HORSESHOE METALS LIMITED

HORSESHOE METALS LIMITED

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QUARTERLY ACTIVITIES REPORT

Horseshoe Metals Limited (ASX:HOR) ("**Horseshoe**", "**HOR**" or "**the Company**") is pleased to present its Quarterly Activities Report for the period ending 30 September 2020.

HIGHLIGHTS

- HOR completes acquisition of interests in exploration tenements covering the historic Glenloth Goldfield in South Australia.
- EL6301 is 107km^2 in total size, in two parts, covering Glenloth Goldfield in the East, and the northern trend to the 0.5M oz Tunkillia deposit in the West.
- HOR re-focused on development strategies for the Horseshoe Lights Copper/Gold Project, where known resources represent low capital cost opportunities
- HOR engages experienced Project Manager to direct development strategies at Horseshoe Lights Copper/Gold Project.

EXPLORATION AND EVALUATION

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

During the quarter, Horseshoe Metals Limited (ASX: HOR) ("**Horseshoe**", "**HOR**" or "**the Company**") announced that title to EL6301, which covers the Glenloth Goldfield in South Australia (refer Figures 1, 2) had been formally transferred to the Company by the Minister for Energy and Mining. The Company had been previously advised that the tenement had been formally renewed earlier this year.

Following formal receipt of Ministerial consent under section 83(1) of the South Australian Mining Act 1971, the Company completed the acquisition by the issue of 10 million fully paid ordinary shares in HOR via the Company's existing capacity under Listing Rule 7.1. The consideration for the acquisition and the grant of other rights associated with the Glenloth Gold Projects comprised the issuance of 8 million shares to Stockworks Exploration & Mining Pty Ltd ("SEM") whom previously owned 100% of EL6301, and 2 million shares to Gawler Craton Resources Pty Ltd and Mark and Ian Filsell, entities associated with ML5848, ML5849, ML5885 and MPL62 within EL6301. Post-quarter end, the Company has applied to renew the licence.

Discussion of the Glenloth Gold Project

EL6301 is comprised of two blocks 107km^2 in total area, located about 6km north and 50km east of the 0.5M oz Tunkillia Gold deposit respectively (refer Figures 1, 2). The Glenloth Goldfield was identified by discovery of alluvial gold in 1893, and established in 1901 when auriferous reefs were identified. Between 1901 and 1955, approximately 9800 oz (315 kg) of gold was produced from 14,620t of ore, at an average grade of 21.6 g/t. The Fabian 3, Royal Tiger (both excised from tenure) and the Glen Markie and Jay-Jay mines were considered the largest historical producers (refer Figure 3). Since 1955, gold production has been small and sporadic.

The tenement is remnant to an original, larger tenement, that is now split over two of the most prospective areas, a smaller (26km^2) western block referred to as 'Old Well', which takes in the strike to the north of Tunkillia deposit, now under the development of prospective goldminer Barton Gold; and a larger (81km^2) eastern block 'Glenloth', which covers the Glenloth Goldfield, and takes in part of the Harris Greenstone belt in the southwest corner of the Tenure (refer Figure 2). The Company also has rights to explore and develop ML5848, ML5849, ML5885 and MPL62 within the eastern block of EL6301 (refer Figure 3).

At Glenloth, typical gold occurrences consist of relatively thin (ca. 1m width), high-grade mineralised quartz veins, hosted by sheared and fractured Archaean to Paleoproterozoic Glenloth Granite, and sometimes associated with Paleoproterozoic dolerite dykes. A shallow Hiltaba Suite batholith has been proposed as the source of mineralisation. Six kilometres south of Old Well, the Tunkillia deposits (Areas 223, 191, 51) are characterised by a large hydrothermal system associated with the Yarlbrinda Shear Zone (YSZ- refer Figure 6), which passes into the Old Well tenure.

HOR considers the acquisition of interests in the project as a value-based entry into a dominant position of a very prospective area; that previous exploration of the both areas was piecemeal and inadequate; and that larger, high grade gold deposits could be uncovered by systematic exploration and a more considered approach to drilling.

Horseshoe has compiled available historical drilling at Glenloth (refer Figure 3, and Table 3), which highlights the lack of targeted drill-testing completed within the project, which the Company intends to rectify. Historical drilling at Old Well includes eight holes completed by Minotaur Exploration Limited in 2006 at three separate structural targets not supported by the regional geochemical sampling, with no significant results. The Company has also compiled available regional geochemical data, including rockchip sampling of the Glenloth area with encouraging high grade results (refer Figure 4, and Table 4) and calcrete sampling of both Glenloth and Old Well (refer Figures 5, 7 and Table 5).

Calcrete sampling is considered an effective test of mineralisation in appropriate terrain in South Australia since the virgin discoveries of the Tunkillia gold-in-calcrete anomaly in 1994, and the Challenger Mine (200km northwest of Glenloth, refer Figure 1) by Dominion in May 1995, from an initial 180ppb anomaly from broad-spaced (1,600m) regional sampling, resulting in the production of over 1M Oz of gold between 2002-2018, primarily from underground mining.

Calcrete sampling of the Glenloth area has highlighted two prospective trends in excess of a kilometre in length; between the Glen Markie to Royal Tiger area, with maximum assay 870ppb/0.87ppm; and the Golden Stairs to Ivanhoe area - maximum assay 370ppb/0.37ppm (refer Figure 5). Maximum assay noted for the calcrete sampling programme was a particularly high grade 3,870ppb/3.87ppm at Yarrawonga/Lone Hand. At Old Well, calcrete sampling has identified significant zones of several kilometres length, of similar tenor to the Tunkillia anomalism, with a maximum assay of 190ppb Au within Old Well. A number of near-surface (0-4m depth) calcrete samples within Figure 7 are derived from rotary air blast (RAB) drilling traverses of up to 50m depth, and the Company is working on the compilation of this data to investigate for any downhole anomalism.

HOR is continuing to compile historical data for the area at a more detailed project scale, and the Company will release more comprehensive details of the geology and mineralisation at the Glenloth Project when available.

Transaction Details: **Glenloth Gold Project**
(EL6301 and rights to explore and develop ML5848, ML5849, ML5885 and MPL62):

Stockworks Exploration & Mining Pty Ltd ("SEM") previously owned 100% of EL6301 and had secured rights to explore and develop the other tenements listed above. The tenement owners of ML5848, ML5849, ML5885 and MPL62 retain the right to conduct small-scale mining activities on the ML's and MPL. The terms of the Glenloth transaction were:

- SEM will sell to HOR (or its related nominee) a 100% interest in EL6301 in consideration of the issue of **6 million fully paid ordinary shares valued at $0.02** under its existing capacity under LR7.1.

- The holders of the remaining Glenloth tenements (ML5848, ML5849, ML5885 and MPL62- being Gawler Craton Resources Pty Ltd and Mark and Ian Filsell) will grant HOR rights to explore and develop on those tenements, together with a right of first refusal on a disposal or relinquishment of those tenements, in consideration of the grant of the royalties noted below and the issue of **2 million fully paid ordinary shares** (in aggregate) **valued at $0.02** under its existing capacity under LR7.1. The tenement holders will have a right to terminate these rights in the event of a change of control of HOR.

- In the event that HOR defines a published JORC 2012 resource that it does not intend to develop or mine then SEM will be granted a first right of refusal over the resource.

- If, during the term of the tenements or subsequent mining tenements, exploration conducted by HOR defines a 2012 JORC resource (at a cut-off grade of 0.5 g/t Au) in excess of 10,000 ounces Au, and less than 50,000 ounces Au in respect of the project as a whole, then HOR shall have the right to develop the resource in return for a royalty payable to the tenement holders (other than in respect of EL6301) of $20/ounce of gold produced. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.

- During the term of the tenements or subsequent mining tenements, any gold production from the Glenloth project in excess of 50,000 ounces in aggregate will be subject to a 1% royalty payable to SEM (in respect of EL6301) and the tenement holders (in respect of the other tenements), capped to a maximum of 250,000 ounces of production in aggregate. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.

- During the term of the tenements or subsequent mining tenements, in the event that HOR defines and announces a 2012 JORC measured and indicated resource of 500,000 ounces in respect of the project as a whole (at a cut-off grade of 0.5 g/t Au), then it will issue to SEM a further 4 million fully paid ordinary shares out of existing capacity under LR7.1. This arrangement extinguishes on any individual tenement which expires, but not through conversion of title to allow gold production.

- HOR will undertake to meet minimum statutory expenditure commitments, and keep the tenements in good standing.

In addition, MT was owed fees of approximately $50,000 by SEM with respect to work undertaken on the Glenloth Project. Horseshoe has issued 2 million fully paid ordinary shares valued at $0.02 under its existing capacity under LR7.1 to MT as part payment of fees owing by SEM to MT. HOR has no additional obligation in relation to the monies owed between MT and SEM.

For additional detail refer:

