



HORSESHOE METALS LIMITED

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

Horseshoe Lights Gold Processing Update

Option Exercised over Gold Surface Materials Processing Rights

- Option exercised by Melody Gold for the right to process gold surface materials at Horseshoe Lights Copper-Gold Project in WA
- 3-year exclusive licence granted to Melody to process gold surface materials on main tenement (with option to extend)
- Ongoing consideration comprises monthly tonnage-based payments on recovered gold equivalent value per tonne, including fixed monthly payment of A\$50,000 upon commencement of processing
- Agreement covers extensive gold surface materials from prior mining activities, including subgrade stockpiles, rehandle stockpile, leach vats and perimeter, ROM stockpile, gold and flotation tailings
- Importantly, Horseshoe retains full rights to copper and mixed Cu/Au surface materials, as well as all subsurface copper and gold material
- Horseshoe Lights camp recently recommissioned to support Melody's planned activities and DSO copper start-up
- Cash flow from gold processing to support HOR's near-term acceleration of copper exploration, development and DSO start-up at Horseshoe Lights

Horseshoe Metals Ltd (ASX:HOR) (**Horseshoe** or **Company**) is pleased to advise that Melody Gold Pty Ltd (**Melody**) has elected to exercise its option for the right to process gold surface materials at the Company's Horseshoe Lights Copper-Gold Mine (**HSL**).

The Gold Surface Materials Rights Agreement (**Agreement**) between Melody and Horseshoe's wholly owned subsidiary Murchison Copper Mines Pty Ltd (**MCM**) covers designated gold surface materials adjacent to the historic open pit at HSL, including four subgrade stockpiles; the rehandle stockpile, gold leach vats, and perimeter; the gold ROM stockpile; and gold and flotation tailings (**Gold Surface Materials**) (refer Figure 1).

Melody 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 a gold-copper-silver concentrate.

Horseshoe has recently recommissioned the 20-person camp and associated infrastructure at HSL to support Melody's planned processing activities and the Company's planned DSO copper stockpiling and sales operations, as well as ongoing exploration activities around HSL (refer ASX release 26 May 2025).

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Commenting on the exercise of the option, Director Kate Stoney said: “This is a strategic step forward for the business, as we look to unlock the value of our gold surface materials and capture early cash flow opportunities that will help expedite the re-development of the Horseshoe Lights Copper asset in Western Australia. We look forward to working with Melody and reporting on further operational progress as activity ramps up at Horseshoe Lights over the coming months.”

About Melody Gold

Melody Gold is a Perth-based mining company which specialises in the production, retreatment and export of high-quality gold and copper concentrate, with current operations focusing on the Eastern Goldfields. Its partners include Shandong Gold Co. Ltd. one of China’s largest gold producers; and Yantai Jinao Environmental Protection Technology Co. Ltd., a major mineral processing firm.

Gold Processing Agreement Background

MCM is the holder of M 52/743, the mining lease covering the Gold Surface Materials (**Tenement**). Only the designated Gold Surface Materials at the Tenement are covered by the Agreement. MCM retains the rights to all subsurface gold on the Tenement, as well as all other high-grade copper and mixed copper/gold surface materials forming part of the Company’s strategy for the sale of DSO material (refer ASX releases 31 October 2023 and 23 April 2024).

Historic mining and processing were conducted in two phases in the period from 1984 to 1995:

Phase 1 involved mining the gold rich part of the deposit from the surface to a depth of about 100 metres along with CIP processing. The cutoff used to feed the CIP plant was 1.5g/t and any mineralised material below this cutoff grade was stockpiled.

Phase 2 involved deepening the pit and mining initially a high-grade DSO chalcocite/digenite mineralisation followed by mining the lower grade copper sulphide underneath to a depth of about 230 metres along with sulphide flotation to produce a copper-gold concentrate. Any oxide copper mined during this phase was stockpiled on the surface (refer Figure 2).

The Gold Surface Materials at HSL include:

- Gold Leach Vats
- Gold Leach Vat 2
- Gold Rehandle Stockpile
- Gold Subgrade Stockpile A
- Gold Subgrade Stockpile B
- Gold Subgrade Stockpile C
- Gold Subgrade Stockpile D
- ROM Stockpile; and
- Gold Tailings

In addition, the **Flotation Tailings Mineral Resource is 1,421,000 tonnes at 0.34g/t Au, 0.48% Cu and 4.7g/t Ag** (see Table 1). The gold tailings are the residues from the CIP processing and have not been assessed; Melody intend to complete test work on the gold tailings and those stockpiles above not previously assessed.

Please see release dated 20 January 2025 for detailed description of the Agreement.

