HORSESHOE METALS

LIMITED

A.B.N. 20 123 133 166

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2026

CORPORATE INFORMATION

Board of Directors

Seldon Mart (Non-Executive Director)
Kate Stoney (Non-Executive Director)
Peter Walker (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
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Bankers

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

Share Registry

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

Auditors

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

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange
ASX Code: HOR

Website
www.horseshoemetals.com.au

CONTENTS

DIRECTORS' REPORT

The Directors present their report on the consolidated entity comprising Horseshoe Metals Limited and its controlled entity ("Horseshoe", "the Company" or "the Group") for the half-year ended 30 June 2026 and the auditor's report thereon.

1. DIRECTORS

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

Kate Stoney	Non-Executive Director
Seldon Mart	Non-Executive Director
Peter Walker	Non-Executive Director

2. REVIEW OF OPERATIONS

During the half-year the Company continued to focus on the development of 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 the 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).

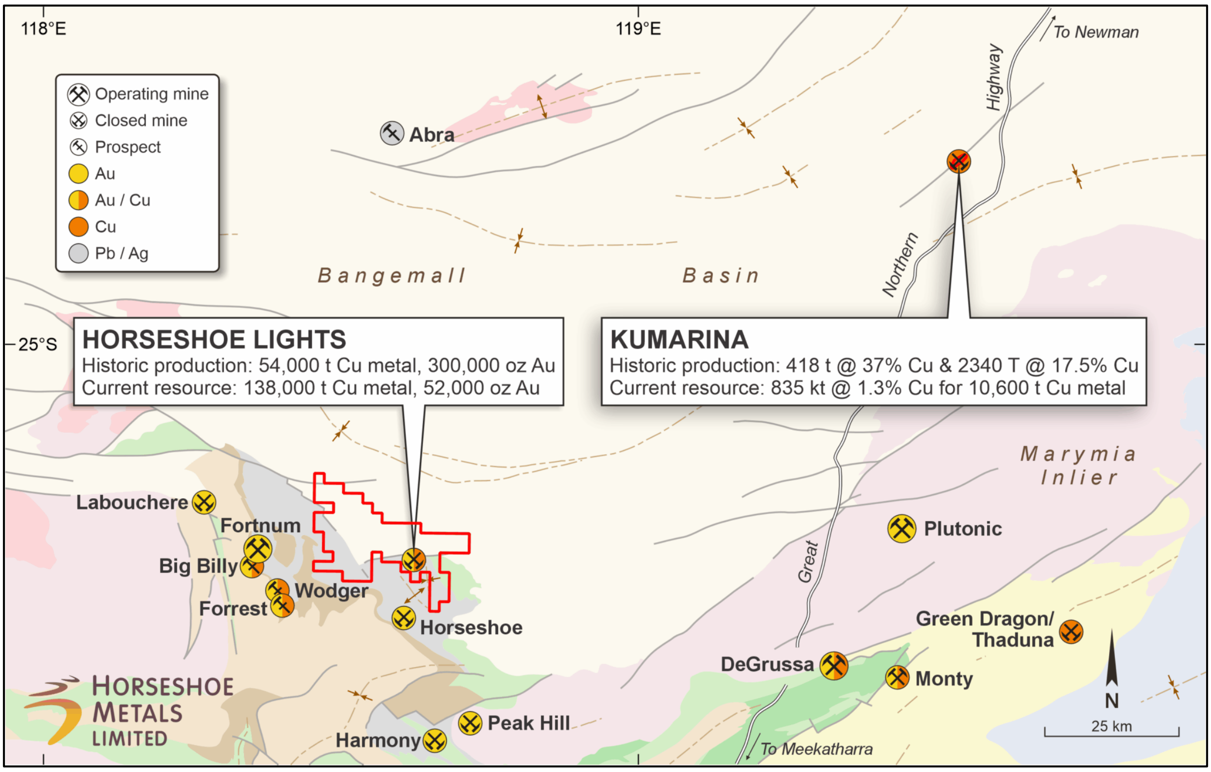

Figure 1: Location of Horseshoe Lights and Kumarina Projects, WA

Project development – DSO strategy

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

The copper phase of mining included early DSO copper production that has left subgrade and rehandle DSO material around the site. Areas identified and assessed as having strong DSO material include M15, Subgrade and C20 stockpiles along with rehandle and surface pimple dumps located on the North Waste Dump, Gold Tailings and Southern low-grade stockpile. The coarse material is easily scavenged utilising loaders and excavators equipped with sieve buckets.

The surface materials have previously been broadly grouped as follows (Figure 2):

- **Copper/Gold** Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
- **Copper** Subgrade, rehandle, Low-grade oxide and sulphide stockpiles
- **Gold** Gold tailings, leach vats, low grade, rehandle and ROM stockpiles

The DSO strategy envisages the following development sequence, subject to any statutory and regulatory approvals:

1. Scavenging of remnant coarse DSO material, bagging and transport;
2. Heavy media separation of fine DSO material from select stockpiles.
3. Small-scale heap leach and/or vat leach of oxide material followed by cementation; and
4. Large-scale heap leach and/or vat leach of surface oxide material followed by cementation.

Post-period end, the Company announced a timeline for the commencement of DSO operations at Horseshoe Lights (refer ASX release 19 August 2026), following the appointment of a Senior Site Executive and lodgment of a notice of commencement of operations.

Following the mobilisation of operations personnel to site, initial activities will include handheld XRF grade control to consolidate high-grade DSO stockpiles ready for immediate sale. Horseshoe will manage the full process of stockpiling, loading and delivery to customers, with 500-tonne batches to be stockpiled for sale.

