



HORSESHOE METALS

LIMITED

ASX Release
29 October 2010

QUARTERLY REPORT PERIOD ENDED 30 SEPTEMBER 2010

HIGHLIGHTS

Corporate

- Initial Public Offering successfully completed, raising \$7.0 million before costs;
- Company successfully listed on ASX on 29 July 2010;
- 26 cents share price at the close of the first day of trading, representing a 30% premium to the listing price;
- 9 cents listed options price at the close of the first day of trading.
- Available cash as at 30 September 2010 - \$4.34 million

Horseshoe Lights Project

- Phase 1 drilling programme completed (13 RCP holes for 2,620m);
- Initial drilling results identified broad zones of copper mineralisation;
- Auger sampling of tailings dams completed, metallurgical testwork underway;
- Planning for regional VTEM survey completed with survey to occur in November 2010;
- Planning for Phase 2 drilling programme in November 2010 underway.

Kumarina Project

- Exploration Licence 52/1998 granted in October 2010;
- Initial exploration to commence in November 2010.

OVERVIEW

Horseshoe Metals Limited (ASX: HOR) ("Horseshoe Metals" or "the Company") was listed on the Australian Securities Exchange ("ASX") operated by ASX Limited on 29 July 2010 following a successful capital raising of \$7.0 million and completing the acquisition of Murchison Copper Mines Pty Ltd ("MCM"). MCM holds a 100% interest in the Horseshoe Lights and Kumarina Projects located in the Peak Hill Mineral Field, north of Meekatharra in Western Australia (see figure 1).

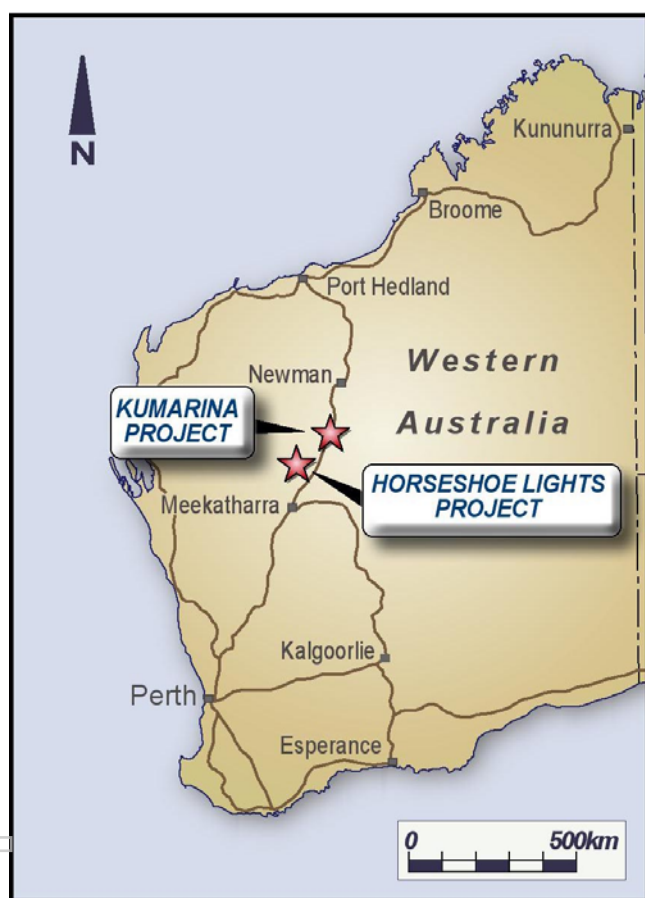


Figure 1 – Project Location Plan

EXPLORATION & EVALUATION

Horseshoe Lights Project (HOR 100%)

The Horseshoe Lights Project consists of 16 tenements covering an area of approximately 80 km² including the closed Horseshoe Lights Copper-Gold Mine.

The Horseshoe Lights Project has received very little exploration since 1994. Horseshoe Metals' listing brings a new focus onto this project which has in the past produced over 300,000oz of gold and 54,000t of copper.