ASX:HOR release "Glenloth Gold Project Acquisition Update" dated 8th July 2020

ASX:HOR release "Proposed issue of Securities-HOR" dated 8th July 2020

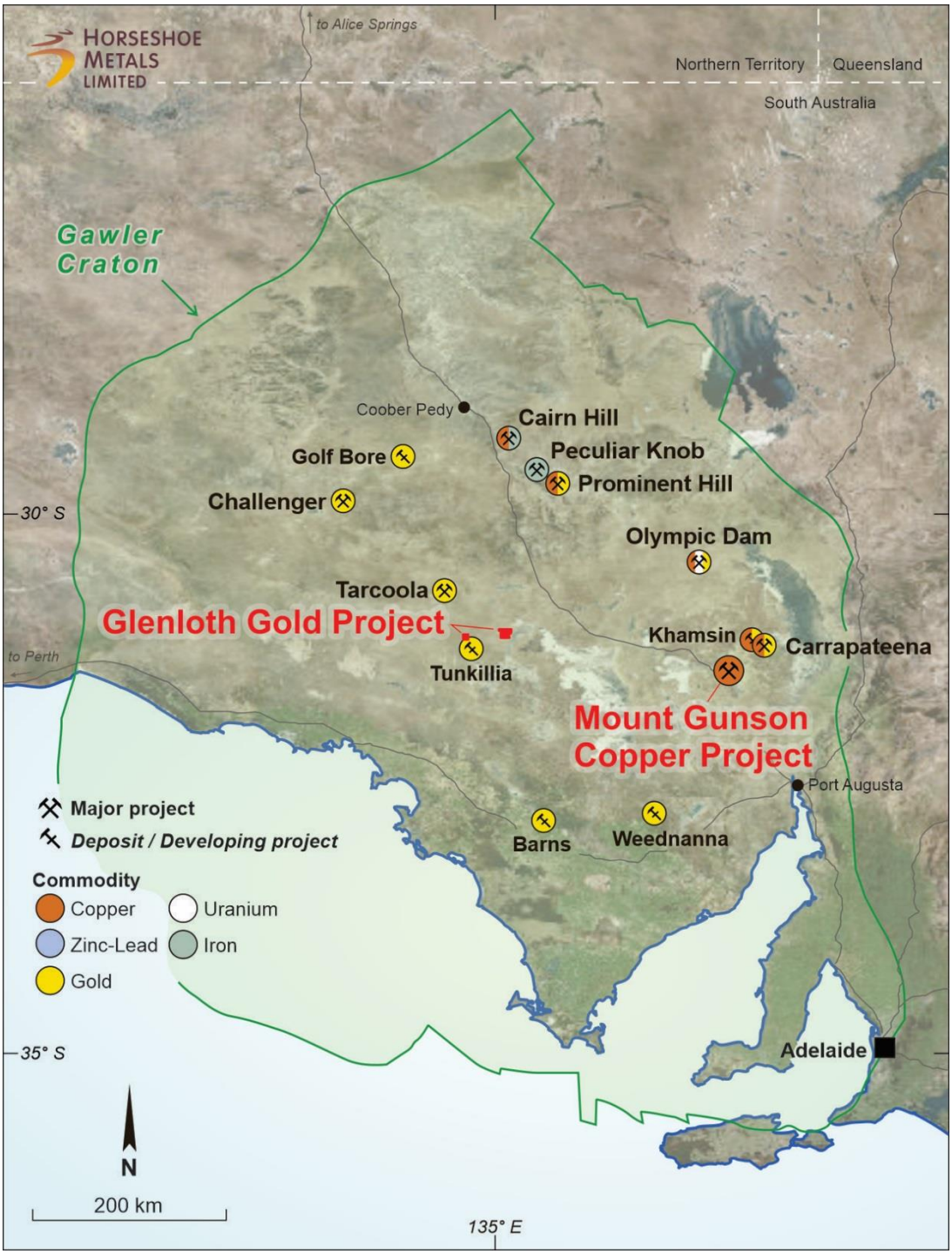

Figure 1: Location of Glenloth Gold Project and Mt Gunson Copper Project in South Australia, in relation to significant local deposits.

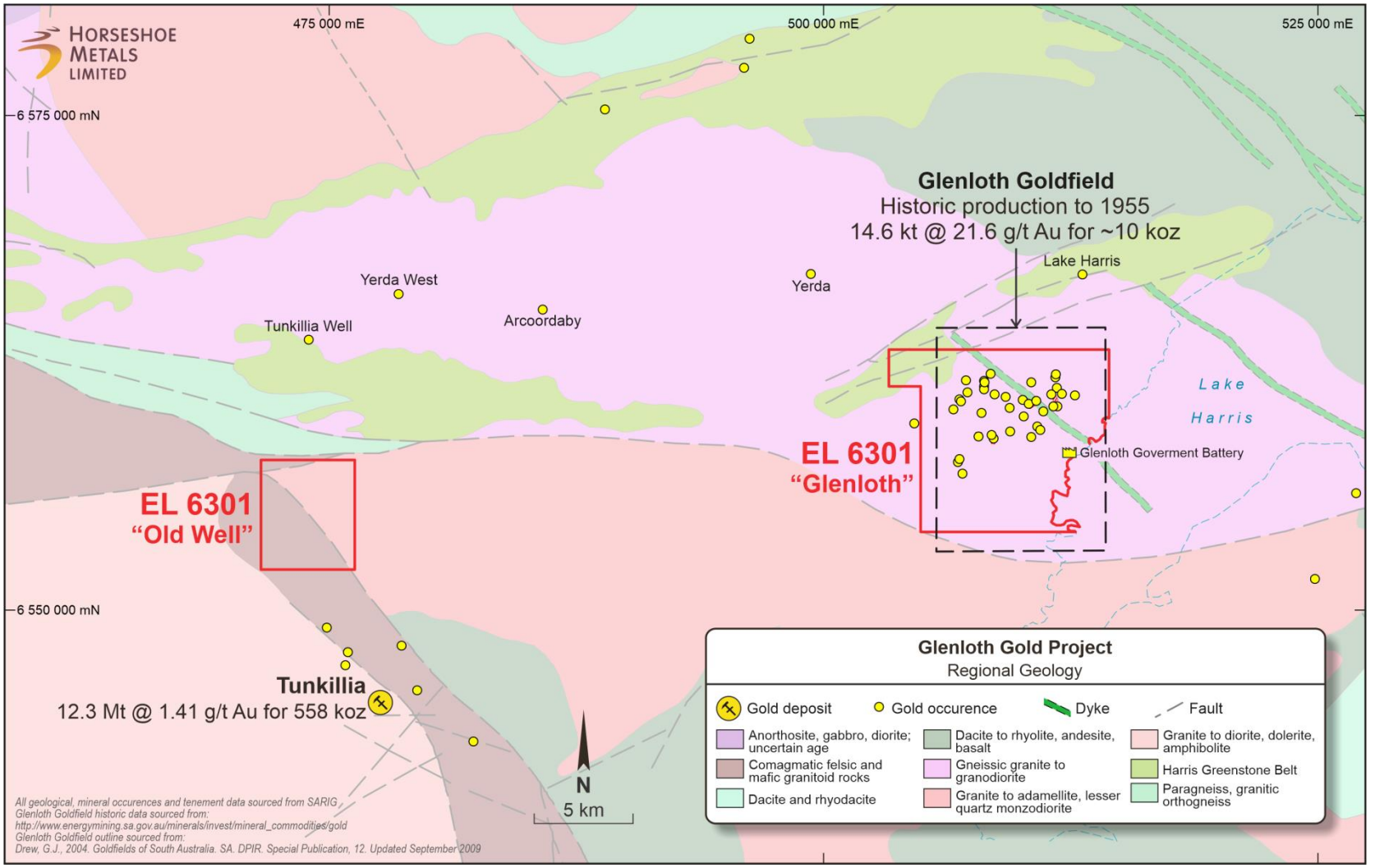

Figure 2: Location of Glenloth Gold Project tenure with regional geology, with known gold occurrences and significant resources.

Glenloth Historic Production:
http://www.energymining.sa.gov.au/minerals/invest/mineral_commodities/gold
Glenloth Goldfield Location:
https://sarigbasis.pir.sa.gov.au/WebtopEw/ws/samref/sarig1/image/DDD/SP020.pdf p79
Tunkillia Resource:
https://www.asx.com.au/asxpdf/20150204/pdf/42wdj3ts5gz5t4.pdf p1

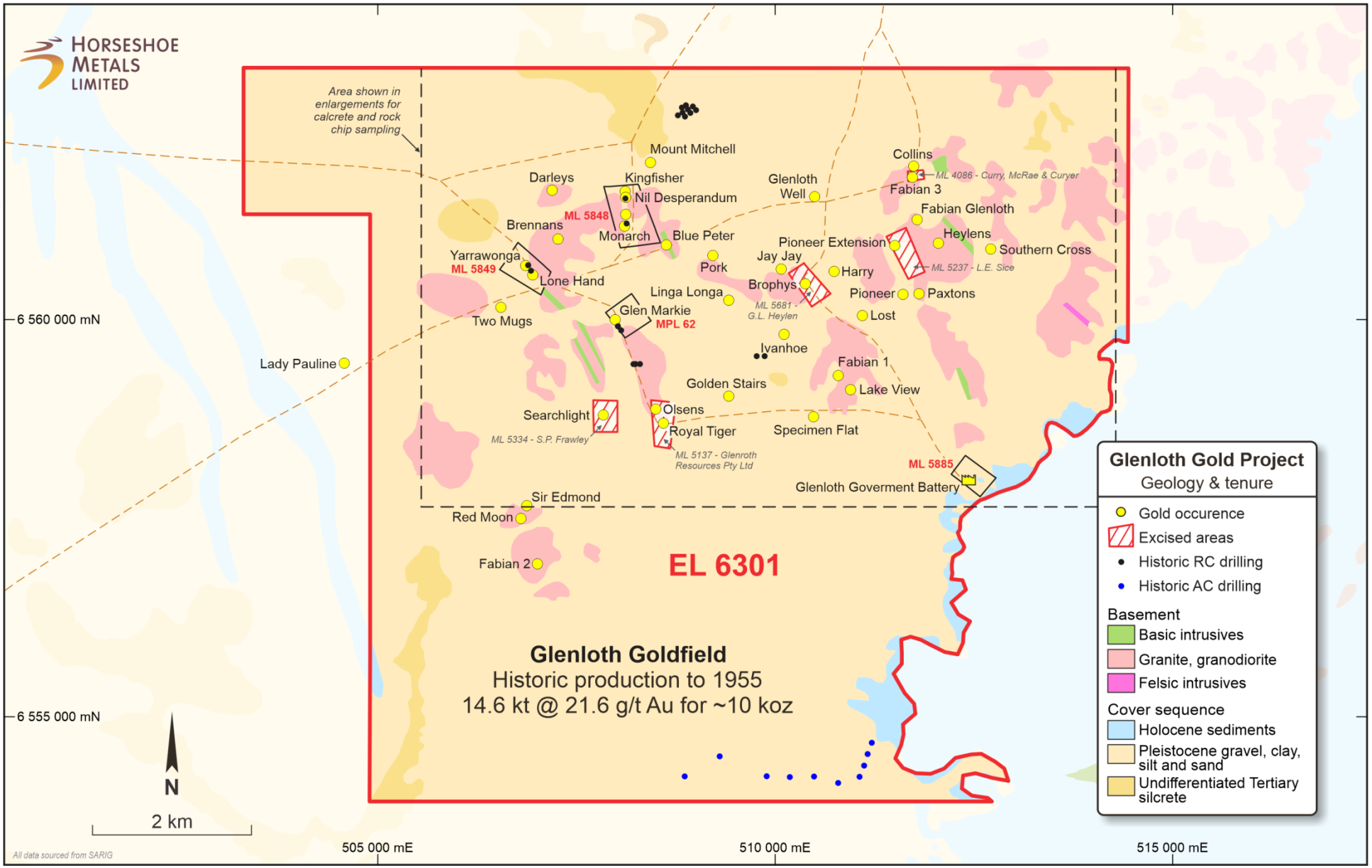

Figure 3: Location of Glenloth Goldfield tenure with regional geology, with named gold occurrences.