Gold surface materials

The Company has entered into an agreement with Melodygold Pty Ltd ("Melody Gold") for the right to process gold surface materials at Horseshoe Lights (refer ASX releases 20 January 2025 and 12 June 2025). The Gold Surface Materials Rights Agreement ("Gold Rights Agreement") covers designated gold surface materials adjacent to the historic open pit at Horseshoe Lights. Under the Gold Rights Agreement, the Company's wholly owned subsidiary Murchison Copper Mines Pty Ltd ("MCM") has granted a licence to Melody Gold for an initial period of three years.

Melody Gold has advised it intends to treat up to 500,000 tonnes per annum in its proposed retreatment of the gold surface materials, utilising gravity recovery to produce an Au-Cu-Ag concentrate. MCM is entitled to receive a monthly fee of $25,000 from Melody Gold, increasing to $75,000 from the commencement of processing. MCM will also receive a tonnage-base payment of 10 percent of the recovered gold equivalent value per tonne of gold surface materials processed. A payment of $1.00 per dry metric tonne processed will be made by Melody Gold to be held in trust as a rehabilitation bond.

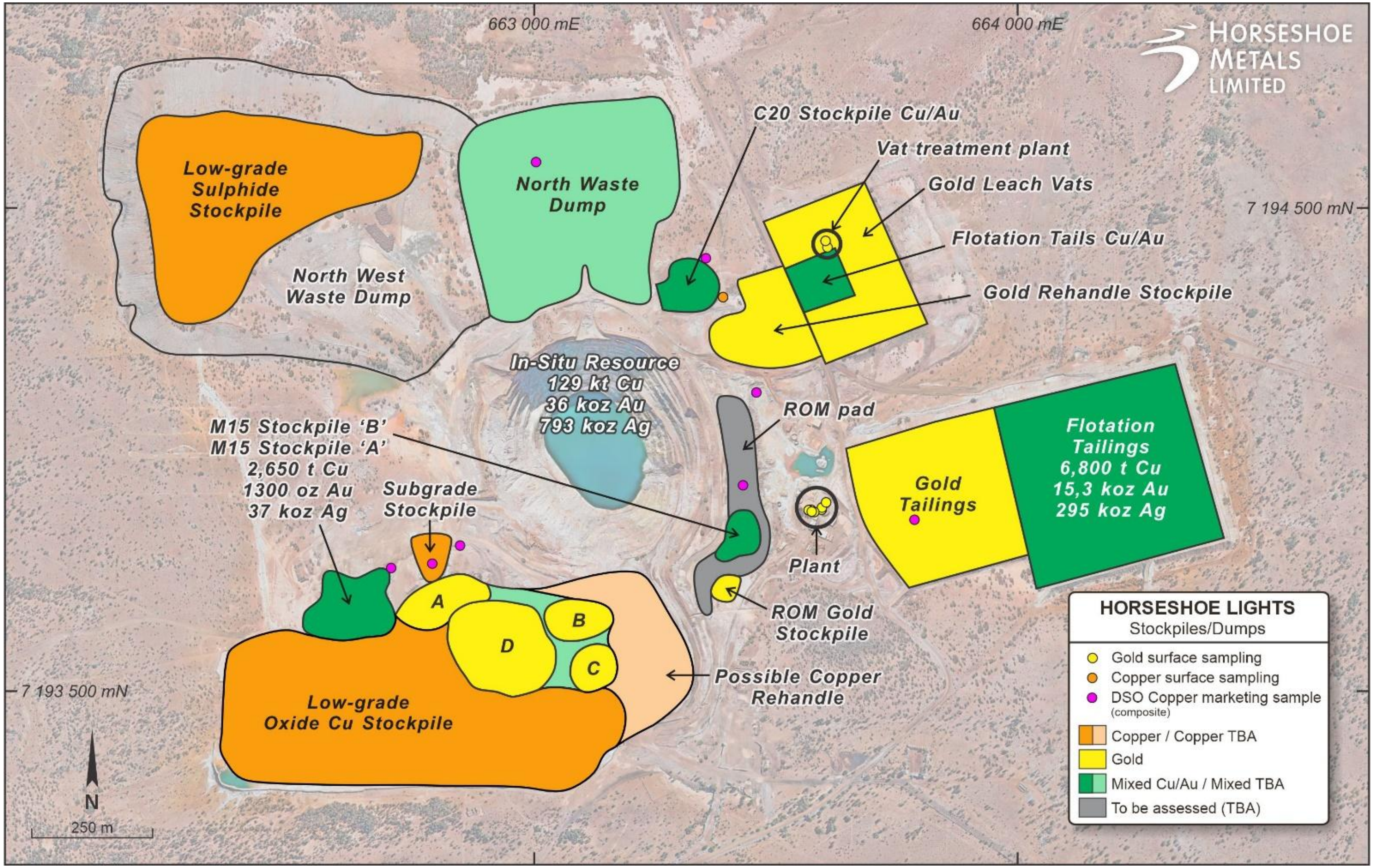

Figure 2: Horseshoe Lights gold and copper surface materials

TABLE 1 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES as at 30 June 2026								
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**
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".

New Exploration Targets – Horseshoe Lights

During the half-year the Company released a new copper Exploration Target for the Motters Zone at Horseshoe Lights (refer ASX release 18 February 2026). A new Exploration Target for the Main Zone was released post-period end (refer ASX release 11 August 2026).

