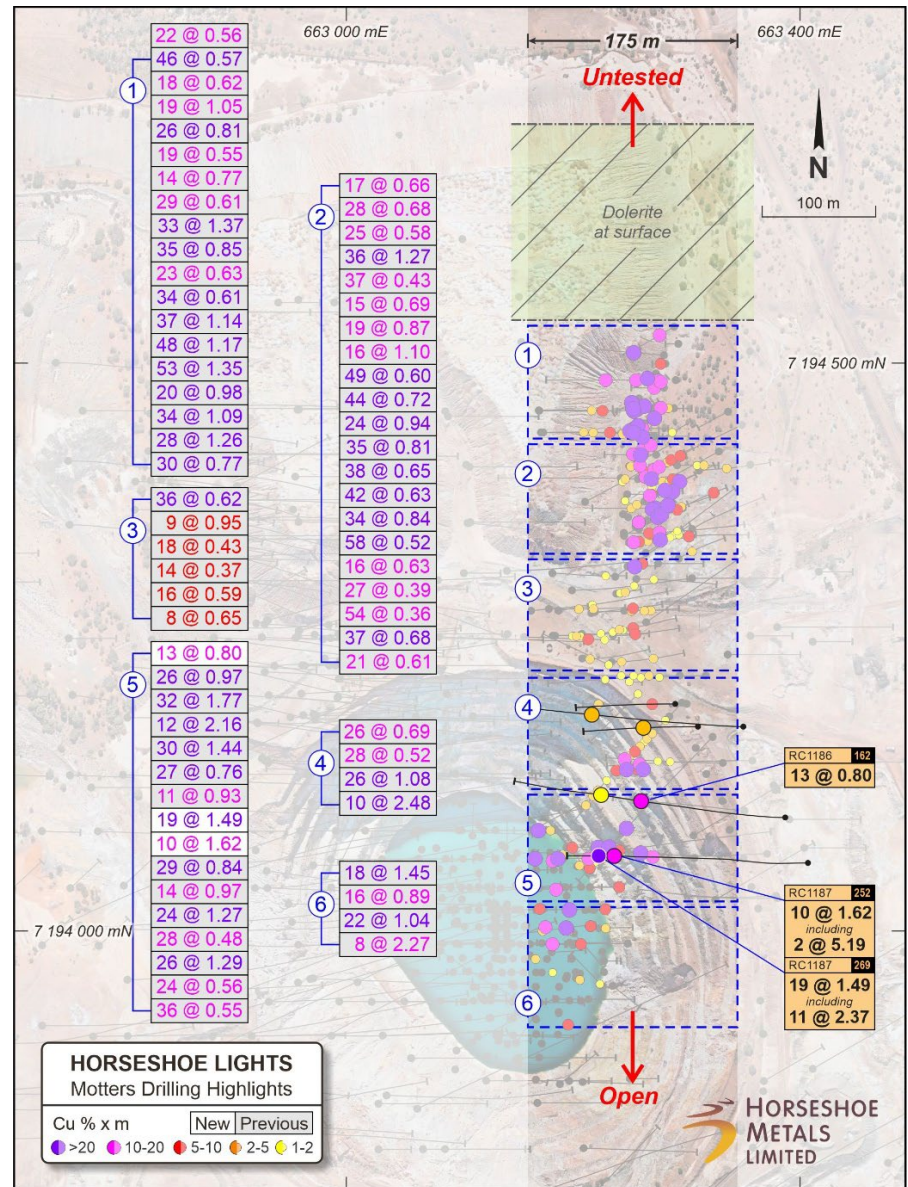


Figure 3: Significant new results at Motters Zone during the half-year

TABLE 1 HORSESHOE LIGHTS PROJECT – SUMMARY OF MINERAL RESOURCES as at 30 June 2023								
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)
In-situ Deposit (0.5% Cu cut-off grade)	<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
	Total	12.85	1.00	0.1	1.9	128,600	36,000	793.4
Flotation Tailings	Inferred	1.421	0.48	0.34	6.5	6,800	15,300	294.8
M15 Stockpiles	Inferred	0.243	1.10	0.17	4.7	2,650	1,300	36.7
Note: At 0% Cu cut-off grade unless otherwise stated					TOTAL	138,050	52,600	1,124.9

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

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. During the half-year, the Company continued its technical review of the exploration data received from the Company's former farm-in partner ENRG Elements Ltd (ASX:EEL). The Company also increased its ground position in the area with successful applications for two additional tenements – E52/4229 (covering 63 km²) and E52/4230 (covering 6 km²).