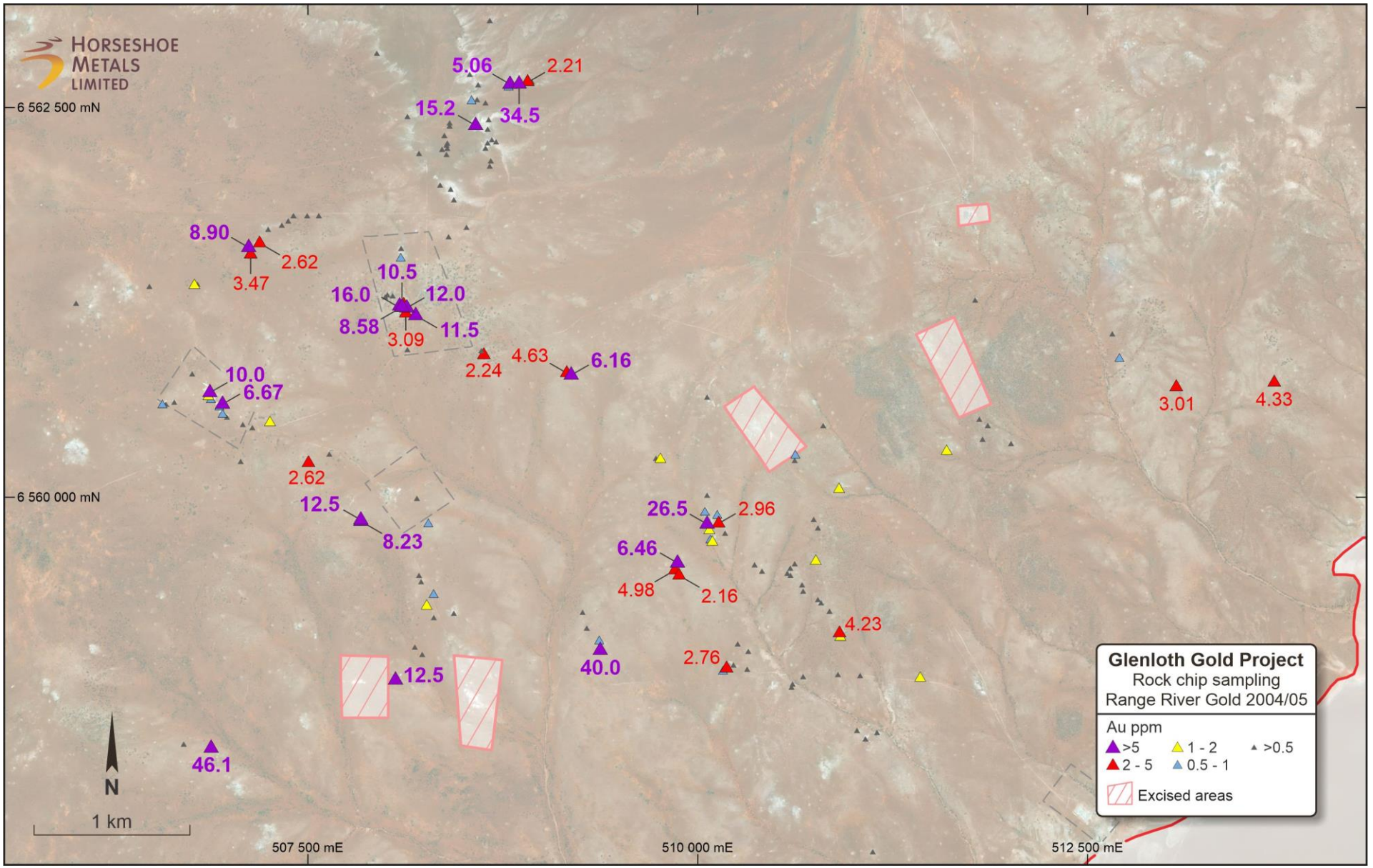

Figure 4: Location of known rockchip sampling within inset area of EL6301, Glenloth Goldfield tenure.

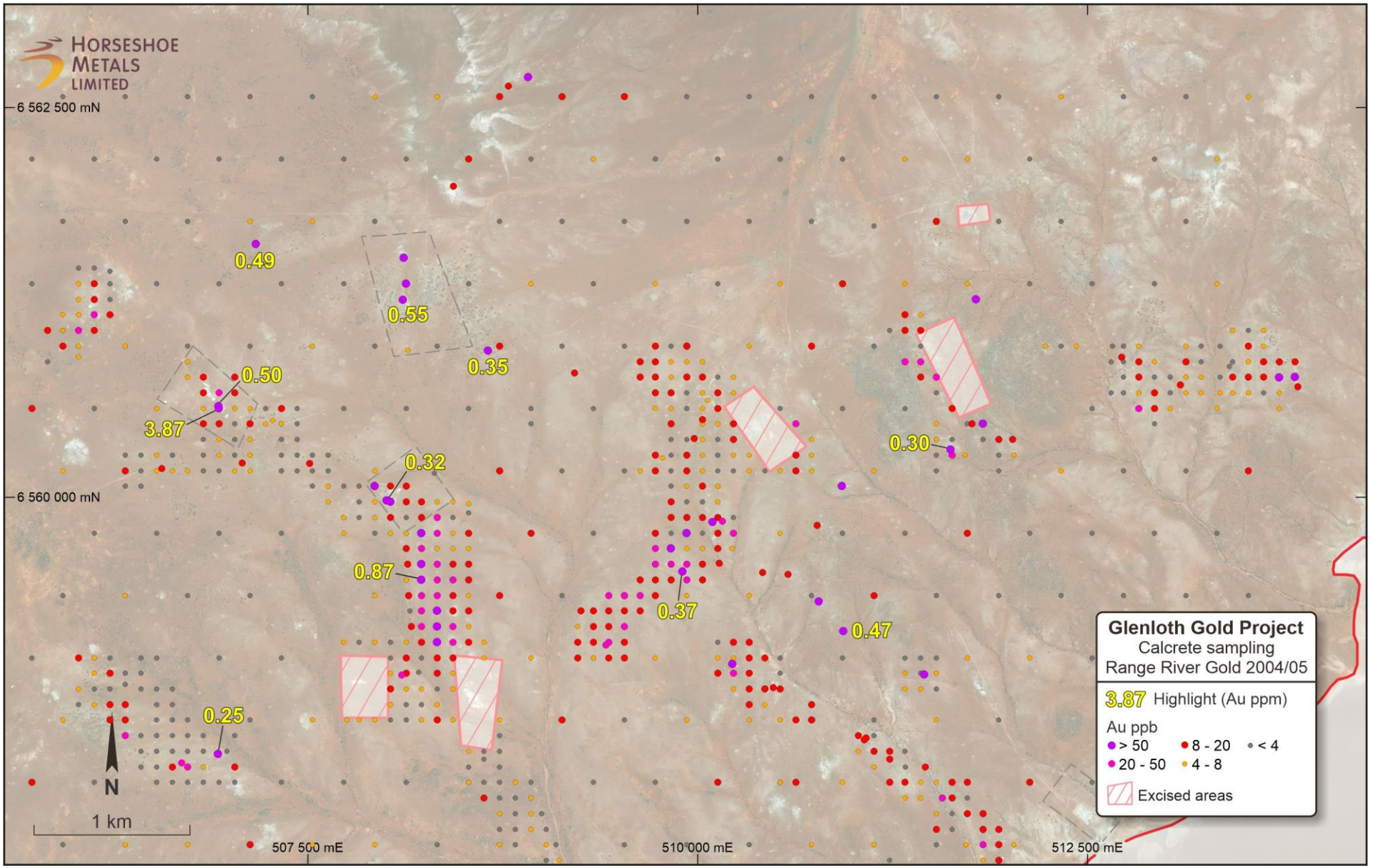

Figure 5: Location of known calcrete geochemical sampling within inset area of EL6301, Glenloth Goldfield tenure. Samples > 250ppb highlighted.

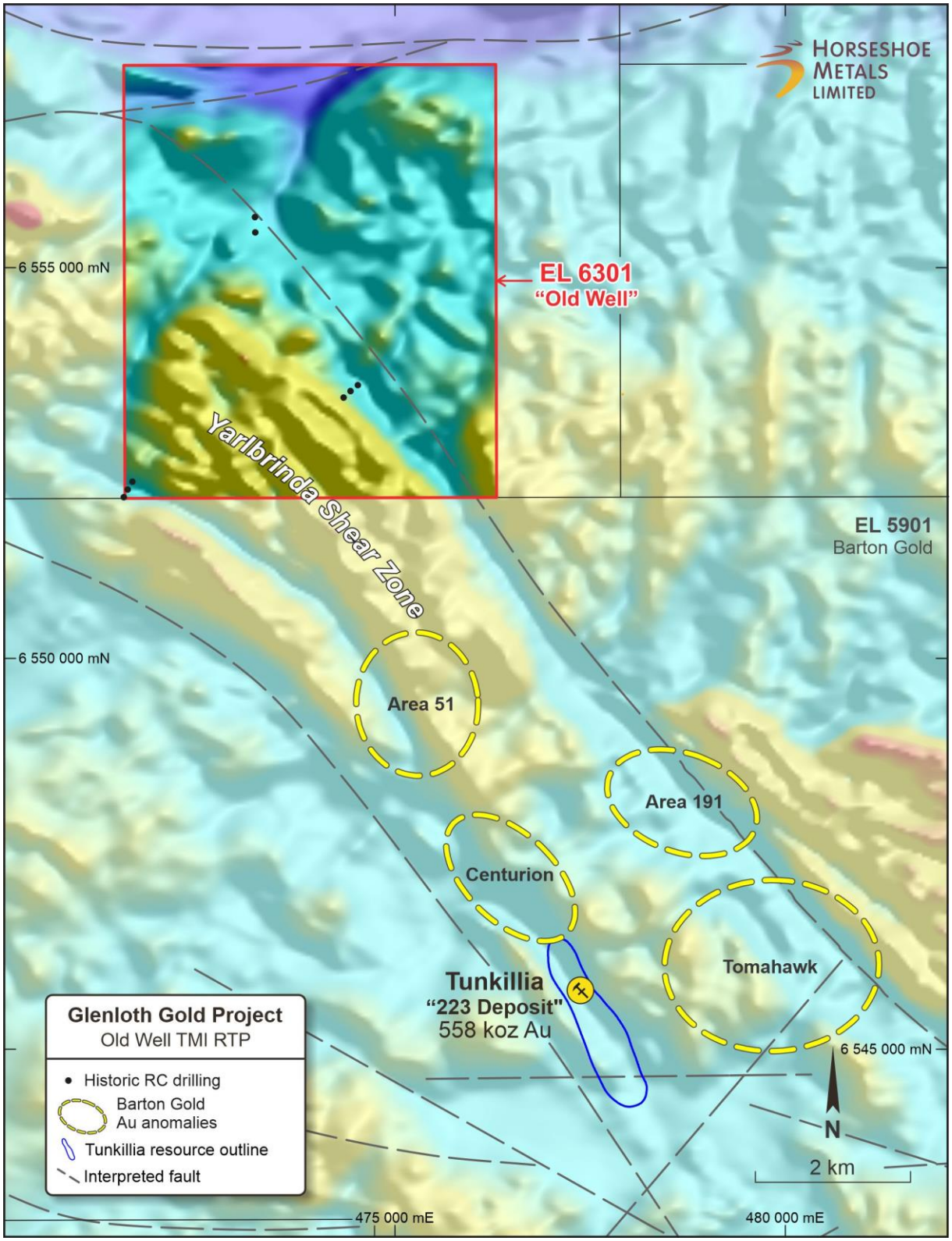

Figure 6: Location of 'Old Well' portion of EL6301, highlighting RC drilling on EL6301, proximity to Tunkillia deposit, interpreted position of Yarlbrinda Shear Zone within fault margins, and named prospects currently being explored by Barton Gold.