The Exploration Target range for the Motters Zone (see Figures 3 to 5 and Table 2) is:

2.6 – 3.6 million tonnes grading at 1.0 - 1.5% Cu*

(see Table 2 for details)

Table 2: Exploration Target Ranges Motters Zone - HSL

Target	**Tonnes Range (MT)**		**Cu Range (%)**	
	Minimum	**Maximum**	**Minimum**	**Maximum**
Motters Zone	*2.6*	*3.6*	*1.0*	*1.5*
Total Exploration Target	***2.6***	***3.6***	***1.0***	***1.5***

The Exploration Target range for the Main Zone (see Figures 3, 6 and 7 and Table 3) is:

20.0 – 30.0 million tonnes grading at 0.7 - 1.2% Cu*

(see Table 3 for details)

Table 3: Exploration Target Ranges Main Zone and Motters Zone - HSL

Target	**Tonnes Range (MT)**		**Cu Range (%)**	
	Minimum	**Maximum**	**Minimum**	**Maximum**
Main Zone	*20.0*	*30.0*	*0.7*	*1.2*
Motters Zone	*2.6*	*3.6*	*1.0*	*1.5*
Total Exploration Target	***22.6***	***33.6***	***0.7***	***1.2***

The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Targets referenced above are based on the interpretation of exploration and extensive drilling campaigns completed to date. The data and methodology used in calculating the Exploration Targets are included in the relevant ASX releases, together with the proposed exploration activities designed to test the validity of the Exploration Target and provide the information necessary for a Mineral Resource Estimate.

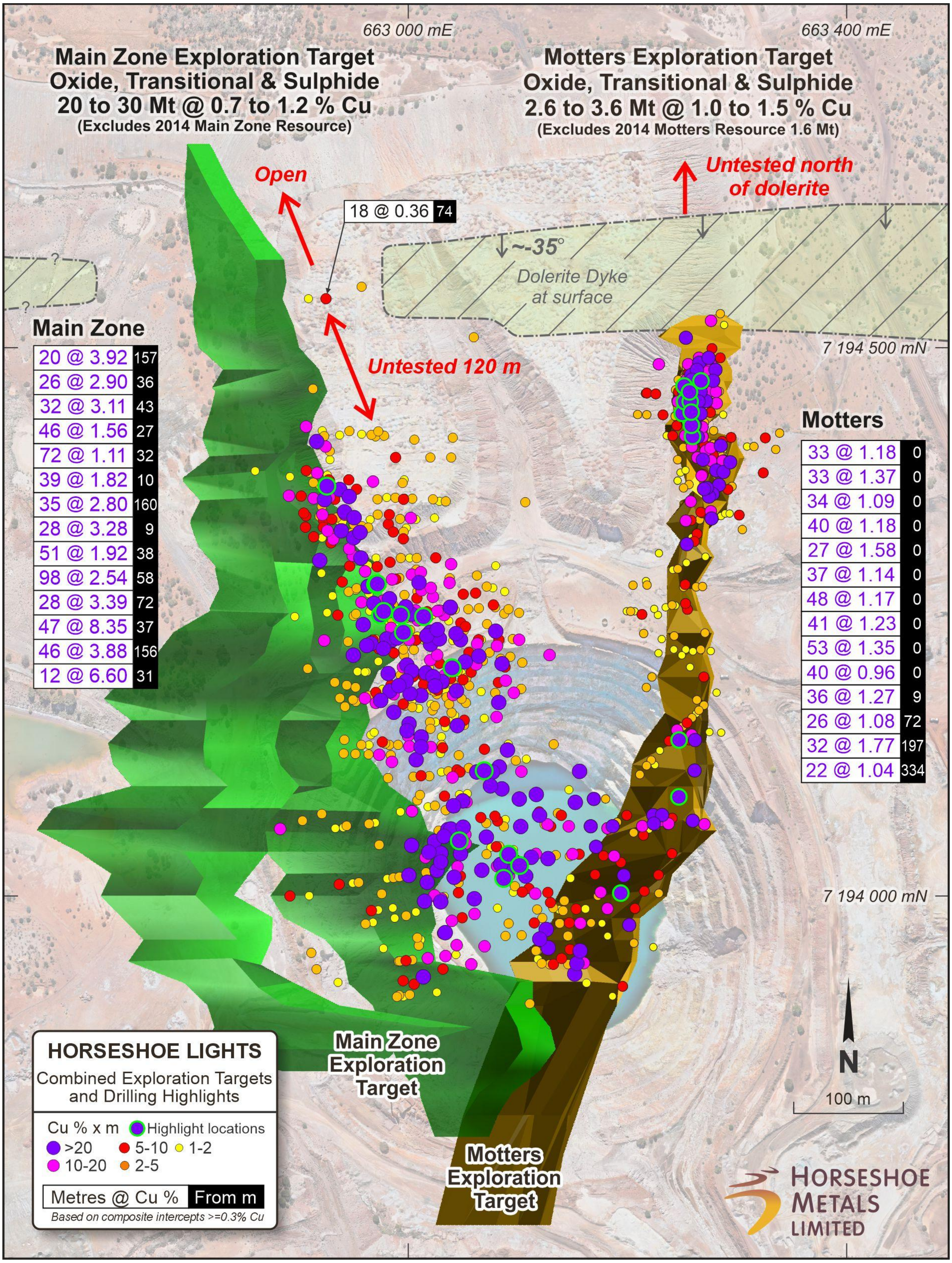

Figure 3: plan showing relative positions of the new Exploration Targets at Main Zone and Motters Zone, with significant intercepts