The Horseshoe Lights Project has a JORC compliant Inferred Mineral Resource (reported above 0.25% Cu) of **4.9 million tonnes grading 1.0% copper**, which represents **48,000 tonnes of copper metal**, and the Company's aim is to increase these mineral resources through exploration.

Activities undertaken on the Horseshoe Lights Project during the period were:

- drilling of 13 Reverse Circulation Percussion (RCP) drill holes totalling 2,620 metres;
- drilling of 110 Auger drill holes into the copper flotation & gold CIP tailings dams.

The programme of 13 RCP holes was completed on 30 August 2010. The programme was designed to test:

- infill zones and down dip extensions of the North-west stringer zone,
- northern strike extensions of the North-west stringer zone where several holes from previous drilling were only analysed for gold, and
- potential mineralised zones south of the Motter's zone.

The location of the 13 drill hole collars are shown in Figure 2, and location details are shown in Table 2.

Holes were sampled at 1metre intervals with 3-metre composite samples submitted for analysis for gold, copper and 32 other elements to Genalysis Laboratory Services Pty Limited ("GLS").

Holes are being selectively re-assayed at 1 metre intervals wherever the 3 metre composites record significant mineralisation.

Results reported to date are set out in Table 1.

The 7 holes for which assay results have been reported contain multiple zones of copper mineralisation in all holes. Best intersections recorded were:

- **RC 1008** – 18m @ 1.61% Cu (111-129m) incl. 3m @ 4.26% Cu (117-120m), and 15m @ 0.53% Cu (189-204m).
- **RC 1011** – 30m @ 0.75% Cu (69-99m); 18m @ 1.27% Cu (114-132m) including 3m @ 4.09% Cu (117-120m), and 15m @ 0.62% Cu (159-174m).
- **RC 1010** – 51m @ 0.77% Cu (33-84m), and 9m @ 1.71% Cu (168-177m) including 3m @ 3.72% Cu (174-177m).
- **RC 1007** – 21m @ 0.89% Cu (114-135m), and 21m @ 0.97% Cu (189-210m) including 3m @ 3.38% Cu (207-210m).
- **RC 1006** – 33m @ 0.59% Cu (75-108m), and 15m @ 0.83% Cu (141-156m).
- **RC 1009** – 9m @ 0.42% Cu (12-21m); 9m @ 0.44% Cu (159-168m), and 12m @ 0.39% Cu (219-231m).
- **RC 1012** – 6m @ 0.31% Cu (201-207m), and 6m @ 0.63% Cu (210-216m).

Additional results from the remaining drill holes will be announced in the coming days.

Horseshoe Metals has completed a tailings sampling programme at the Horseshoe Lights Project using a small auger drill rig. 100 vertical auger holes, ranging from 6 – 10 metres in depth were drilled into the copper flotation tailings dam and 10 vertical holes were drilled into the gold Carbon-in-Pulp (CIP) tailings dam. Samples have been collected at 1 metre intervals and then composited for copper analysis and copper leaching tests. The leaching tests are being supervised by Promet Engineers Pty Ltd as part of a preliminary feasibility study into a tailings retreatment operation. Testwork is ongoing and incomplete as at the date of this report.

The Company recently announced that a helicopter-borne survey over the Horseshoe Lights Project using a Versatile Time-Domain Electromagnetic (“VTEM”) geophysical system is due to occur in November 2010.

Geotech Airborne Pty Ltd has been contracted to complete the survey with the information from the survey being subsequently processed and interpreted by geophysical consultants Vector Research Pty Ltd.

The aim of the survey is to identify conductors which could represent mineralised zones including repetitions or extensions of the Horseshoe Lights Copper-Gold ore body.