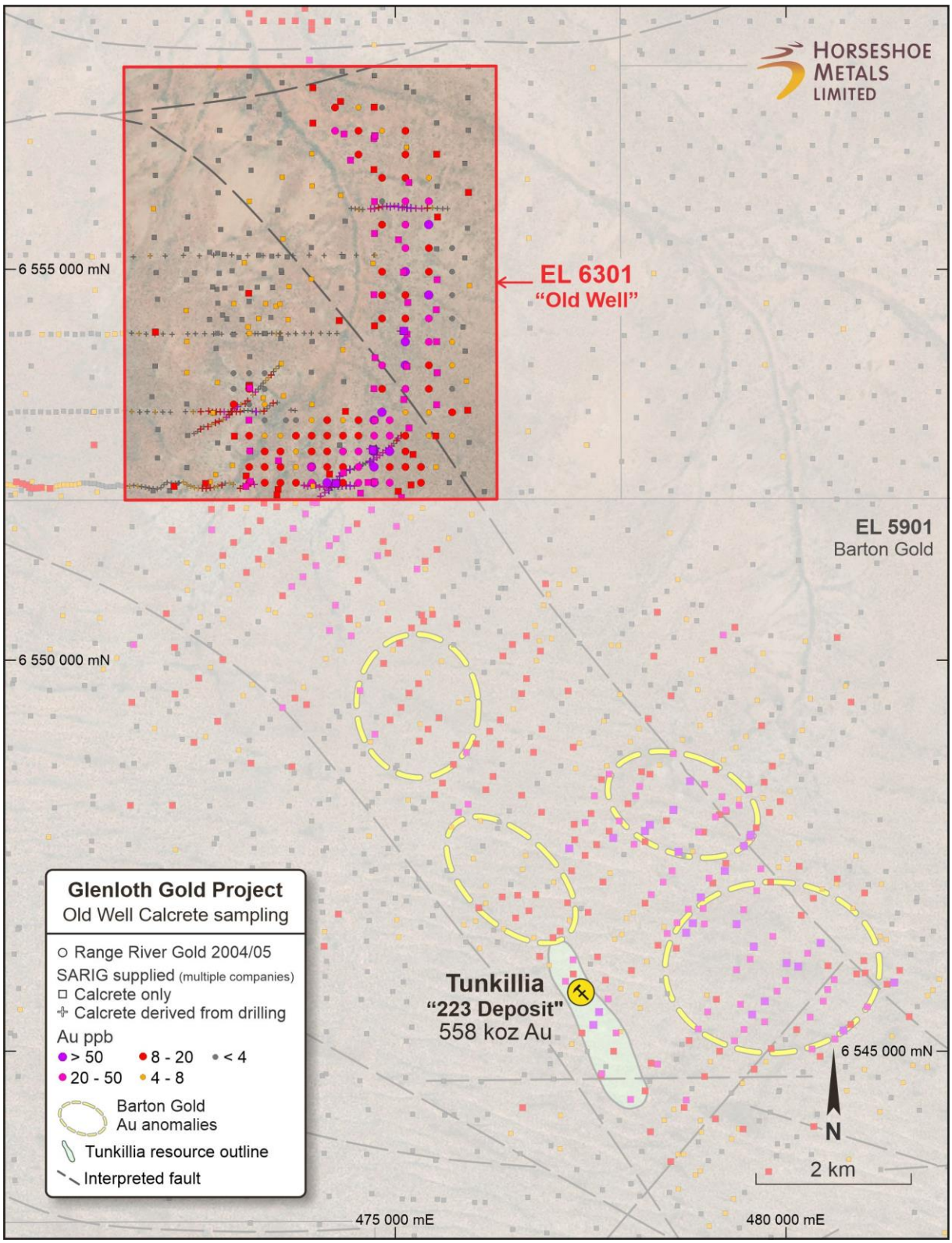

Figure 7: Location of known calcrete geochemical sampling within 'Old Well' portion of EL6301, highlighting proximity to Tunkillia, and perspectivity of northern trends with EL6301. Max calcrete sampling assay of 190ppb within Old Well.

Mt Horseshoe Lights Copper/Gold Project, WA (HOR: 100%) *(GRR: 3% NSR Royalty – refer to Appendix 1)*

The Horseshoe Lights Project covers an area of approximately 60 km^2 including the previously mined Horseshoe Lights copper-gold mine, which is located 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine (see Figure 8).

As part of a strategic review process, leading Perth advisory firm PCF Capital Group led a sale process for the asset. No suitable transaction was received, and the formal representation by PCF in a sale process for the asset has now concluded.

With rising copper and gold prices, the Company has now re-focused on development strategies for the Horseshoe Lights Copper/Gold Project, where known resources represent low capital cost opportunities. The Company has engaged the services of experienced Project Manager and Mining Engineer, Mr Bob Adam, to direct activities in relation to undertaking proposed feasibility studies for the project.

This includes undertaking additional metallurgical test work of surface stockpiles and residual sources of copper and gold as part of the initial development strategy. The Company is also applying for a dangerous goods storage facility licence to support oxide copper extraction as part of this strategy. The Company is updating Mine Closure Planning for the project, and addressing outstanding rehabilitation issues. Test drilling of the CIP tails dam, including sampling of mineralised dumps on its surface are currently being planned, with the Flotation tailings to the immediate east forming part of the current resource inventory (refer Table 1). Some refurbishment to camp and site infrastructure is being undertaken to facilitate increased exploration and to re-establish a base for proposed development activities.

Kumarina Copper Project, WA (HOR: 100%)

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2km^2. The Project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine in the Gascoyne region of Western Australia (see Figure 8). The Company has applied for a mining lease (MLA52/1078) to cover the Rinaldi resource, contiguous with M52/27. No active field work was undertaken during the quarter.

Mt Gunson Copper Project, SA (HOR earning to 50%)

On the 16th October 2019, the Company announced that it had agreed key terms to acquire interests in Copper Mining and Metallurgy Pty Ltd ("CMM") which has rights to produce copper metal from oxide material at the historic Mt Gunson Copper Mine (Refer Figure 9, 10, 11). 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. CMM has considerable expertise in developing copper mining operations in South Australia, and has successfully completed a pilot scale oxide copper heap leach trial at Mt Gunson, with plans to advance to commercial small-scale production.

The Company has assessed exploration opportunities at Mt Gunson. The data confirms the persistent, elongate tabular form of flat-lying shallow oxide mineralisation (refer Figures 15 and 17). The extensive database totals around 20,000m of drilling, which (excluding Cattlegrid drilling on ML5599) is mostly made up of holes less than 15m in depth. Remnant oxide material extending immediately outside the current MOC pit boundary (refer Figures 12, 14, 16) is open and presents a priority drill target. In addition, oxide mineralisation is present in the 'Gap' area between MOC and House prospects, where a series of four holes confirmed shallow copper mineralisation for possible mining (refer Figures 12, 16, 17). The Company is planning drilling of these and other available areas in the near term.

About Mt Gunson Copper Project (ML3717-21, ML5598, ML5599; MPL1):

Copper ore was discovered at Mount Gunson in 1875 and the first recorded production was from 1899. A smelter was subsequently erected in the MOC area in 1904. Small-scale production continued in the area until the Cattlegrid deposit was discovered and subsequently mined by CSR Limited from 1974 to 1986, with 7.2 Mt of 1.9%

Cu ore mined from the Cattlegrid open pit. Together with 270,000 t of MOC ore, the tenements recorded production 156,000 t of copper, 62 t of silver and 2,900 t of cobalt in concentrates (refer Figures 10, 11).

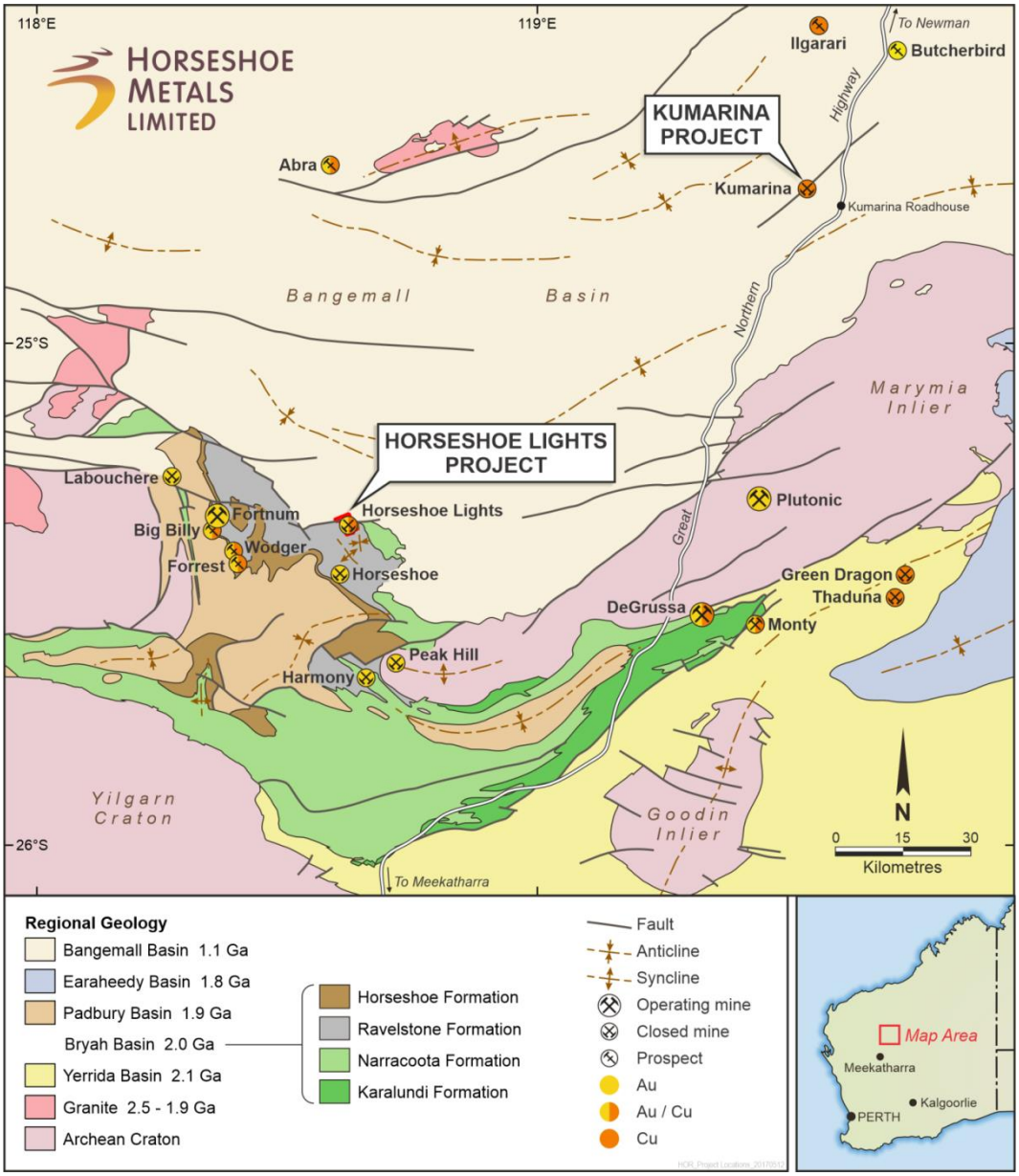

Figure 8: Location map and geology, Horseshoe Lights and Kumarina Projects

From 1987 to around 2006, Adelaide Chemical "Adchem" produced over 14,000 t of copper in cement for feed to the Burra cupric oxide plant from the Mt Gunson Project, principally from heap leaching of 1.2 Mt of 1.3% copper oxide ore from the MOC area, Gunyot, House and Core Shed deposits.