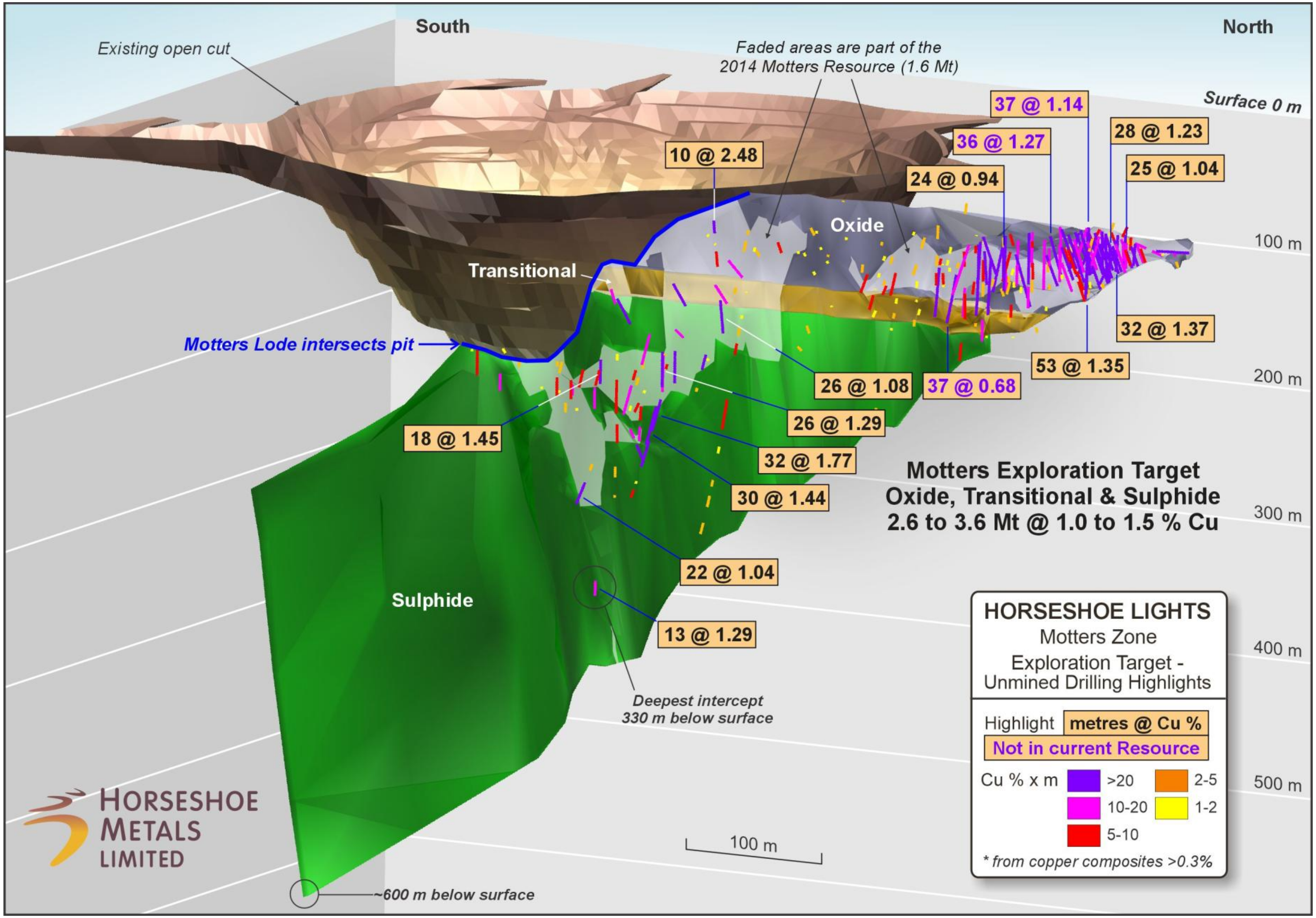

Figure 4: Motters Zone isometric view looking south-west

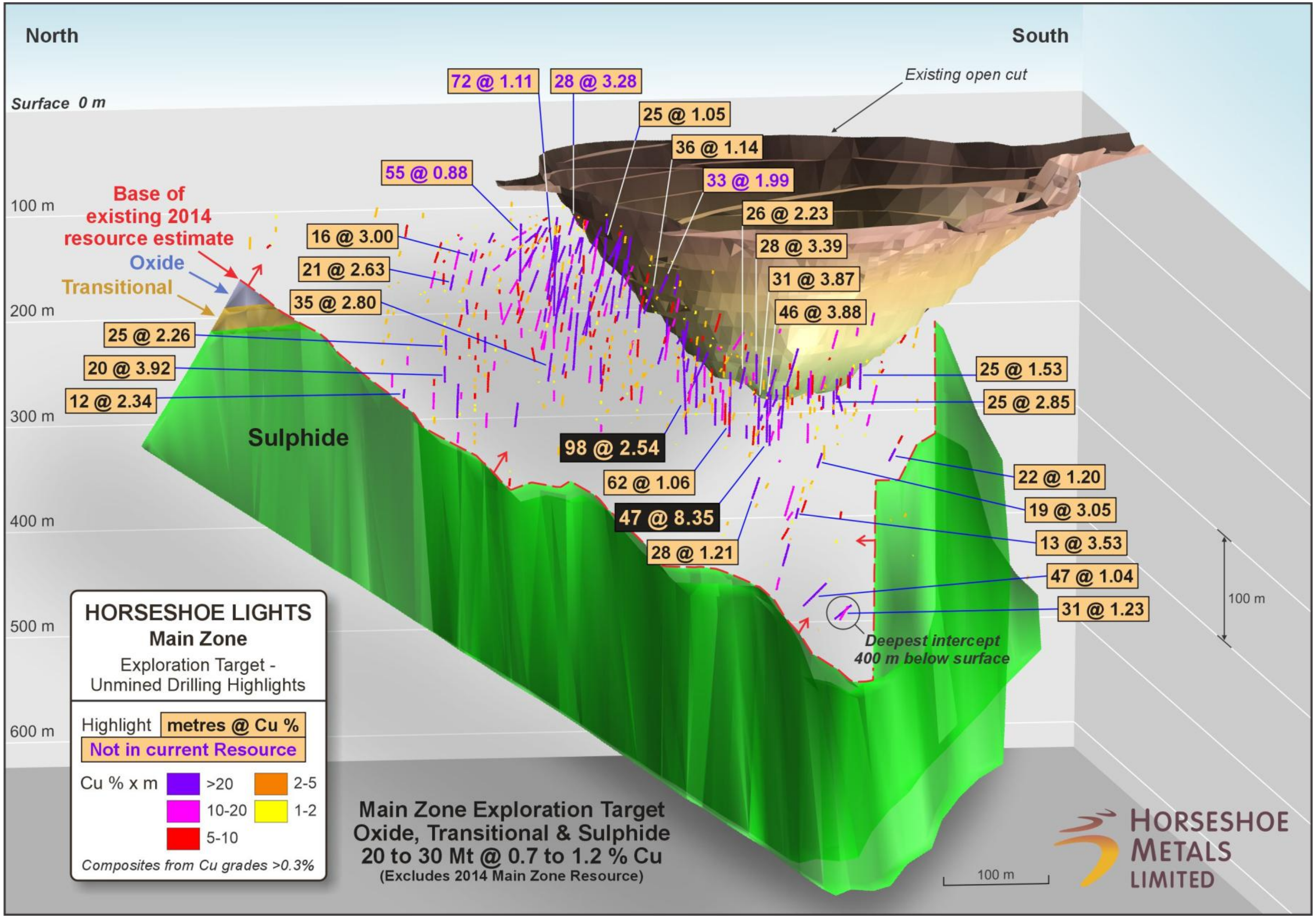

Figure 5: Main Zone isometric