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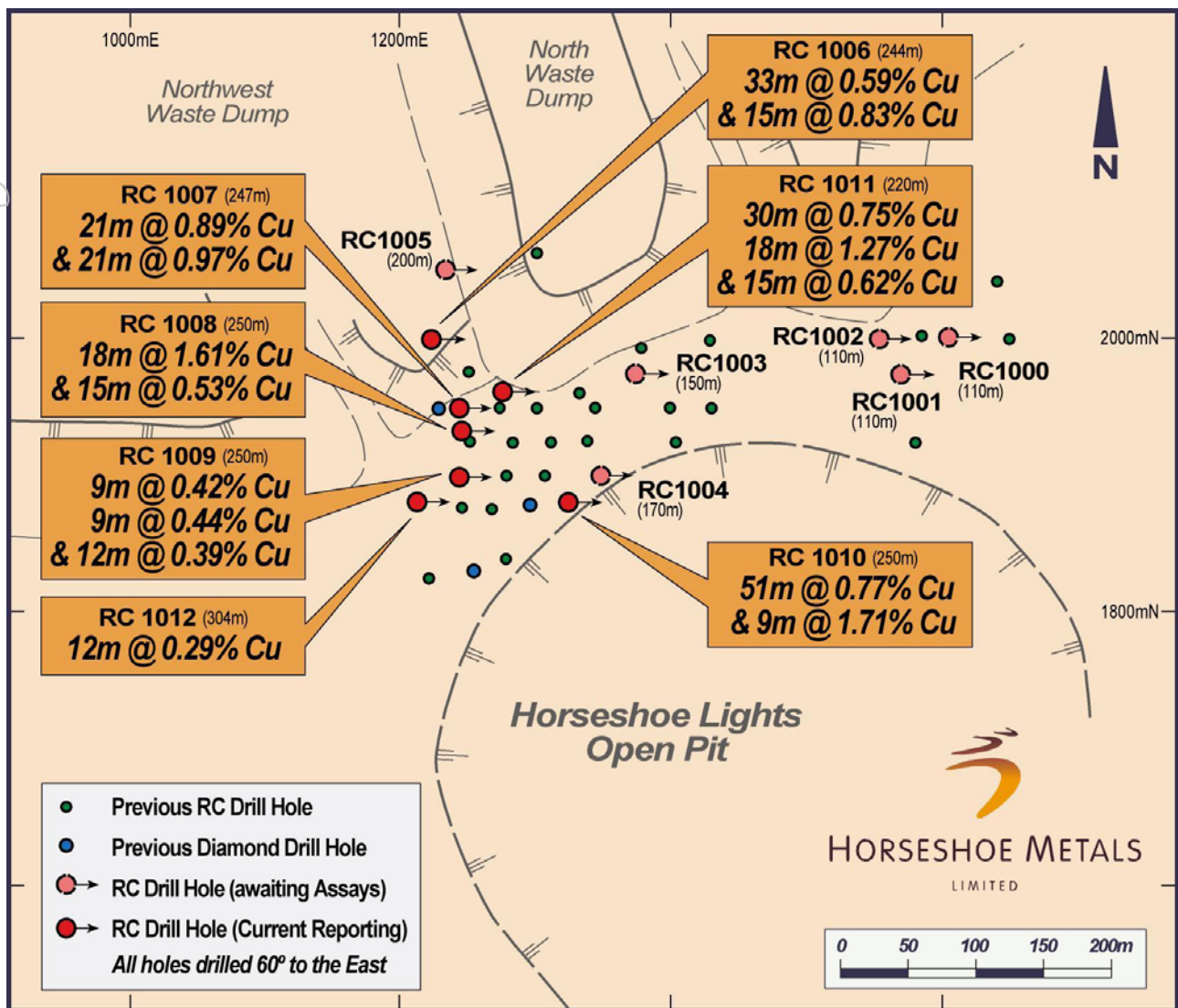


Figure 2 – Drill Hole Location Plan

Table 1
Horseshoe Lights Project
Copper Intersections - Holes RC 1006 -1012
(3m Composites / 0.25% Cu cut-off)

