

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HORSESHOE METALS LIMITED

ABN

20 123 133 166

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(316)	(316)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(279)	(357)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	30	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST Refunds)	7	28
	Net Operating Cash Flows	(558)	(613)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(17)	(17)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	122	(138)
1.11	Loans repaid by other entities	(890)	(890)
1.12	Other (Rehabilitation Performance Bond)	(1,067)	(1,067)
	Net investing cash flows	(1,852)	(2,112)
1.13	Total operating and investing cash flows (carried forward)	(2,410)	(2,725)

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1.13	Total operating and investing cash flows (brought forward)	(2,410)	(2,725)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	7,000	7,330
1.15	Proceeds from sale of forfeited shares	54	54
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Expenses)	(535)	(590)
	Net financing cash flows	6,519	6,794
	Net increase (decrease) in cash held	4,109	4,069
1.20	Cash at beginning of quarter/year to date	231	271
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,340	4,340

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	86
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Fees paid to directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Pursuant to an Implementation Agreement dated 4 January 2010 Horseshoe Metals Ltd acquired 100% interest in Murchison Copper Mines Pty Ltd via the issue of 8,240,001 shares and 1,648,001 options (20 cents / expiry 30 June 2012) to the vendors.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

- 4.1 Exploration and evaluation
- 4.2 Development
- 4.3 Production
- 4.4 Administration

Reconciliation of cash

5.1	Cash on hand and at bank
5.2	Deposits at call
5.3	Bank overdraft
5.4	Other (s)

Changes in interests in mining tenements

+ See chapter 19 for defined terms.

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	54,452,501	45,756,501		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	35,250,000 8,240,001	35,250,000 4,944,001	20 cents Issued to Vendors of Murchison Copper Mines P/L pursuant to IA.	20 cents Nil
7.5 *Convertible debt securities <i>(description)</i>	Options		<i>Exercise price</i>	<i>Expiry date</i>
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	750,000 23,429,250 5,791,667	250,000 20,429,251 1,500,000	<i>Exercise price</i> 40 cents 20 cents 20 cents	<i>Expiry date</i> 30 June 2011 30 June 2012 30 June 2013
7.8 Issued during quarter	19,148,001 2,791,667	19,148,001 Nil	20 cents 20 cents	30 June 2012 30 June 2013
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 29 Oct 2010
(Director/Company secretary)

Print name: Alec Pismiris
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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