The leases forming the current project (ML3717-21, ML5598, ML5599; MPL1) were subsequently acquired and are currently held by a family-owned earthmoving contractor based in Adelaide, who previously operated their own copper-oxide leach operation until the oxide development rights were granted to CMM on the 29th June 2017 under a 'Licence to Operate'.

Under the Licence to Operate, CMM has a 100% interest in rights to explore, develop and operate oxide copper deposits, stockpiles and tailings on the above listed tenements using all available surface infrastructure including camp, mains power/water supply, treatment plant and earthmoving equipment, with the exception of ML5599, where the licence allows unrestricted use of water and the right to re-process copper-bearing material on the

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

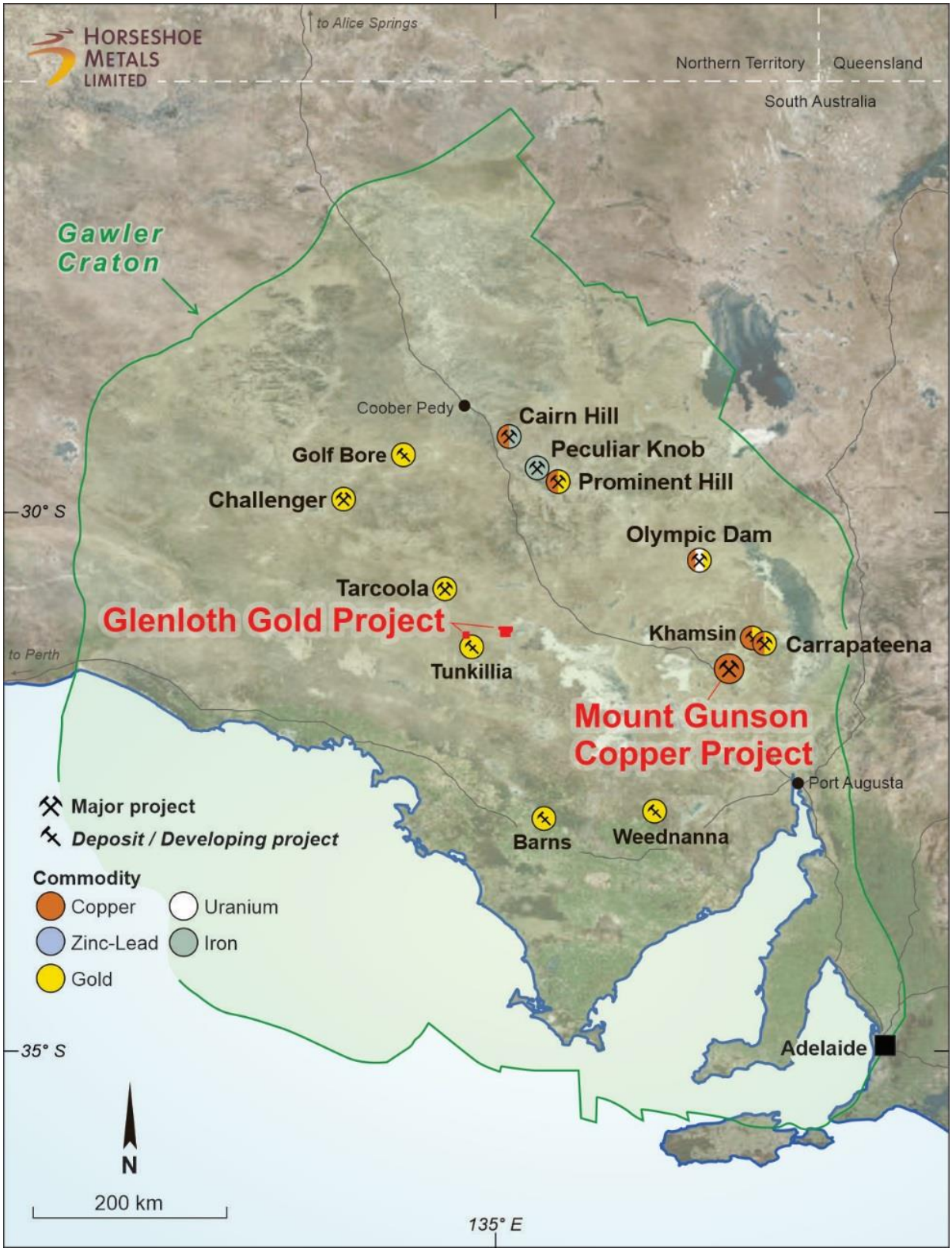

Figure 9: Location of Mt Gunson Copper Project and Glenloth Gold Project, with significant local deposits, South Australia

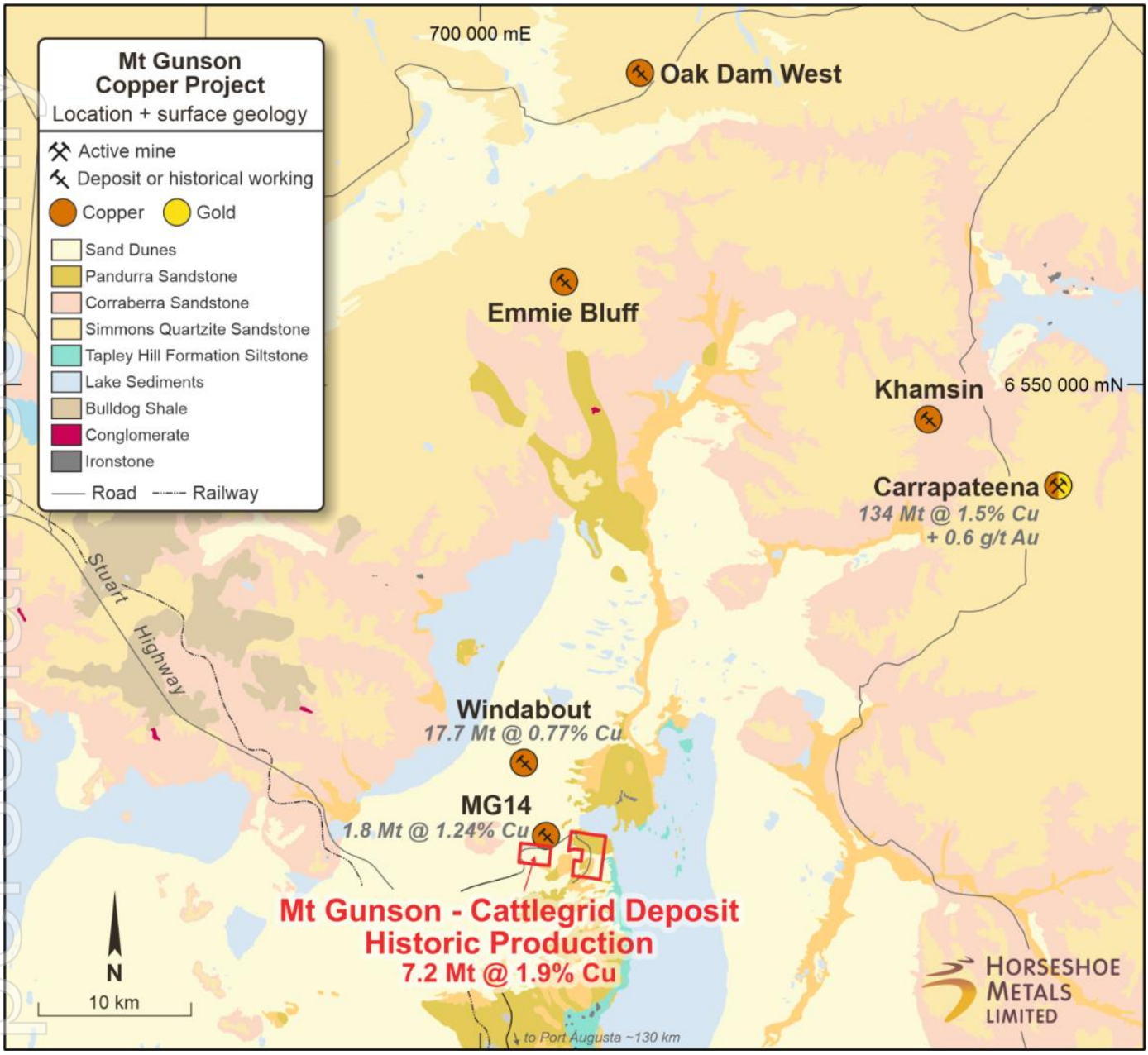

Figure 10: Location of Mt Gunson Copper Project and significant local deposits

Carrapateena Resource:
https://www.ozminerals.com/uploads/docs/170824_ASX_Release_Resource_and_Reserve_Statement_-_Carrapateena_August_2017.pdf p5
Windabout Resource:
https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf p1
MG14 Resource:
https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf p1
Cattlegrid Historic Production:
http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.697.4826&rep=rep1&type=pdf p5

