



HORSESHOE METALS LIMITED

Convertible Loan Agreement

Horseshoe Metals (ASX:HOR) (**Horseshoe** or **Company**) is pleased to advise that it has entered into a secured convertible loan agreement with Obsidian Metals Group Pty Ltd (**Agreement**).

The Agreement provides for a loan facility of up to \$4,000,000 (**Loan Amount**) to meet the Company's operational requirements, including the development of the Horseshoe Lights project and implementation of the Company's DSO strategy, repayment of existing debt and general working capital. Monies previously advanced to the Company totalling \$1,514,002 under a previous short-term loan agreement are deemed to form part of the Loan Amount.

The material terms of the Agreement are as follows:

Lender:	Obsidian Metals Group Pty Ltd
Loan Amount:	Up to \$4,000,000
Interest Rate:	12% per annum
Repayment Terms:	Repayable within three (3) years of the date of execution of the Agreement
Security:	Tenement mortgage over M 52/43 (Horseshoe Lights)
Conversion:	Subject to any required regulatory or shareholder approval, all or part of the Loan Amount (where not repaid in cash) may be converted to fully paid ordinary shares in the Company at the Lender's election, at the higher of the 5-day VWAP of the Company's securities or \$0.02 per share. The Lender may elect to convert in conjunction with a future capital raising at the same price of the capital raising (being at least \$0.02 per share), provided the number of shares to be converted does not exceed 10% of the Company's total issued capital.
Purpose:	Funding of the Company's operational requirements, including the development of the Horseshoe Lights project and implementation of the Company's DSO strategy, for repayment of existing debt, and for general working capital

The Agreement otherwise contains terms and conditions considered standard for an agreement of this nature.

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

Enquiries

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BOARD OF DIRECTORS

Ms Kate Stoney
*Non-Executive Director,
Chief Financial Officer &
Joint Company Secretary*

Mr Seldon Mart
Non-Executive Director

Mr Peter Walker
Non-Executive Director

Mr Josh Merriman
Joint Company Secretary

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