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

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

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 km². The larger eastern block *Glenloth* covers 81 km² 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. No active field work was undertaken during the half-year.

RESULTS OF OPERATIONS

The Group realised a net loss for the half year of \$646,912 (2022: \$1,596,059).

CORPORATE

On 14 February 2023, the Company issued 80,000,000 fully paid ordinary shares to sophisticated and professional investors at an issue price of \$0.025 per share, raising \$2 million (before costs).

The Annual General Meeting of the Company was held on 31 May 2023, with all resolutions put to shareholders being passed.

AUDITOR'S INDEPENDENCE DECLARATION

The Company has obtained an independence declaration from its auditors, Rothsay 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 page 17 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.



Kate Stoney
Non-Executive Director
Perth
13 September 2023

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ROTHSAY

AUDIT & ASSURANCE PTY LTD

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 2023, 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 Audit & Assurance Pty Ltd



Daniel Dalla
Director

13 September 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Half year to 30 June 2023 \$	Half year to 30 June 2022 \$
Revenue		
Other income	3,414	58,195
	<u>3,414</u>	<u>58,195</u>
Expenses		
Occupancy expenses	(10,000)	(15,000)
Consulting expenses	(127,863)	(196,454)
Administrative expenses	(139,660)	(85,315)
Depreciation expense	(6,619)	(18,610)
Directors' remuneration	(154,549)	(123,798)
Share Based Payments	(107,299)	(237,543)
Exploration expense	(50,218)	(927,710)
Interest expense	(54,118)	(49,824)
	<u>(646,912)</u>	<u>(1,596,059)</u>
Loss before income taxes	(646,912)	(1,596,059)
Income tax expense	-	-
	<u>(646,912)</u>	<u>(1,596,059)</u>
Loss after tax from continuing operations	(646,912)	(1,596,059)
Loss for the period	<u>(646,912)</u>	<u>(1,596,059)</u>
Other comprehensive income	-	-
	<u>(646,912)</u>	<u>(1,596,059)</u>
Total comprehensive loss for the period	<u>(646,912)</u>	<u>(1,596,059)</u>
Loss per share:		
Basic loss per share (cents per share)	<u>(0.106)</u>	<u>(0.304)</u>
Diluted loss per share (cents per share)	<u>(0.106)</u>	<u>(0.304)</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 2023

	NOTE	Consolidated 30 June 2023 \$	31 December 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		390,981	6,778
Trade and other receivables	2	52,743	129,587
Other assets		118,018	110,408
Total current assets		561,742	246,773
Non-current assets			
Property, plant and equipment		51,985	57,877
Exploration and evaluation expenditure	3	8,251,348	7,950,975
Total non-current assets		8,303,333	8,008,852
TOTAL ASSETS		8,865,075	8,255,625
LIABILITIES			
Current liabilities			
Trade and other payables	5	1,255,378	1,120,687
Borrowings	6	1,640,668	724,780
Total current liabilities		2,896,046	1,845,467
Non-current Liabilities			
Trade and other payables	5	135,500	1,261,676
Borrowings	7	-	869,328
Provisions	4	5,812,890	5,812,890
Total non-current liabilities		5,948,390	7,943,894
TOTAL LIABILITIES		8,844,436	9,789,361
NET ASSETS (DEFICIENCY)		20,639	(1,533,736)
EQUITY			
Issued capital	8	25,810,779	23,685,172
Reserves		490,828	415,148
Accumulated losses		(26,280,968)	(25,634,056)
TOTAL EQUITY		20,639	(1,533,736)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Consolidated 30 June 2023 \$	30 June 2022 \$
CASH FROM OPERATING ACTIVITIES		
Receipts from customers	3,990	50,608
Payments to suppliers and employees	(751,175)	(921,686)
Payments for exploration and evaluation expenditure	(730,804)	(1,246,457)
Interest paid	(7,558)	(75,024)
Interest received	3,414	174
Net cash used in operating activities	(1,482,133)	(2,192,385)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property plant & equipment	(727)	(77,677)
Net cash used by investing activities	(727)	(77,677)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	2,000,000	2,038,972
Capital raising costs	(132,937)	(70,992)
Repayment of borrowings	-	(66,764)
Net cash provided by financing activities	1,867,063	1,901,216
Net (decrease)/increase in cash and cash equivalents	384,203	(368,846)
Cash and cash equivalents at the beginning of the period	6,778	1,373,995
Cash and cash equivalents at the end of the period	390,981	1,005,149