Hole Number	Depth (down hole)	Interval (metres)	Cu%		Hole Number	Depth (down hole)	Interval (metres)	Cu%
RC 1006	60-63m	3	0.28%		RC1009	141-144m	3	0.30%
(244m Depth)	66-69m	3	0.33%		(cont)	147-153m	6	0.48%
	75-108m	33	0.59%			159-168m	9	0.44%
	141-156m	15	0.83%			174-180m	6	0.80%
RC 1007	27-30m	3	0.33%			189-195m	6	0.51%
(247m Depth)	108-111m	3	0.38%			198-204m	6	1.14%
	114-135m	21	0.89%			219-231m	12	0.39%
<i>including</i>	120-123m	3	1.98%		RC 1010	33-84m	51	0.77%
	141-144m	3	0.41%		(250m Depth)	102-105m	3	0.64%
	147-156m	9	0.67%			108-111m	3	0.61%
<i>including</i>	150-153m	3	1.11%			120-126m	6	0.62%
	159-168m	9	0.58%			153-156m	3	0.38%
	177-186m	9	0.43%			162-165m	3	0.45%
	189-210m	21	0.97%			168-177m	9	1.71%
<i>including</i>	207-210m	3	3.38%		<i>including</i>	174-177m	3	3.72%
	213-216m	3	1.32%		RC 1011	45-48m	3	0.29%
	225-228m	3	0.54%		(220m Depth)	69-99m	30	0.75%
RC 1008	87-90m	3	0.38%			114-132m	18	1.27%
(250m Depth)	111-129m	18	1.61%		<i>including</i>	117-120m	3	4.09%
<i>including</i>	117-120m	3	4.26%		<i>and</i>	120-123m	3	1.74%
<i>and</i>	120-126m	6	1.82%			159-174m	15	0.62%
	132-141m	9	0.62%		RC 1012	147-150m	3	0.27%
	153-159m	6	1.57%		(304m Depth)	159-162m	3	0.32%
	165-174m	9	0.42%			168-171m	3	0.54%
	189-204m	15	0.53%			177-180m	3	0.26%
	216-219m	3	0.32%			189-192m	3	0.32%
RC 1009	12-21m	9	0.42%			195-207m	12*	0.29%
(250m Depth)	99-102m	3	0.34%			210-216m	6	0.63%
	111-114m	3	0.31%			246-249m	3	0.73%
	123-126m	3	0.30%			282-285m	3	0.27%

Notes: 3 metre samples collected by sample spear; Cu analyses by 4 acid digest ,ICP-OES.

* Includes 3 metres of less than 0.25% Cu.

Table 2 Horseshoe Lights Project RC Hole Locations					
Hole Number	Easting(m)	Northing(m)	Dip	Azimuth	Total Depth(m)
RC 1000	663,256	7,194,310	-60°	90°	110
RC 1001	663,321	7,194,284	-60°	90°	110
RC 1002	663,206	7,194,309	-60°	90°	110
RC 1003	663,025	7,194,284	-60°	90°	150
RC 1004	662,996	7,194,208	-65°	90°	175
RC 1005	662,885	7,194,358	-60°	90°	200
RC 1006	662,875	7,194,308	-60°	90°	244
RC 1007	662,895	7,194,258	-60°	90°	247
RC 1008	662,900	7,194,238	-60°	90°	250
RC 1009	662,900	7,194,208	-60°	90°	250
RC 1010	662,976	7,194,188	-65°	90°	250
RC 1011	662,927	7,194,269	-65°	90°	220
RC 1012	662,866	7,194,188	-65°	90°	304

Notes: Projection GDA 94 Zone 50.

All holes located by GPS with accuracy +/- 5 metres. All down-hole surveys at 20-50 metre intervals.

Kumarina Project (HOR 100%)

The Company recently announced the grant on 22 October 2010 of Exploration Licence 52/1998 at its 100% beneficially owned Kumarina copper project ("Kumarina Project"). Exploration Licence 52/1998 is a 70 sub-block licence covering approximately 217 km² in area. The licence straddles the Great Northern Highway which provides easy access.