view looking south-east

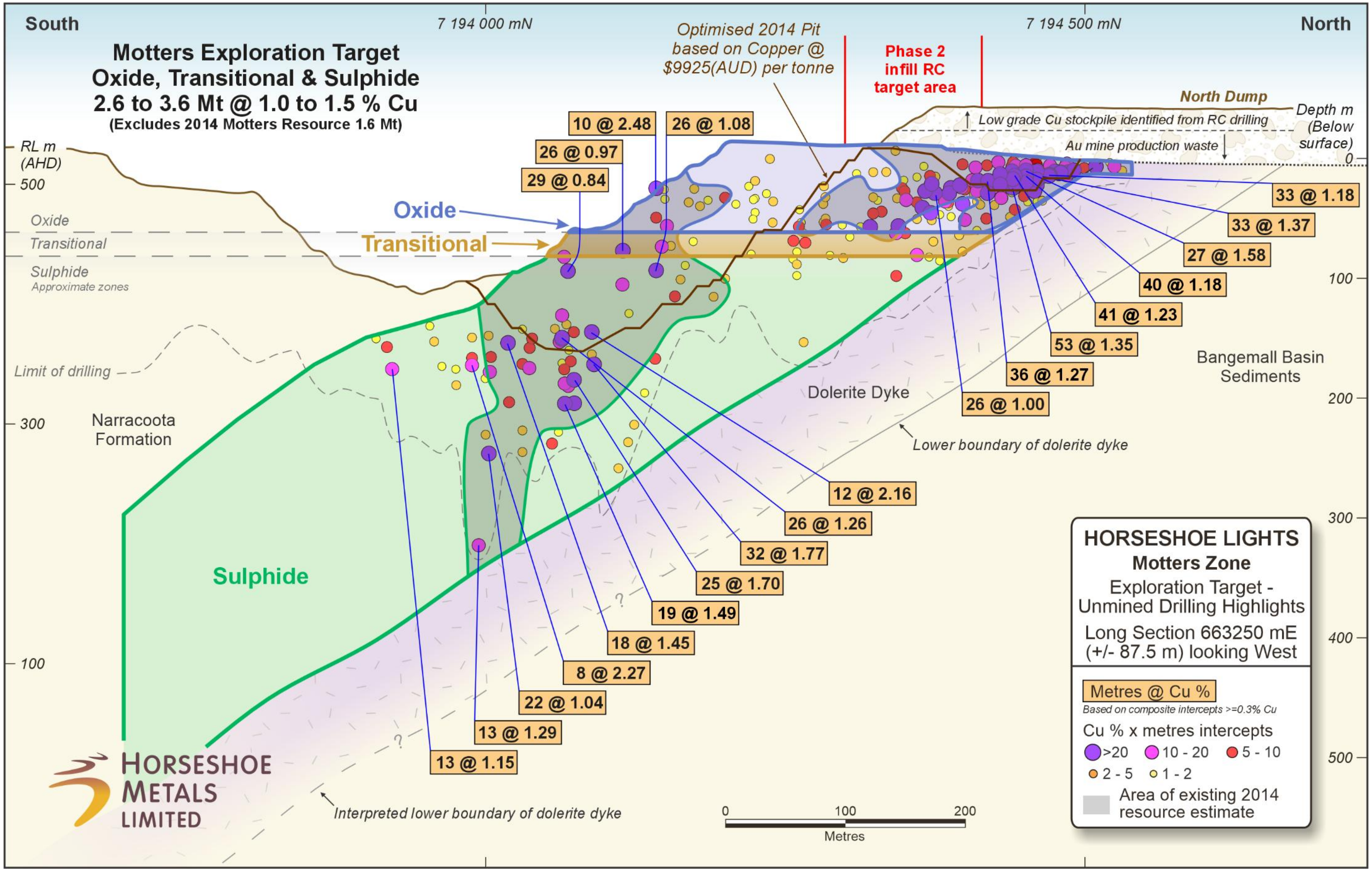

Figure 6: Motters Long Section looking west showing Exploration Target and significant intercepts