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 2023

	Issued Capital \$	Accumulated Losses \$	Reserve \$	Total \$
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

	Issued Capital \$	Accumulated Losses \$	Reserve \$	Total \$
Balance as at 1 Jan 2022	21,374,429	(23,267,407)	56,691	(1,836,287)
Loss attributable to members of the parent entity	-	(1,596,059)	-	(1,596,059)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(1,596,059)	-	(1,596,059)
Shares issued during the period	2,181,972	-	-	2,181,972
Options issued during the period	-	-	362,177	362,177
Options exercised during the period	231,600	-	(231,600)	-
Capital raising costs during the period	(102,829)	-	-	(102,829)
Balance as at 30 June 2022	23,685,172	(24,863,466)	187,268	(991,026)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

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 2022 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 2022 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 \$390,981. 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 2023 from associated entities amounts to \$1,036,000.

The ability of the Group to pay its debts as and when they become due is dependent upon:

- the Group's continued ability to call upon the undrawn portion of the facility entered into with associated entities;
- in addition to any financing provided under the terms of the loan agreement referred to above, further capital raisings being undertaken;
- the Group's continued support from related party and other creditors; and
- negotiating continued deferred terms of repayment with overdue third-party creditors.

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 2023 \$	Consolidated as at 31 December 2022 \$
Trade receivables	-	4,490
Bonds	25,000	25,000
ATO receivables	27,743	100,097
	52,743	129,587

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 2023.

	Consolidated as at 30 June 2023 \$	Consolidated as at 31 December 2022 \$
Carrying amount at beginning of year	7,950,975	6,708,801
Capitalised expenditure during the year	300,373	1,242,174
	8,251,348	7,950,975

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 2023 \$	Consolidated as at 31 December 2022 \$
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 2023 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 2023 \$	Consolidated as at 31 December 2022 \$
Current		
Trade payables and accruals	1,255,378	1,120,687
Non-Current		
Related party creditors	135,500	1,261,676

NOTE 6: CURRENT BORROWINGS

	Consolidated as at 30 June 2023 \$	Consolidated as at 31 December 2022 \$
Current borrowings	1,640,668	724,780
	1,640,668	724,780

NOTE 7: NON-CURRENT BORROWINGS

	Consolidated as at 30 June 2023 \$	Consolidated as at 31 December 2022 \$
Non-current borrowings	-	869,328
	-	869,328

NOTE 8: ISSUED CAPITAL

	Consolidated as at 30 June 2023 \$	Consolidated as at 31 December 2022 \$
Ordinary Shares		
Ordinary Shares – Fully Paid	27,465,626	25,150,840
Share issue costs written off against issued capital	(1,654,847)	(1,465,668)
	25,810,779	23,685,172
	Number	Number
Ordinary Shares – Fully Paid	643,478,669	551,942,881

Movement in Ordinary Shares on issue	Ordinary shares (Number)	Value (\$)
At 1 January 2023	551,942,881	23,685,172
Placement	80,000,000	2,000,000
Drill-for-equity	7,010,788	142,770
Director ESIP option conversion	1,500,000	43,500
Employee ESIP option conversion	3,025,000	128,516
Transaction costs	-	(189,179)
At 30 June 2023	643,478,669	25,810,779

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: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no 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 fair view of the Group's financial position as at 30 June 2023 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 2023

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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 2023, 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 2023 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

We draw attention to Note 1 in the financial report, which indicates that the going concern basis of accounting is dependent on the Group raising sufficient funds to pay its debts as and when they fall due. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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.

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.

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.



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

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 2023 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 Audit & Assurance Pty Ltd

Daniel Dalla
Director

Dated 13 September 2023