With the grant of Exploration Licence 52/1998 the Company will commence exploration activity in November 2010. Initial work planned will include:

- Site reconnaissance of high priority targets identified by previous exploration;
- Rock chip and soil sampling;
- Geochemical analyses;
- Geological mapping, and
- Aeromagnetic survey interpretation.

The interpretation of the aeromagnetic survey will aim to identify structurally controlled targets which may be masked by the large amounts of alluvial/colluvial cover within the tenement area.

CORPORATE

During the period Horseshoe Metals successfully raised \$7,000,000 pursuant to its Prospectus dated 16 June 2010.

Pursuant to an Implementation Agreement dated 4 January 2010 and various Share Sale Agreements as outlined in the Prospectus, the Company acquired all of the shares in MCM.

The Company issued the following securities on 21 July 2010 to effect Completion in accordance with the abovementioned agreements and the Prospectus:

Party	No of Shares Issued	No of Options Issued
Vendors (as defined in the Prospectus)	4,944,001	1,648,001
Azure Capital Investments Pty Ltd	3,296,000	nil
Subscribers to the Prospectus	35,000,000	17,500,000
Conversion of Convertible Note	250,000	125,000
Directors	-	2,666,667
Total	43,490,001	21,939,668

Subsequent to Completion, Horseshoe Metals repaid a loan of \$890,426 to Grange Resources Limited and lodged a cash-backed Rehabilitation Performance Bond of \$1,066,500 with the Department of Mines and Petroleum in respect to the Horseshoe Lights Copper-Gold Mine.

The Company was admitted for quotation on the Official List of the Australian Securities Exchange (ASX) operated by ASX Limited on 26 July 2010 and commenced trading on ASX on 29 July 2010.

At the close of the first day of trading the share price was 26 cents, representing a 30% premium to the listing price and at a price of 9 cents for the listed options (exerciseable @ 20 cents / expiring 30 June 2012).

TRADING POLICY

On 27 October 2010 the Company adopted a new Trading Policy which brings it in line with new Listing Rule requirements. A copy of the new policy is attached.

ENDS

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The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Mr Mark Teakle, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mark Teakle is employed by CSA Global.

Mark Teakle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mark Teakle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources in relation to the Horseshoe Lights Project is based on information compiled by Neil Inwood and Stuart Hall as described below:

The Mineral Resource estimate is based on information compiled by Neil Inwood. Neil Inwood is a Member of The Australasian Institute of Mining and Metallurgy. Neil Inwood is employed by Coffey Mining Pty Ltd.

The drill hole database used for the Mineral Resource estimate is based on information compiled by Mr Stuart Hall, a Director of the Company. Stuart Hall is a Fellow of The Australasian Institute of Mining and Metallurgy.

Messrs Inwood and Hall have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves" Messrs Inwood and Hall consent to the inclusion in the announcement of the statements based on their information in the form and context in which those statements appear.



HORSESHOE METALS LIMITED

TRADING POLICY

(1) Purpose

The purpose of this Policy is to:

- (a) provide a brief summary of the law on insider trading and other relevant laws;
- (b) set out the restrictions on dealing in securities by key management personnel of Horseshoe Metals Limited ("Horseshoe"); and
- (c) assist in maintaining market confidence in the integrity of dealings in Horseshoe's securities.

Any person who does not understand any part of this Policy or how it applies should discuss the matter with the Company Secretary before dealing in any Horseshoe securities.

(2) Statement of Policy

Whenever persons have inside information which may affect the value of securities, they must not:

- (a) deal in those securities; or
- (b) communicate the information to anyone else.

This prohibition applies regardless of how the inside information was learned. It applies not only to Horseshoe securities, but also to securities of other companies. Definitions of "inside information", "securities" and "dealing" are set out below.