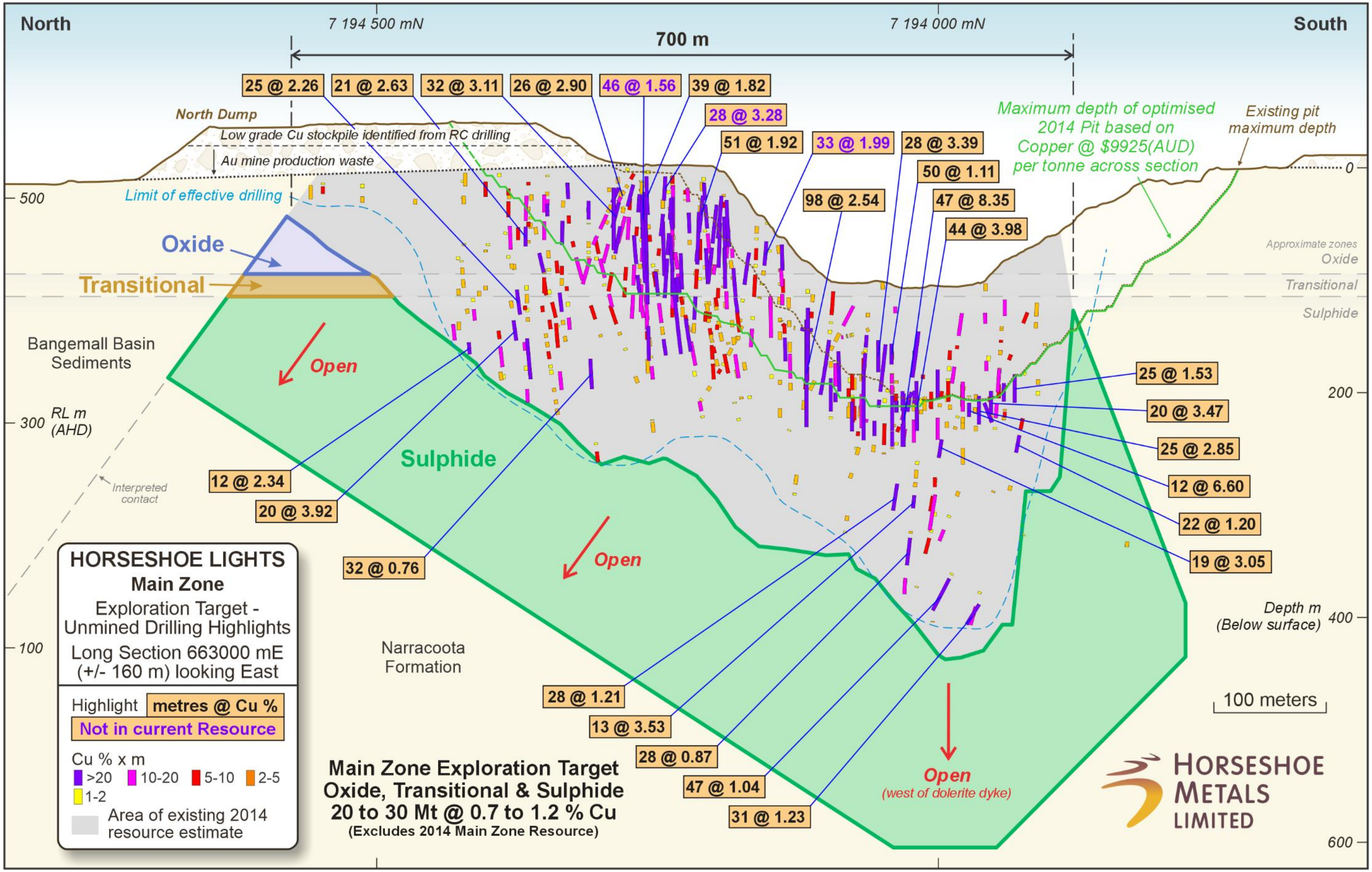

Figure 7: Main Zone Long Section looking East showing Exploration Target and significant intercepts

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

The Kumarina Project consists of a mining lease and mining lease application covering approximately 3.2 km^2. 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.

TABLE 4
KUMARINA PROJECT
SUMMARY OF MINERAL RESOURCES
as at 30 June 2026

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**

Glenloth Gold Project, South Australia
(HOR: 100%)

The Glenloth Project is located in the Central Gawler Craton of South Australia. The project consists of a single exploration licence, EL 6301, which comprises two areas totalling 107 km^2. The larger eastern block *Glenloth* covers 81 km^2 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 1.6M oz Tunkillia gold deposit located 6 km to the south, under development by Barton Gold Holdings Ltd (ASX:BGD). No active fieldwork was undertaken during the half-year.

3. RESULTS OF OPERATIONS

The Group realised a net loss for the half year of $1,188,965 (2025: $425,792).

The net assets of the Group have decreased from a net asset deficiency of $1,357,614 at 31 December 2025 to a net asset deficiency of $1,673,380 at 30 June 2026.

4. CORPORATE ACTIVITIES

The Annual General Meeting of the Company was held on 20 May 2026, with all resolutions put to shareholders being passed.

5. SUBSEQUENT EVENTS

On 11 August 2026, the Company announced a new copper exploration target for the Main Zone at Horseshoe Lights.

On 19 August 2026, the Company announced the commencement of preparation activities and updated timeline in relation to its planned direct shipping ore (DSO) operations at Horseshoe Lights, including the appointment of a senior site executive and lodgment of a notice of operations commencement with the Department of Mines, Petroleum and Exploration.

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

6. AUDITOR'S INDEPENDENCE DECLARATION

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

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

Kate Stoney
Non-Executive Director
Perth
11 September 2026

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

In.Corp Audit & Assurance Pty Ltd
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To the directors of Horseshoe Metals Limited:

As lead auditor of the review of Horseshoe Metals Limited for the half-year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Horseshoe Metals Limited and the entity it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd

Volha Romanchik
Director

11 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2026

	Half year to 30 June 2026 $	Half year to 30 June 2025 $
Revenue		
Sale of mineral processing rights	150,000	100,000
	150,000	100,000
Operating expenses		
Administrative and compliance expenses	(274,063)	(155,903)
Consulting and investor relations expenses	(44,078)	(130,400)
Exploration expense	(34,269)	(96,487)
Directors' remuneration	(54,000)	(54,000)
Share-based payments expense – directors	(82,447)	-
Share-based payments expense – contractors	(749,031)	-
	(1,237,888)	(436,790)
Depreciation		
Depreciation expense	(2,042)	(7,290)
	(2,042)	(7,290)
Finance		
Interest income	-	103
Interest expense	(99,035)	(81,815)
	(99,035)	(81,712)
Loss before income tax	(1,188,965)	(425,792)
Income tax expense	-	-
Loss after tax	(1,188,965)	(425,792)
Other comprehensive income	-	-
Total comprehensive loss for the period	(1,188,965)	(425,792)
Loss per share:		
Basic loss per share (cents per share)	(0.159)	(0.064)
Diluted loss per share (cents per share)	(0.159)	(0.064)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	NOTE	30 June 2026 $	31 December 2025 $
ASSETS			
Current assets			
Cash and cash equivalents		2,632	27,617
Trade and other receivables	2	66,512	79,494
Other assets		215,710	218,253
Total current assets		**284,854**	**325,364**
Non-current assets			
Plant and equipment		13,295	15,337
Exploration and evaluation expenditure	3	10,126,004	9,774,616
Total non-current assets		**10,139,299**	**9,789,953**
TOTAL ASSETS		**10,424,153**	**10,115,317**
LIABILITIES			
Current liabilities			
Trade and other payables	5	3,512,451	3,035,098
Borrowings	6	1,851,248	1,703,999
Total current liabilities		**5,363,699**	**4,739,097**
Non-current Liabilities			
Provisions	4	6,733,834	6,733,834
Total non-current liabilities		**6,733,834**	**6,733,834**
TOTAL LIABILITIES		**12,097,533**	**11,472,931**
NET ASSETS (DEFICIENCY)		**(1,673,380)**	**(1,357,614)**
EQUITY			
Issued capital	7	27,934,594	27,821,694
Reserves		868,913	121,359
Accumulated losses		(30,476,887)	(29,300,667)
TOTAL EQUITY		**(1,673,380)**	**(1,357,614)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2026

	30 June 2026 $	30 June 2025 $
CASH FROM OPERATING ACTIVITIES		
Receipts from customers	137,500	102,500
Payments to suppliers and employees	(100,709)	(182,211)
Other income	-	18,500
Net cash provided by / (used in) operating activities	**36,791**	**(61,211)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(115,576)	(280,539)
Payments for plant & equipment	-	(7,899)
Net cash used in investing activities	**(115,576)**	**(288,438)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share application monies	-	184,000
Proceeds from borrowings	53,800	407,631
Repayment of borrowings	-	(36,315)
Net cash provided by financing activities	**53,800**	**555,316**
Net (decrease) / increase in cash and cash equivalents	(24,985)	205,667
Cash and cash equivalents at the beginning of the period	27,617	399
Cash and cash equivalents at the end of the period	**2,632**	**206,066**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2026

	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance as at 1 Jan 2026	27,821,694	(29,300,667)	121,359	(1,357,614)
Loss for the period	-	(1,188,965)	-	(1,188,965)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(1,188,965)	-	(1,188,965)
Issue of shares	21,000	-	-	21,000
Issue and vesting of options	-	-	831,478	831,478
Exercise of options	61,900	-	(61,900)	-
Expiry of options	-	12,745	(12,745)	-
Share-based payments capitalised to exploration and evaluation	-	-	20,721	20,721
Transfer on issue of shares	30,000	-	(30,000)	-
Balance as at 30 June 2026	27,934,594	(30,476,887)	868,913	(1,673,380)

	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance as at 1 Jan 2025	26,109,914	(27,720,320)	361,677	(1,248,729)
Loss for the period	-	(425,792)	-	(425,792)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(425,792)	-	(425,792)
Issue and vesting of options	-	-	61,250	61,250
Exercise of options	132,218	-	(132,218)	-
Expiry of options	-	90,478	(90,478)	-
Balance as at 30 June 2025	26,242,132	(28,055,634)	200,231	(1,613,271)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2026

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

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

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

It is recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 31 December 2025 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. Certain comparative amounts have been reclassified to conform with the current period's classification.

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.

The accounting policies adopted are consistent with those applied and disclosed in the 2025 Annual Report and with Australian Accounting Standards and International Financial Reporting Standards.

Going concern

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

As disclosed in the financial statements, the Group had cash and cash equivalents on hand as at 30 June 2026 of $2,632, the Group's total liabilities exceeded its total assets by $1,673,380, and the Group incurred a net loss of $1,188,965 during the half-year then ended. These factors indicate a material uncertainty relating to the Group continuing to trade on a going concern basis. The ability of the Group to pay its debts as and when they become due is dependent upon:

- the Group's ability to successfully implement its strategy for the development of the Horseshoe Lights project and to generate sufficient cash flows from future operations to cover ongoing operational costs;
- negotiating continued deferred terms of repayment with overdue third-party creditors and lenders; and
- securing additional funding from debt or equity markets.

The Directors believe it is reasonably foreseeable that the Group will be able to continue as a going concern after consideration of the following factors:

- the Group has lodged a notice of commencement of operations in relation to its planned initial phase of DSO mining activities at Horseshoe Lights, has received all required regulatory approvals, and has recently announced an expected timeline for operations;
- the Group has prepared a cashflow forecast which indicates that it will have sufficient cashflows to meet all commitments and working capital requirements for the 12-month period from the date of this report; and
- the Group has a history of successful capital raisings and is confident it can raise further capital as required on terms favourable to the Group.

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

NOTE 2: TRADE AND OTHER RECEIVABLES

	Consolidated as at 30 June 2026 $	Consolidated as at 31 December 2025 $
Other receivables	532	2,281
Bonds	1,750	25,000
ATO receivables	64,230	52,213
	66,512	**79,494**

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 ended 30 June 2026.