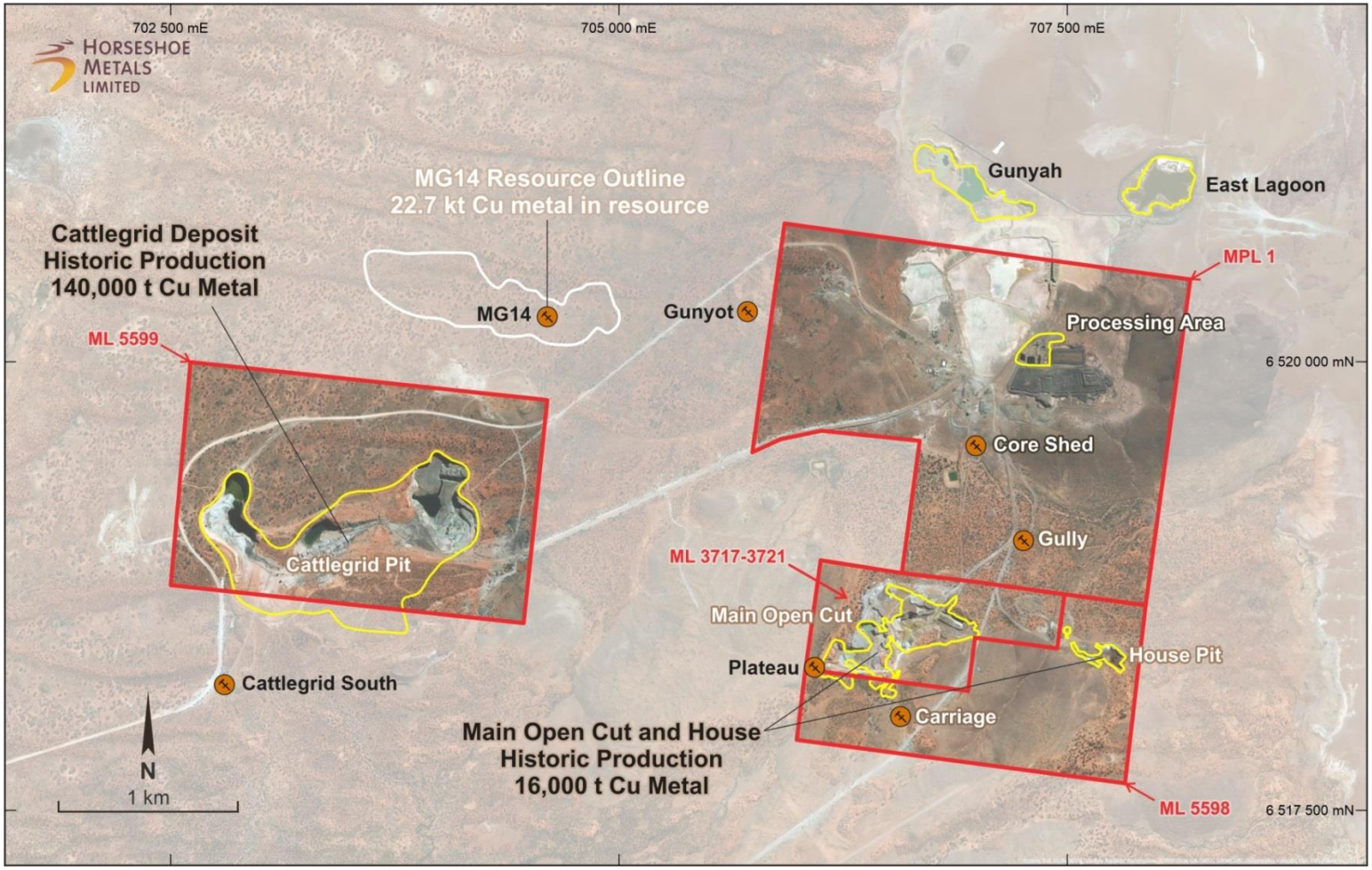

Figure 11: Location of Mt Gunson Copper Project tenure with local deposits and prospects. Historic pit outlines in yellow

Cattlegrid Historic Production: Bampton (2003) Copper Mining and treatment in South Australia, MESA Journal 28, pp38-44
http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.697.4826&rep=rep1&type=pdf p2
MG14 Resource:
https://gindalbie.com.au/wp-content/uploads/2018/01/Mt-Gunson-Copper-Cobalt-Project-Update.pdf p1

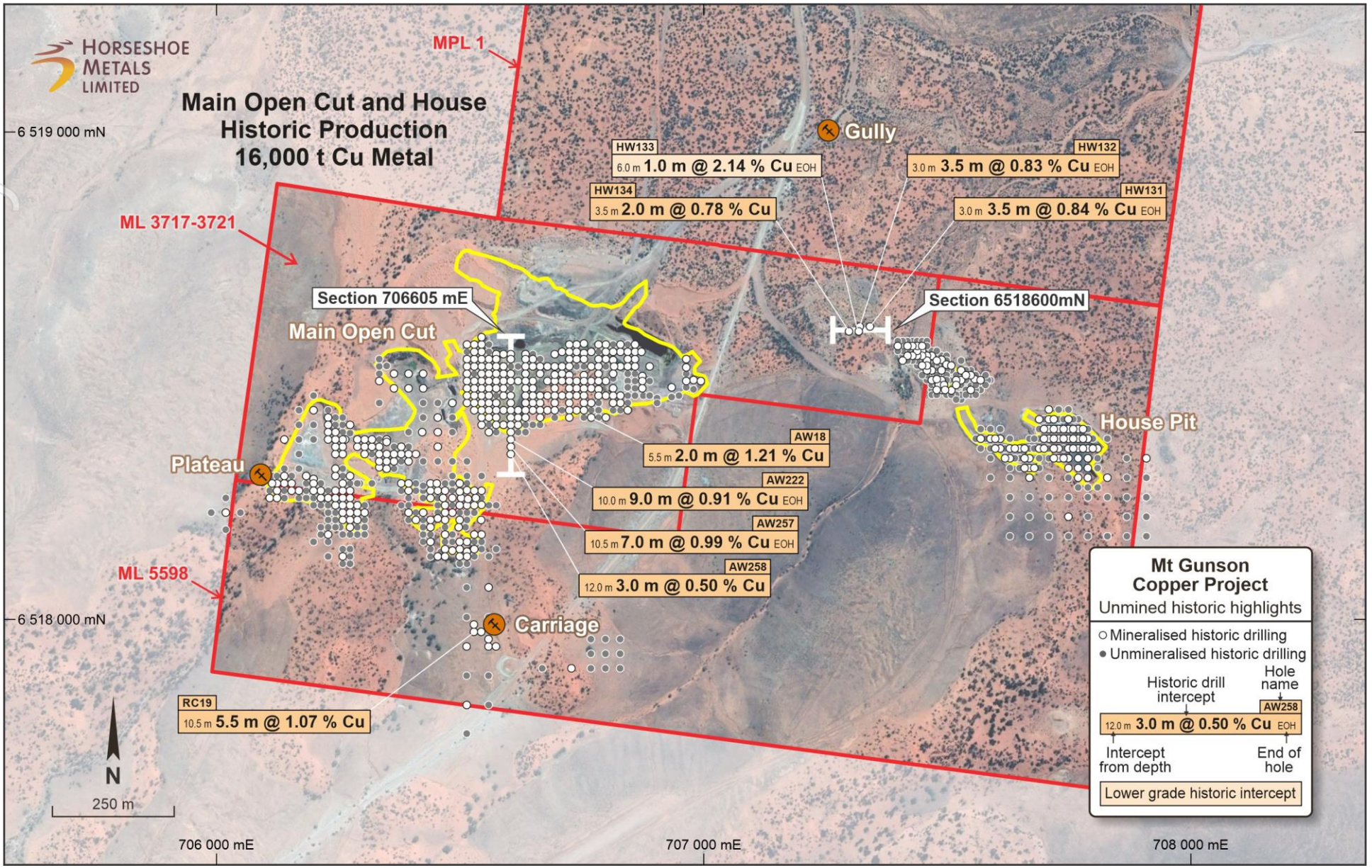

Figure 12: Location of Mt Gunson Copper Project tenure with local deposits, prospects and drill plan. Historic pit outlines in yellow.

Figure 13: View of Mt Gunson Oxide Treatment Facilities and Leach Ponds, 2019

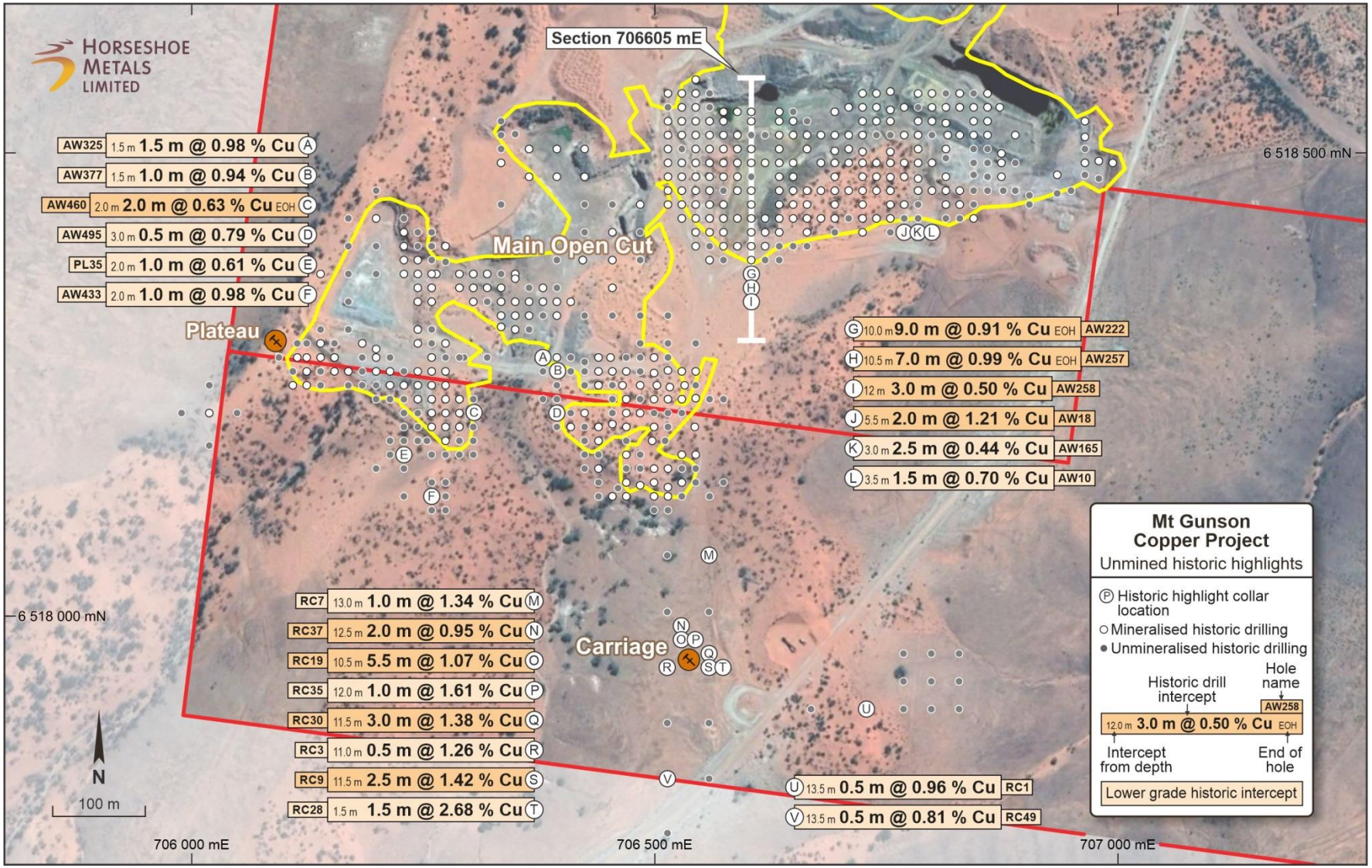

Figure 14: Drill Plan from current Database, Mt Gunson area, Main Open Cut area showing location of section lines for Figure 8, and highlighting historic results from priority drilling target areas