(3) Who is Covered by this Policy

This Policy applies to key management personnel (as defined in Accounting Standard AASB 124 Related Party Disclosure) ("Restricted Persons").

The restrictions on dealings by a Restricted Person are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of a dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the *Corporations Act 2001*, the Restricted Person is to be treated as interested. For example, if a Restricted Person is a trustee of a trust and is also a beneficiary of the trust, the Restricted Person must not purchase or procure the purchase of Horseshoe securities on behalf of the trust.

(4) What Securities are Covered by this Policy?

This policy applies to the following securities:

- (a) Horseshoe shares;
- (b) any other securities which may be issued by Horseshoe, such as options;
- (c) derivatives (such as exchange-traded options and warrants) and other financial products issued or created over or in respect of Horseshoe securities; and
- (d) securities of any other company or entity that may be affected by inside information (such as another party involved in a joint venture or corporate transaction with Horseshoe or a Horseshoe contractor or shareholder).

(5) What is Dealing?

For the purposes of this Policy, dealing in securities includes:

- (a) trading in securities (i.e. subscribing for, buying, selling or entering into an agreement to do any of those things); and
- (b) advising, procuring or encouraging any other person (including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in securities.

Communicating information includes passing it on to any other person including a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust.

(6) What is Insider Trading?

In broad terms, a person will commit insider trading if they:

- (a) deal in Horseshoe securities or securities of another entity whilst having inside information; or
- (b) communicate inside information to another person knowing (or where you should reasonably have known) that the other person would, or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as “tipping”.

Individuals who contravene the insider trading provisions of the *Corporations Act 2001* are liable to prosecution or to civil penalty action by the Australian Securities and Investments Commission (ASIC).

Separately, someone who engages in insider trading may be sued by another party or Horseshoe in a civil action for any loss suffered as a result of the insider trading.

(7) What is Inside Information?

Inside information is information that:

- (a) is not generally available to people who commonly invest in securities; and
- (b) if it was generally available, would (or would be likely to) influence experienced investors in deciding whether or not to subscribe for, purchase or sell Horseshoe securities or securities of another entity.

It does not matter how someone comes to have the inside information – for example whether it is learnt by a person in the course of carrying out their responsibilities, in passing in the corridor, in the lift or at a dinner party.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of “information” is broad enough to include rumours, matters of supposition, intentions of a person (including Horseshoe) and information that is not definite enough to warrant public disclosure.

8. What are some examples of inside information?

The following list is illustrative only. Inside information about Horseshoe could include:

- (a) a material variance in the financial performance of Horseshoe against its budget;
- (b) the entry into or termination of a major joint venture;
- (c) a proposed or actual takeover or amalgamation;
- (d) an unexpected liability or possible claim against Horseshoe;
- (e) material drill results or the likely discovery of a major ore body;
- (f) significant change in senior management;
- (g) a proposed new share issue; and/or
- (h) a proposed dividend or change in dividend policy.

9. Securities of other companies

In the course of their duties a Restricted Person of Horseshoe or a Horseshoe Group company may obtain inside information in relation to another company. For example:

- (a) in the course of negotiating a transaction with Horseshoe, another company might provide confidential information about itself.
- (b) in the course of negotiating a transaction with Horseshoe, another company might provide confidential information about a third party; or
- (c) information concerning a proposed transaction or other action by Horseshoe might have a material effect on a third party.

The prohibition on insider trading is not restricted to information affecting Horseshoe securities. Accordingly a Restricted Person in possess of inside information in relation to securities of another company or entity must not deal in those securities.

10. What Else is Prohibited?

Restricted Persons must not engage in short term or speculative dealing in Horseshoe securities.

11. When is Dealing Permitted?

Subject to the rules of any Horseshoe employee or executive share or option plans, Restricted Persons can deal in Horseshoe securities at any time:

- (a) other than during a Prohibited Period;
- (b) provided they do not have inside information; and
- (c) provided they are not involved in short term or speculative dealing.