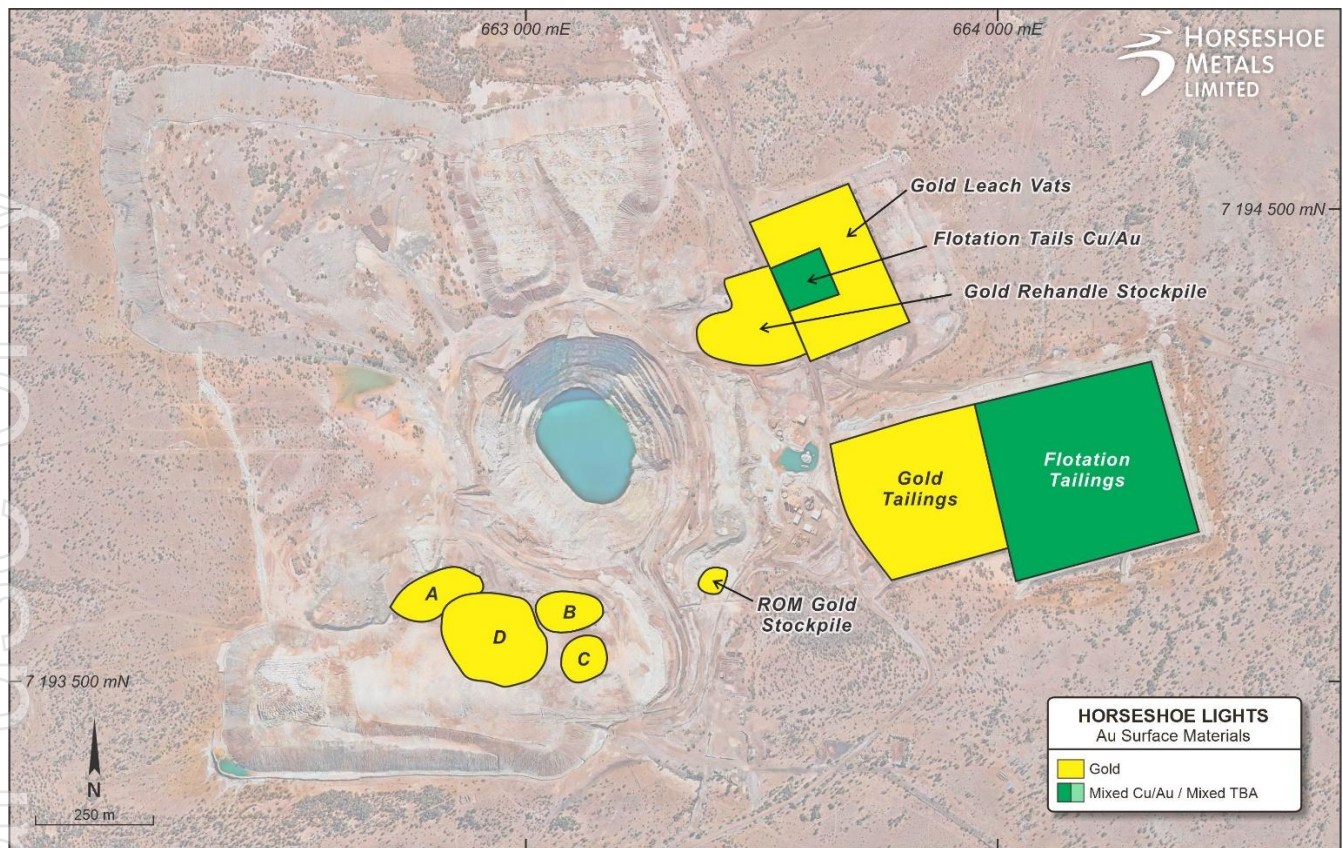


Figure 1: Gold Surface Materials covered by the Agreement (coloured in yellow and green)

For additional background on the Gold Surface Materials please refer to the below ASX releases:

12/09/2018	"Exploration Update- Horseshoe Lights Project"
06/08/2021	"Horseshoe Lights Exploration Activities Update"
10/09/2021	"Horseshoe Lights Phase 1 Auger Programme Completed"
26/11/2021	"Horseshoe Lights Phase 1 Stockpile Results Received"
03/03/2022	"Horseshoe Lights Activities Update"
18/03/2022	"Review Complete on Significant Copper-Gold Surface Material at Horseshoe Lights"
11/08/2022	"Significant Drilling Results in Copper-Gold Surface Material at Horseshoe Lights"
31/10/2023	"High-Grade Surface Material Underpins DSO Strategy"
23/04/2024	"DSO Strategy to Accelerate at Horseshoe Lights Copper Project"
20/01/2025	"Horseshoe Lights Project Commercial Development"
05/05/2025	"Gold Surface Materials Processing Update"
26/05/2025	"Infrastructure Recommissioning Well Advanced at HSL"

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

Further information, please contact:

Enquiries

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Gold Surface Materials included in the agreement, which includes:

- Gold Leach Vats
- Vat Perimeter
- Gold Rehandle Stockpile
- Gold Subgrade Stockpiles A to D
- ROM Gold Stockpile
- Gold Tailings
- Flotation Tailings

For the avoidance of doubt Gold Surface Materials Agreement **does not include:**