	Consolidated as at 30 June 2026 $	Consolidated as at 31 December 2025 $
Carrying amount at beginning of the period	9,774,616	8,714,607
Capitalised expenditure during the period	351,388	1,060,009
	10,126,004	**9,774,616**

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 2026 $	Consolidated as at 31 December 2025 $
Non-current		
Provision for rehabilitation – Horseshoe Lights	6,733,834	6,733,834
Total non-current	**6,733,834**	**6,733,834**

Rehabilitation obligations exist in relation to the Company's tenements in Western Australia and South Australia. The majority of outstanding rehabilitation obligations are associated with tenement M52/743 at the Company's Horseshoe Lights project, in particular the flotation tailings dam, the waste dumps, and the plant and camp site. The Company's provision for its rehabilitation obligations is measured at the present value of management's best estimate of the costs required to settle the obligations. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. There was no material change at the end of the half-year.

The Company is a participant in the Mining Rehabilitation Fund ("MRF") which is administered by the Western Australian government's Department of Mines, Petroleum and Exploration ("DMPE"). An annual MRF levy is charged by DMPE calculated as a percentage of the Rehabilitation Liability Estimate ("RLE") determined in consultation with the Company. Until a more fulsome review of rehabilitation and mine closure costs is conducted by the Company, management consider it appropriate to set the provision for rehabilitation at the RLE value determined by DMPE.

NOTE 5: TRADE AND OTHER PAYABLES

	Consolidated as at 30 June 2026 $	**Consolidated as at 31 December 2025 $**
Trade payables	2,696,137	2,204,529
Investmet Ltd (In Liquidation) [1]	515,902	515,902
Share application monies received in advance [2]	-	21,000
Other payables[3]	300,412	293,667
	3,512,451	**3,035,098**

1. In 2024, the Company entered into a deed of settlement with Investmet Ltd (In Liquidation) ("Investmet Deed of Settlement") for the repayment of a total sum of $778,748 ("Investmet Settlement Amount"), relating to funds previously advanced to the Company and its subsidiary Murchison Copper Mines Pty Ltd under various loan agreements, plus accrued interest. The amount included above represents the balance of the Investmet Settlement Amount remaining unpaid at 30 June 2026.

2. Share subscription monies received from Ms Kate Stoney, a Director of the Company in respect of the Company's placement announced in July 2025. The shares were issued to Ms Stoney in June 2026 following approval from shareholders at the Company's Annual General Meeting held on 20 May 2026.

3. Other liabilities include accrued expenses and directors' fees of $271,027 (31 December 2025: $260,596), insurance premium funding of $23,331 (31 December 2025: nil), and payroll liabilities of $6,054 (31 December 2025: $5,571).

NOTE 6: BORROWINGS

	Consolidated as at 30 June 2026 $	**Consolidated as at 31 December 2025 $**
Current		
Loan – Obsidian Metals Group Pty Ltd	1,804,936	1,703,999
Loan – Target Resources Pty Ltd	41,980	-
Director loan	4,332	-
	1,851,248	**1,703,999**

In March 2025, the Company has entered into a secured convertible loan agreement with Obsidian Metals Group Pty Ltd, with Target Resources Pty Ltd and Barrier Minerals Pty Ltd subsequently added as additional lenders. The agreement provides for a loan facility of up to $4 million ("Loan Amount"), with monies of approximately $1.5 million advanced under a previous short-term loan agreement deemed to form part of the Loan Amount. The loan accrues interest at 12 percent per annum, is repayable within three years of the date of execution, and is secured by a tenement mortgage over M 52/743. Subject to any required shareholder or regulatory approvals, the Loan Amount may be converted to fully paid ordinary shares in the Company at the higher of the 5-day VWAP of the Company's securities or $0.02 per share.

At 30 June 2026, the Company had $2,368,192 in funds available for drawdown under the loan facility. For each quarter, the amount drawn by the Company may not exceed $500,000 unless agreed in writing by the lender(s).

NOTE 7: ISSUED CAPITAL

	Consolidated as at 30 June 2026 $	Consolidated as at 31 December 2025 $
Issued capital		
Fully paid ordinary shares	29,625,586	29,512,686
Share issue costs written off against issued capital	(1,690,992)	(1,690,992)
	27,934,594	27,821,694

Movements	**No.**	**$**
Balance at 1 January 2026 (net of costs)	744,359,075	27,821,694
Shares issued upon exercise of options	3,650,000	61,900
Director placement shares	1,000,000	21,000
Share-based payments	1,000,000	30,000
Balance at 30 June 2026 (net of costs)	750,009,075	27,934,594

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 Australia. All of the Group's activities are inter-related, and discrete financial information is reported to the Board (the 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: RELATED PARTY TRANSACTIONS

There have been no changes to the contractual entitlements of the Company's key management personnel from those disclosed in the remuneration report for the year ended 31 December 2025. There were no other transactions between the Company and key management personnel or associates in the period ended 30 June 2026.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 11 August 2026, the Company announced a new copper exploration target for the Main Zone at Horseshoe Lights.

On 19 August 2026, the Company announced the commencement of preparation activities and updated timeline in relation to its planned direct shipping ore (DSO) operations at Horseshoe Lights, including the appointment of a senior site executive and lodgment of a notice of operations commencement with the Department of Mines, Petroleum and Exploration.

There has been no other matter or circumstance that has arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in 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 AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. giving a true and correct view of the Group's financial position as at 30 June 2026 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
11 September 2026

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HORSESHOE METALS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Horseshoe Metals Limited

Conclusion

We have reviewed the accompanying half-year consolidated financial report of Horseshoe Metals Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date and notes to the consolidated financial statements, including material accounting policy information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Horseshoe Metals Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical requirements in accordance with the Code.

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

HORSESHOE METALS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $1,188,965 during the half-year ended 30 June 2026 and, as of that date, the Group's total liabilities exceeded its total assets by $1,673,380. Note 1 sets forth events and conditions, along with other matters that indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

In.Corp Audit & Assurance Pty Ltd

Volha Romanchik
Director

11 September 2026