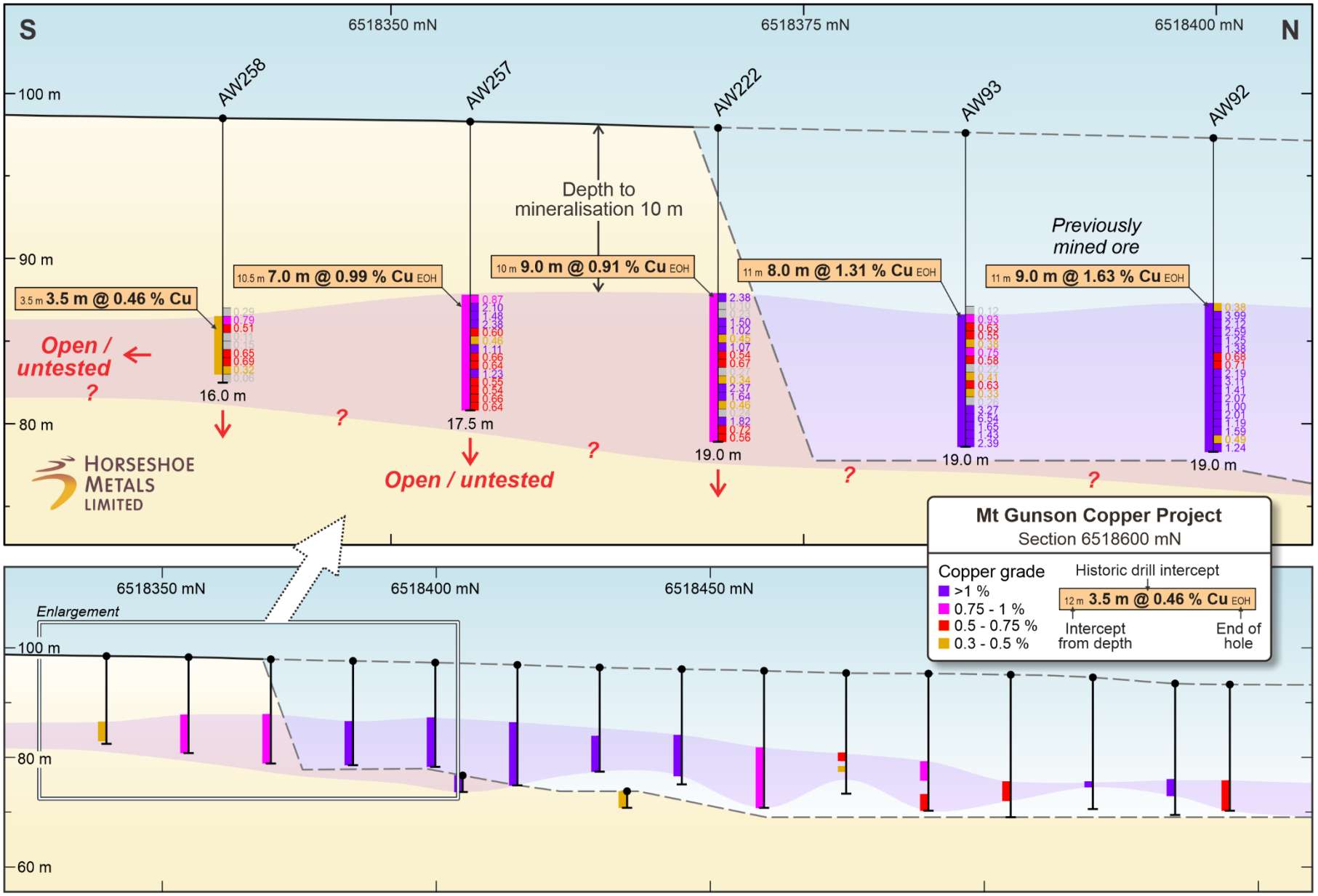

Figure 15: Section 706605mE, Mt Gunson Main Open Cut, showing shallow residual mineralisation outside current pit boundaries

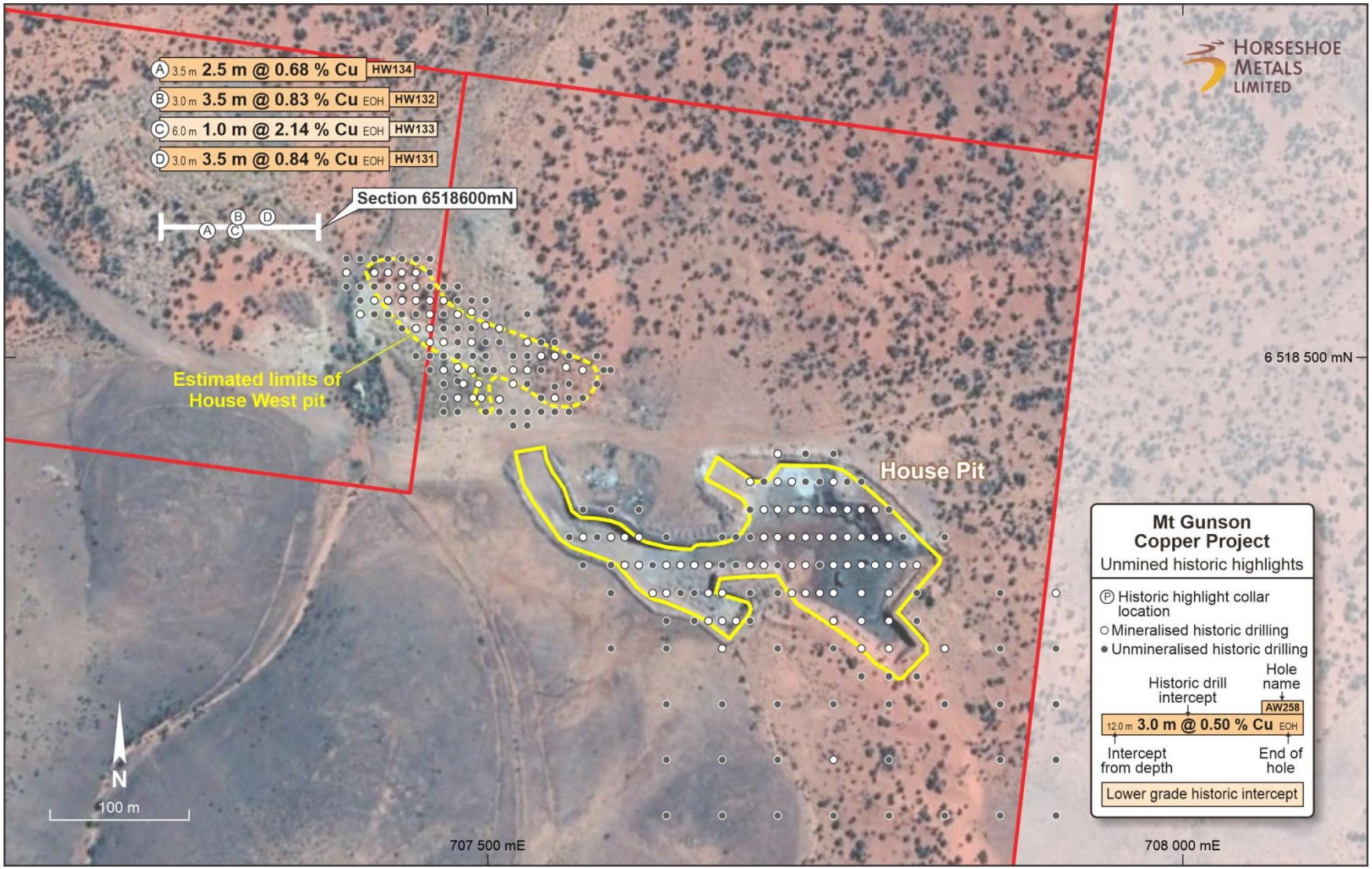

Figure 16: Drill Plan from current Database, Mt Gunson area, 'Gap' and House area showing location of section lines for Figure 10, and highlighting historic results from priority drilling target areas

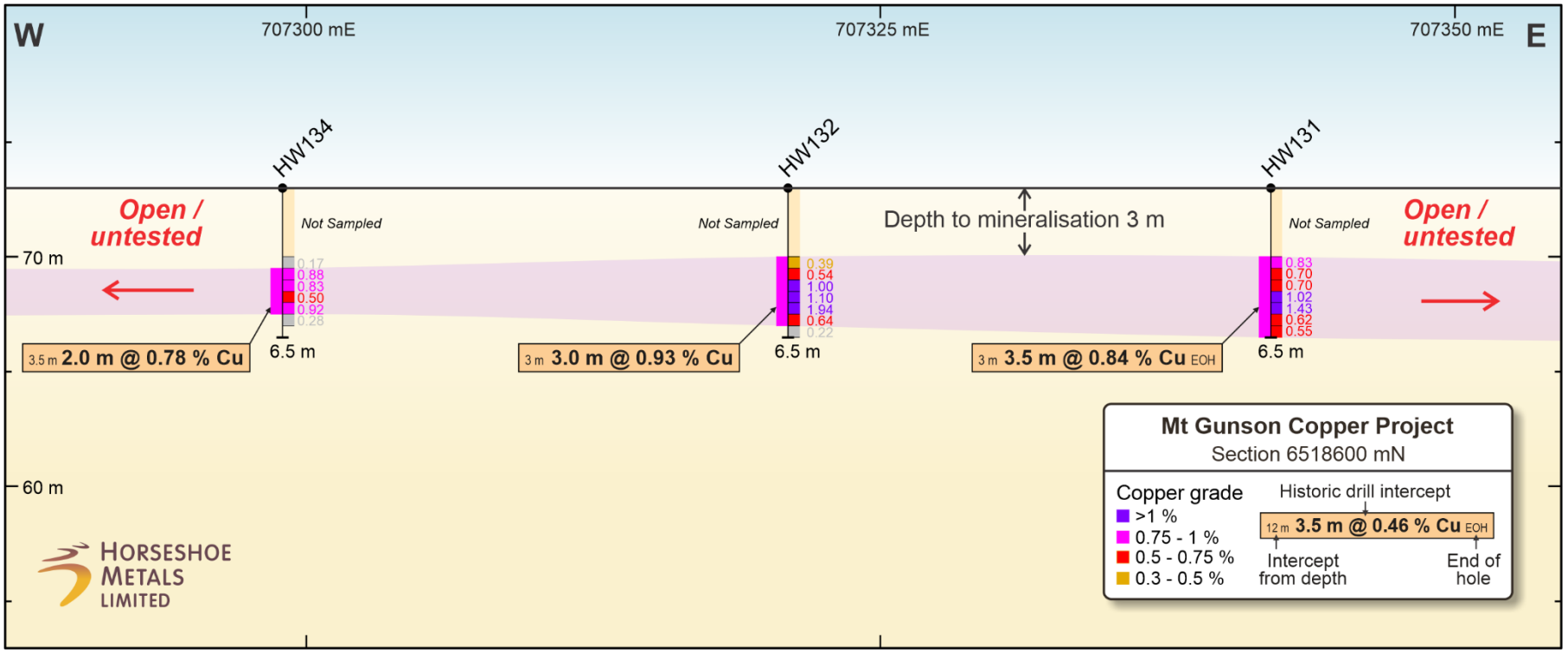

Figure 17: Section 6518600 mN, 'Gap' area between Mt Gunson Main Open Cut and House, showing shallow residual oxide mineralisation outside current pit boundaries

CORPORATE

At the time of writing, the Company remains in suspension, having requested an extension until 30 November 2020, pending the outcome of ASX 12.2 queries.

On 21 July 2020, the Company announced a change of share registry to Advanced Share Registry Limited.

On 2 September 2020, the Company announced that terms of the unsecured loan agreement with lenders had been increased $500,000 to $2.0M, with an extension of the date to complete capital raisings to 31 December 2020.