A Restricted Person may seek a waiver to purchase the Company's securities during a Prohibited Period provided they do not have inside information and they are not involved in short term or speculative dealing in the Company's securities. Written (including email or similar electronic communications) waiver applications should be made to the Company Secretary or, in the case of the Company Secretary, to the Managing Director.

Prior approval of such a waiver may be granted by two directors in writing. Discretion will be applied taking into account the circumstances of the Restricted Person, the number of securities to be acquired and weighing this against any perceived detriment to Horseshoe's reputation or risk to a stable market for Horseshoe securities.

12. Prohibited Periods

Restricted Persons are not permitted to deal in Horseshoe securities during Prohibited Periods.

Prohibited Periods means:

- (a) any Closed Period; or
- (b) additional periods when Restricted Persons are prohibited from trading, which is imposed by Horseshoe from time to time when the company is considering matters which are subject to Listing Rule 3.1A.

Closed Periods are defined as the following:

- (a) the ten trading day period immediately leading up to the day of the announcement of the Company's quarterly, Half-Yearly and Annual Report, and two trading days after this announcement is made.
- (b) the five trading day period prior to the anticipated release of drill results.

A Prohibited Period may be called at any time by direction of the Managing Director or the Chairman.

Notice of Prohibited Periods or changes thereto will be distributed by the Company Secretary to Restricted Persons by email. Changes to Prohibited Periods are effective immediately.

13. Trading Under Exceptional Circumstances

A Restricted Person, who is not in possession of inside information in relation to Horseshoe, may be given prior written clearance to sell or otherwise dispose of the securities of Horseshoe during a Prohibited Period under this policy where the Restricted Person is in severe financial hardship or there are other exceptional circumstances.

Examples of what constitutes exception circumstances are:

- (a) a pressing financial commitment that has arisen unexpectedly and which cannot be met by other reasonable means;
- (b) a court order requiring the sale or transfer of Horseshoe securities.

14. Applications to Trade under Exceptional Circumstances

An application to trade under Exceptional Circumstances must be submitted in writing (including in any electronic format) to the relevant Designated Officer(s). Any such approval must be obtained in advance. It cannot be given after the event.

Designated Officer(s) who may grant approvals under exceptional circumstances are:

- (a) the Managing Director, or if absent, the Company Secretary in their discretion to Restricted Persons other than a Director;
- (b) the Chairman, or if absent, the Chairman of the Audit Committee, in their discretion to a Director;
- (c) the Chairman and the Chairman of the Audit Committee, in their discretion to the Managing Director; and
- (d) the Managing Director and the Chairman of the Audit Committee, in their discretion to the Chairman.

Discretion will be applied with caution taking into account the exceptional circumstances of the Restricted Person and weighing this against any perceived detriment to Horseshoe's reputation.

Any approval granted under exceptional circumstances will expire within 14 days of being granted, or for such shorter or longer period as is specified in the approval documentation.

A dealing for which exceptional circumstances approval is given remains subject to insider trading rules and the prohibition on speculative trading.

15. Trading which is not subject to this Policy.

The following types of trading are specifically excluded from the operation of this Policy:

- (a) transfers of securities of Horseshoe already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of Horseshoe) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Restricted Person is a trustee, trading in the securities of Horseshoe by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (d) undertaking to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) a disposal of securities of Horseshoe that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;

- (g) the exercise (but not the sale of securities following exercise) of an option or a right under a Director or employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and Horseshoe has had a number of consecutive Prohibited Periods and the Restricted Person could not reasonably have expected to exercise it at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the Trading Policy and where:
- the Restricted Person did not enter into the plan or amend the plan during the Prohibited Period;
 - the trading plan does not permit the restricted person to exercise any influence or discretion over how, when or whether to trade; and
 - Horseshoe's Trading Policy does not allow for the cancellation of a trading plan during a Prohibited Period other than in exceptional circumstances.