- C20 Stockpile
- North Waste Dump
- Low Grade Sulphide Stockpile
- M15 Stockpile A and B
- Subgrade Stockpile
- Low-grade Cu Oxide Stockpile
- Mixed Cu/Au Stockpiles

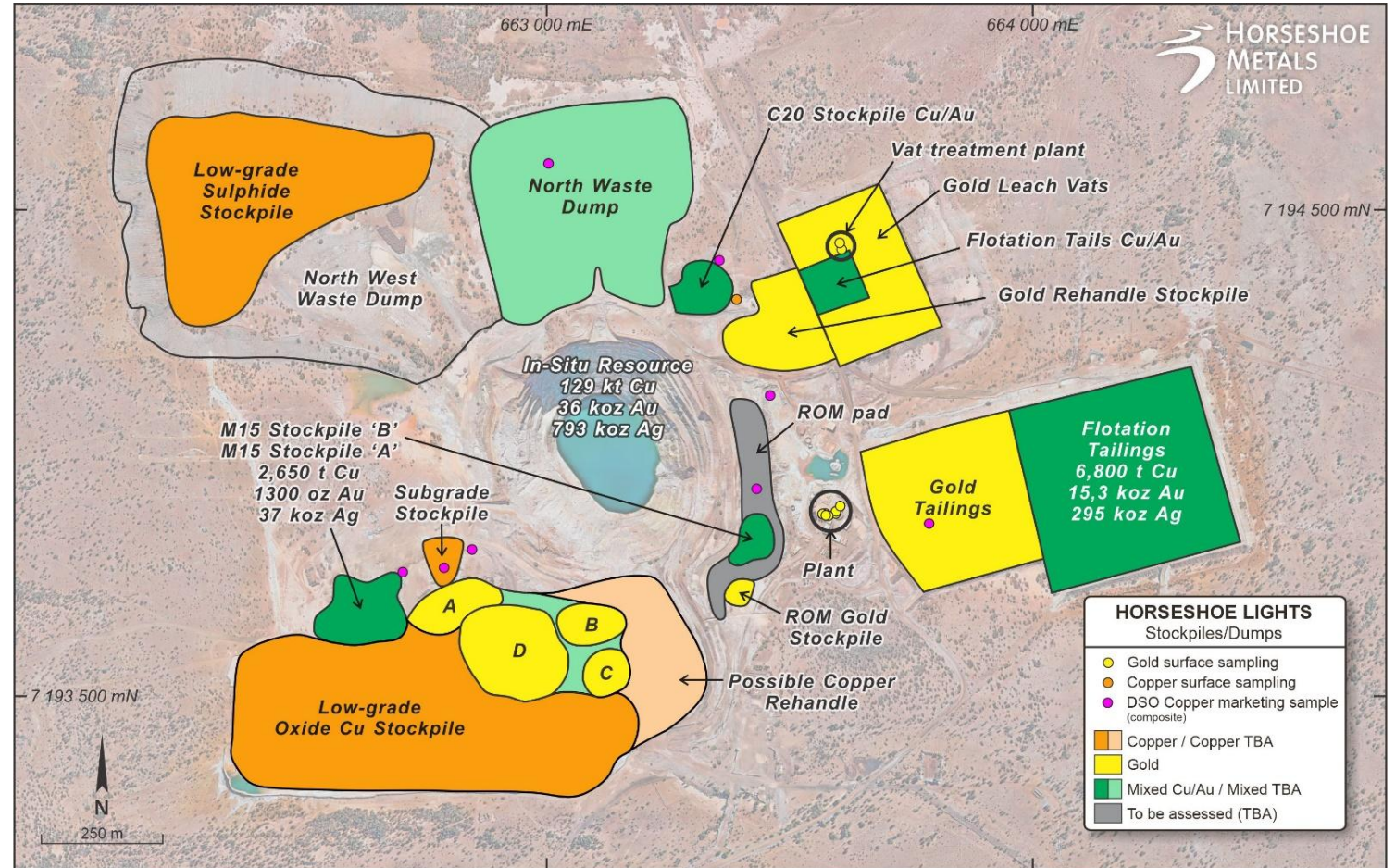


Figure 2: Gold and Copper Surface Materials – Horseshoe Lights

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 summarises the total Mineral Resources for the Horseshoe Lights Project.

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".

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 31 December 2024 is shown in Table 2 below.

TABLE 2
KUMARINA PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 31 March 2025

Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	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 Michael Fotios, who is a member of the Australian Institute of Mining and Metallurgy. Mr Fotios is a contractor engaged by 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 Fotios consents to the inclusion of the information in the form and context in which it appears.

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 Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Fotios is a director and former 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 Fotios consents to the inclusion of the data in the form and context in which it appears. 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 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 Fotios. 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 5 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 30 June 2013”, released on 31 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 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 Fotios. The information was originally issued in the Company’s ASX announcement “Horseshoe releases Maiden Mineral Resource Estimate for Kumarina”, released to the ASX on 4 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 30 June 2013”, released on 31 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.