On 16 October 2020, the Company announced that it had agreed to place 39,600,000 fully paid ordinary shares under its existing placement capacity, through the issuing of 20,666,667 shares under ASX Listing Rule 7.1 to unrelated parties of the Company at a deemed issue price of $0.015 in satisfaction of $310,000 owing in debt; and through the issuing of 18,933,333 shares to existing and new shareholders (none of whom are related parties of the Company) under ASX Listing Rule 7.1A at an issue price of $0.015 to raise $284,000 in cash.

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

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Non-Executive Director

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About Horseshoe Metals Limited

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

About the Horseshoe Lights Project

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

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

Past mining was focused on the Main Zone, a series of lensoid ore zones, which passed with depth from a gold-rich oxide zone through zones of high-grade chalcocite mineralisation into massive pyrite-chalcopyrite. To the west and east of the Main Zone, copper mineralisation in the Northwest Stringer Zone and Motters Zone consists of veins and disseminations of chalcopyrite and pyrite and their upper oxide copper extensions. Table 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 June 2020.

TABLE 1
HORSESHOE LIGHTS PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 September 2020

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

Note: At 0% Cu cut-off grade unless otherwise stated

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

About the Kumarina Project

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

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu.

An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate as at 30 September 2019 is shown in Table 2 below.

TABLE 2
KUMARINA PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 September 2020

Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	*Measured*	*415,000*	*1.46*	*6,100*
	Indicated	*307,000*	*1.16*	*3,500*
	Inferred	*114,000*	*0.9*	*1,000*
	Total	**835,000**	**1.3**	**10,600**

The Mineral Resource Estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

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 contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 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.

Table 3. Compiled Drilling conducted on EL6301. Results reported for 1m >0.1 ppm Au; and 4m > 0.02ppm Au for composite samples. Locations depicted in Figures 3.

Location	Hole ID	Drill Type	East GDA	North GDA	RL	Depth (m)	Dip	Azimuth	Max Au in Hole				Year	Operator
									From (m)	To (m)	Length (m)	Au ppm		
Regional	CN06A01	AC	508899	6554285	0	51.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A02	AC	509338	6554536	0	35.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A03	AC	509930	6554286	0	40.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A04	AC	510220	6554275	0	43.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A05	AC	510525	6554283	0	31.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A06	AC	510828	6554202	0	33.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A07	AC	511098	6554279	0	24.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A08	AC	511155	6554419	0	42.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A09	AC	511200	6554565	0	48.00	-90	360	NSI				2006	Minotaur Exploration
	CN06A10	AC	511252	6554707	0	51.00	-90	360	NSI				2006	Minotaur Exploration
Mount Mitchell	GLRC001	RC	508854	6562705	0	115.00	-60	326	NSI				2004	Range River Gold
	GLRC002	RC	508864	6562642	0	144.00	-60	326	43.00	44.00	1.00	0.50	2004	Range River Gold
	GLRC003	RC	508894	6562591	0	138.00	-60	326	123.00	124.00	1.00	0.10	2004	Range River Gold
	GLRC004	RC	508903	6562734	0	119.00	-60	326	NSI				2004	Range River Gold
	GLRC005	RC	508928	6562681	0	144.00	-60	326	33.00	34.00	1.00	0.32	2004	Range River Gold
	GLRC006	RC	508960	6562635	0	138.00	-60	326	42.00	43.00	1.00	1.57	2004	Range River Gold
	GLRC007	RC	508992	6562719	0	129.00	-60	326	NSI				2004	Range River Gold
	GLRC008	RC	509030	6562672	0	108.00	-60	326	83.00	84.00	1.00	0.78	2004	Range River Gold
	GLRC009	RC	508803	6562607	0	129.00	-60	326	29.00	30.00	1.00	0.19	2004	Range River Gold
Lone Hand	GLRC010	RC	506922	6560720	0	130.00	-60	236	40.00	41.00	1.00	0.31	2004	Range River Gold
	GLRC011	RC	506956	6560647	0	139.00	-60	236	36.00	37.00	1.00	0.62	2004	Range River Gold
Ivanhoe South West	GLRC518	RC	509900	6559575	0	100.00	-60	270	52.00	56.00	4.00	0.11	2006	Minotaur Exploration
	GLRC519	RC	509800	6559575	0	100.00	-60	270	24.00	28.00	4.00	0.44	2006	Minotaur Exploration
Glen Markie South	GLRC520	RC	508245	6559475	0	75.00	-60	270	32.00	36.00	4.00	0.09	2006	Minotaur Exploration
	GLRC521	RC	508260	6559475	0	75.00	-60	270	24.00	28.00	4.00	0.19	2006	Minotaur Exploration
	GLRC522	RC	508270	6559475	0	100.00	-60	270	24.00	28.00	4.00	0.14	2006	Minotaur Exploration
	GLRC523	RC	508330	6559475	0	100.00	-60	270	32.00	36.00	4.00	0.71	2006	Minotaur Exploration
Monarch	GLRC524	RC	508165	6561245	0	100.00	-60	270	12.00	16.00	4.00	0.11	2006	Minotaur Exploration
	GLRC525	RC	508150	6561560	0	75.00	-60	270	16.00	20.00	4.00	0.04	2006	Minotaur Exploration
Glen Markie	GLRC526	RC	508090	6559900	0	100.00	-60	225	28.00	32.00	4.00	0.07	2006	Minotaur Exploration
	GLRC527	RC	508050	6559950	0	108.00	-60	225	24.00	28.00	4.00	0.11	2006	Minotaur Exploration
Old Well*	GLRC001	RC	473210	6555450	0	198	-60	30	NSI				2006	Minotaur Exploration
	GLRC002	RC	473210	6555650	0	199	-60	30	NSI				2006	Minotaur Exploration
	GLRC003	RC	474525	6553495	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC004	RC	474435	6553420	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC005	RC	474340	6553340	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC006	RC	471635	6552265	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC007	RC	471575	6552160	0	200	-60	30	NSI				2006	Minotaur Exploration
	GLRC008	RC	471525	6552060	0	200	-60	30	NSI				2006	Minotaur Exploration

* NB. Hole ID's duplicated by Minotaur Exploration at Mt Mitchell and Old Well.

Table 4. Compiled Rock Chip Sampling conducted on EL6301. Results reported for >2 ppm Au. Locations depicted in Figure 4.

Sample ID	Prospect	East GDA	North GDA	Au ppm
GLX0011	SW Ivanhoe	509903	6559609	6.46
GLX0012	SW Ivanhoe	509876	6559558	2.16
GLX0013	SW Ivanhoe	509905	6559528	4.98
GLX0018	Pork	509214	6560813	6.16
GLX0019	Pork	509196	6560824	4.63
GLX0021	Blue Peter	508651	6560942	2.24
GLX0023	Mount Mitchell	508920	6562695	2.36
GLX0024	Mount Mitchell	508567	6562384	15.2
GLX0059	Mount Mitchell	508781	6562633	2.21
GLX0061	Mount Mitchell	508837	6562681	5.06
GLX0062	Mount Mitchell	508885	6562682	34.5
GLX0084	Darleys	507198	6561661	2.62
GLX0085	Darleys	507152	6561596	3.47
GLX0088	Darleys	507153	6561624	8.90
GLX0097	Lone Hand	506860	6560667	10.0
GLX0099	Lone Hand	506946	6560592	6.67
GLX0108	Monarch pit	508169	6561242	10.5
GLX0109	Monarch pit	508130	6561257	8.58
GLX0110	Monarch pit	508111	6561253	16.0
GLX0113	Ivanhoe NE line	510152	6559855	2.96
GLX0118	Ivanhoe Central	510094	6559849	26.5
GLX0129	Lake View	510930	6559140	4.23
GLX0144	Golden Stairs	509408	6559044	40.0
GLX0148	Specimen Flat Nth	510209	6558932	2.76
GLX0169	Glen Markie	507872	6559877	12.5
GLX0170	Glen Markie	507872	6559877	8.23
GLX0173	Glenloth East	513724	6560764	4.33
GLX0174	Glenloth East	513094	6560727	3.01
GLX0221	Monarch	508171	6561246	12.0
GLX0222	Monarch	508221	6561190	11.5
GLX0223	Monarch	508148	6561202	3.09
GLX0226	Monarch	508132	6561253	2.31

Table 5. Compiled Calcrete Geochemical Sampling conducted on EL6301. Results reported for >0.25 ppm Au. Locations depicted in Figure 5.

Sample ID	East GDA	North GDA	Au ppm
GLC005	508110	6561268	0.55
GLC007	506927	6560586	0.50
GLC009	508005	6559980	0.32
GLC012	506925	6558355	0.25
GLC015	507167	6561627	0.50
GLC019	509901	6559526	0.37
GLC026	510933	6559144	0.47
GLC029	511621	6560307	0.30
GLC032	508655	6560941	0.35
GLC109	506929	6560572	3.87
GLC565	508229	6559472	0.87

Appendix 1: Tenement Schedule (ASX Listing Rule 5.3.3)

SUMMARY OF MINING TENEMENT INTERESTS AS AT 30th September 2020					
Location	**Tenement No.**	**Interest At Beginning Of Quarter (%)**	**Interests relinquished, reduced or lapsed (%)**	**Interests acquired or increased (%)**	**Interest At End Of Quarter (%)**
Horseshoe Lights, WA	M52/743	100%[1]	-	-	100%[1]
Horseshoe Lights, WA	L52/42	100%	-	-	100%[1]
Horseshoe Lights, WA	L52/43	100%	-	-	100%[1]
Horseshoe Lights, WA	L52/44	100%	-	-	100%[1]
Horseshoe Lights, WA	L52/45	100%	-	-	100%[1]
Horseshoe Lights, WA	L52/66	100%	-	-	100%[1]
Kumarina, WA	M52/27	100%	-	-	100%
Kumarina, WA	MLA52/1078	0%[2]			0%[2]
Glenloth, SA	EL6301	0%		100%	100%

Notes:

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

Appendix 5B

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

Name of entity	
Horseshoe Metals Limited	
ABN	**Quarter ended ("current quarter")**
20 123 133 166	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(95)	(154)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(26)	(171)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	3	18
1.9	**Net cash from / (used in) operating activities**	**(118)**	**(307)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	(38)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(38)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	207	435
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**207**	**435**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2	1
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(118)	(307)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(38)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	207	435

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**91**	**91**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	91	2
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**91**	**2**

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

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

N/A

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,000	1,430
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,000	1,430

7.5	**Unused financing facilities available at quarter end**	570

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

The Company has an unsecured loan agreement with a syndicate of lenders. The facility limit is $1,500,000, interest rate 8% p.a.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	118
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	118
8.4	Cash and cash equivalents at quarter end (Item 4.6)	91
8.5	Unused finance facilities available at quarter end (Item 7.5)	570
8.6	Total available funding (Item 8.4 + Item 8.5)	661
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	5.60

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

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

Answer: N/A

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

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

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

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

Date: .....31 October 2020.....

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

Notes

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

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

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

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

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