16. Procedures for Dealing in Horseshoe Securities

For Restricted Persons, the following rules apply:

- a Restricted Person intending to deal in Horseshoe securities must first notify the Company Secretary in writing of their intention to deal. If the Restricted Person is the Company Secretary they must notify the Managing Director.
- If a Restricted Person subsequently deals in those securities the Restricted Person must confirm the dealing in writing to the Company Secretary within 3 business days after the dealing. If the Restricted Person is the Company Secretary they must provide confirmation to the Managing Director. The confirmation must include:
 - Restricted Person's name;
 - the name of any person who dealt on Restricted Person's behalf e.g. family trust or company, spouse, etc;
 - details of Restricted Person's interest in the Horseshoe securities the subject of the dealing;
 - the date of the dealing;
 - the number of Horseshoe securities bought or sold;
 - the amount paid or received for those securities; and
 - the number of Horseshoe securities held by the Restricted Person's (directly or indirectly) before and after the dealing.

17. Dealings in Horseshoe Securities which need Prior Approval

For Restricted Persons intending to acquire Horseshoe securities under a margin lending or some other arrangement which results in a secured lender holding a right to dispose of such securities, prior written approval is required.

An application setting out the details of the proposed acquisition and arrangement must be submitted in writing to the relevant Designated Officer(s). Any such approval must be obtained in advance. It cannot be given after the event.

Designated Officer(s) who may grant approvals are:

- the Managing Director, or if absent, the Company Secretary in their discretion to Restricted Persons other than a Director;

- For personal use only
- (f) the Chairman, or if absent, the Chairman of the Audit Committee, in their discretion to a Director;
 - (g) the Chairman and the Chairman of the Audit Committee, in their discretion to the Managing Director; and
 - (h) the Managing Director and the Chairman of the Audit Committee, in their discretion to the Chairman.

Discretion will be applied taking into account the circumstances of the Restricted Person, the number of securities to be acquired and weighing this against any perceived detriment to Horseshoe's reputation or risk to a stable market for Horseshoe securities.

18. ASX Disclosure Obligations

The acquisition or sale of Horseshoe securities by Directors of Horseshoe must be disclosed to ASX under Listing Rule 3.19A within 5 business days of the transaction taking place.

The information described under 16 above must be provided to the Company Secretary within 3 business days of the transaction to allow the Company Secretary adequate time for any follow up, completion and release of the notification to ASX on the Director's behalf. Details of any changes in Directors' interests in Horseshoe securities are required to be recorded in the Register of Directors' Interests and noted in the minutes of the next Board meeting.

Restricted Persons with a substantial shareholding in Horseshoe securities (i.e. more than 5% of issued capital) are also required to comply with the substantial shareholding notification provisions of section 671B of the *Corporations Act 2001* when there is a change in their holding. In this instance a notice must be provided to ASX and to Horseshoe in the prescribed form within 2 business days of the change.

19. Other Obligations

In addition to the insider trading and other restrictions in this policy, Restricted Persons also owe a duty of confidentiality to Horseshoe and the Horseshoe group of companies. Restricted Persons must not reveal any confidential information concerning Horseshoe or any Horseshoe group company, use that information in any way that may injure or cause loss to Horseshoe or any Horseshoe group company or use that information to gain an advantage for themselves. Under the *Corporations Act 2001*, a breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability if recklessness or dishonesty is involved; and/or
- (c) liability to compensate Horseshoe for any damage it suffers as a result of the disclosure.

20. Policy Compliance

Strict compliance with this Policy is mandatory for all Restricted Persons covered by this Policy. Contravention of the *Corporations Law 2001* is a serious matter which may result in criminal or civil liability.

In addition, breaches of this Policy may damage Horseshoe's reputation in the investment community and undermine confidence in the market for Horseshoe securities. Accordingly, breaches will be taken very seriously by Horseshoe and will be subject to disciplinary action, including possible termination of a person's employment or appointment. Reports of any breaches of this Policy will be forwarded to the Audit Committee.