



# HORSESHOE METALS

LIMITED

**ASX Release**  
26 October 2010

## KUMARINA EXPLORATION UPDATE

- **Exploration Licence 52/1998 granted by Department of Mines and Petroleum.**
- **Initial exploration to commence in November 2010.**
- **Heritage Surveys to be undertaken to allow drilling in 2011.**

Horseshoe Metals Limited (ASX: HOR) is pleased to announce the grant on 22 October 2010 of Exploration Licence 52/1998 at its 100% beneficially owned Kumarina copper project ("Kumarina Project"). The Kumarina Project is located 120km northeast of the Company's flagship Horseshoe Lights Project and 95km north of Sandfire Resources NL's Doolgunna Cu-Au project, in Western Australia (see figure 1).

Exploration Licence 52/1998 is a 70 sub-block licence covering approximately 217 km<sup>2</sup> in area. The licence straddles the Great Northern Highway which provides easy access.

The main historical copper workings at the Kumarina Project are located 8km west of the Kumarina Roadhouse and are accessible via a well formed gravel road from the highway (see figure 2).

### Exploration & Production History

The Kumarina copper deposits were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 3km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine located on the Company's adjoining Mining Lease 52/27, 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.

Records indicate 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.

In 1962, Carpentaria Exploration Company Pty Ltd drilled a shallow 30m hole below the old Kumarina workings and intersected 5.59% Cu over 6.7 metres.

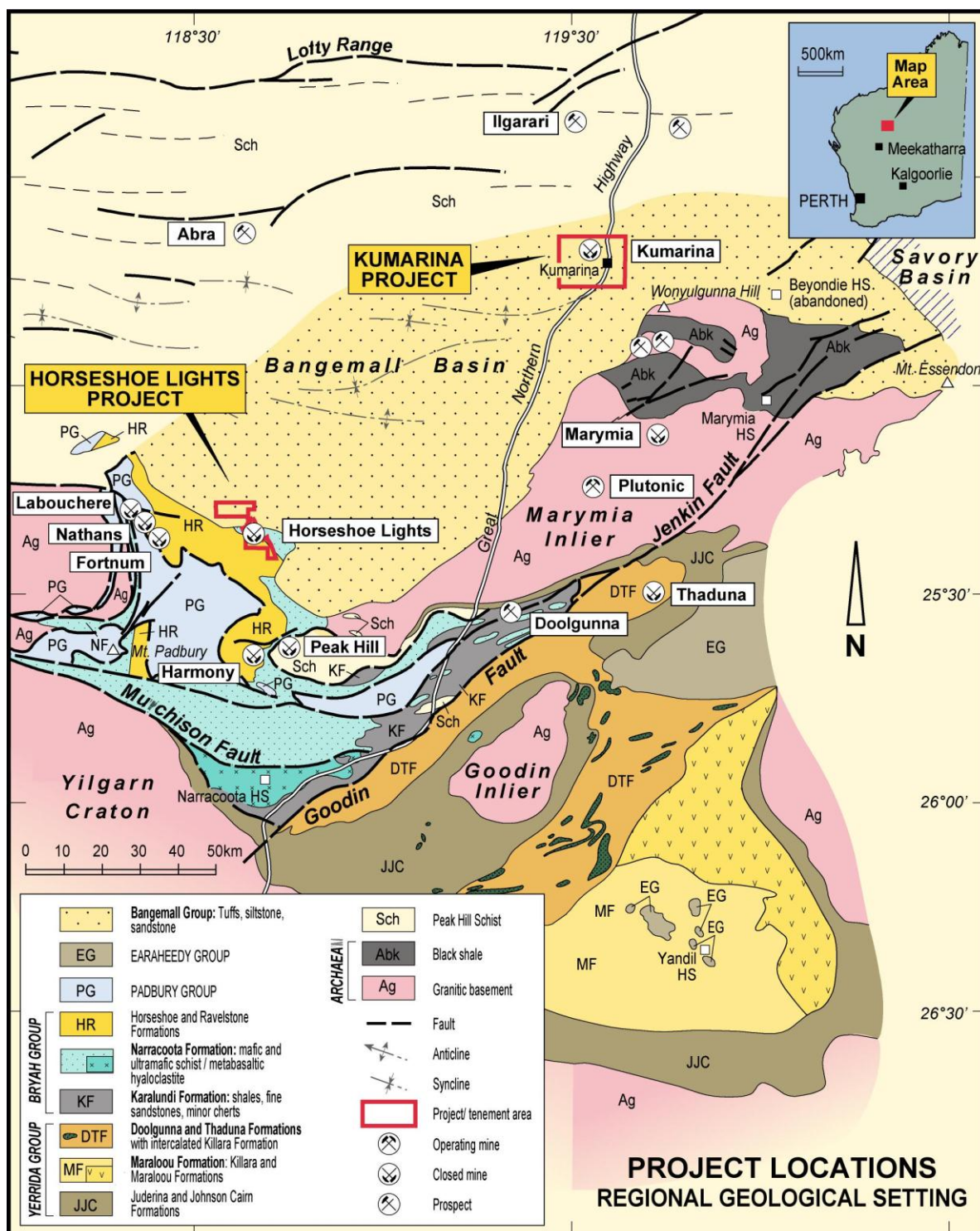


Figure 1 - Project Location Plan

Exploration activities completed over the Kumarina Project between 1992 and 1998 by St Barbara Limited focused on the Kumarina Copper Mine and nearby Rinaldi workings and included geological mapping, gridding, rock sampling and 51 air core holes for 2,062m. Six metre composite drill samples were assayed for Cu, Au, Ag, Co, As, Pb and Mg. Four holes intersected multiple lodes that returned assays between 1.15% Cu to 3.5% Cu.



More recently, Southern Geoscience Consultants were engaged to reprocess GSWA regional aeromagnetic and radiometric data to provide a regional structural and lithological interpretation for the project area.

In 2009 Earthscan Pty Ltd was engaged to acquire Quickbird satellite imagery over the same ground covered by the geophysical data. Their interpretation of the imagery for structural and regional alteration information identified over 20 targets including several high priority targets for detailed exploration (see Figure 2).

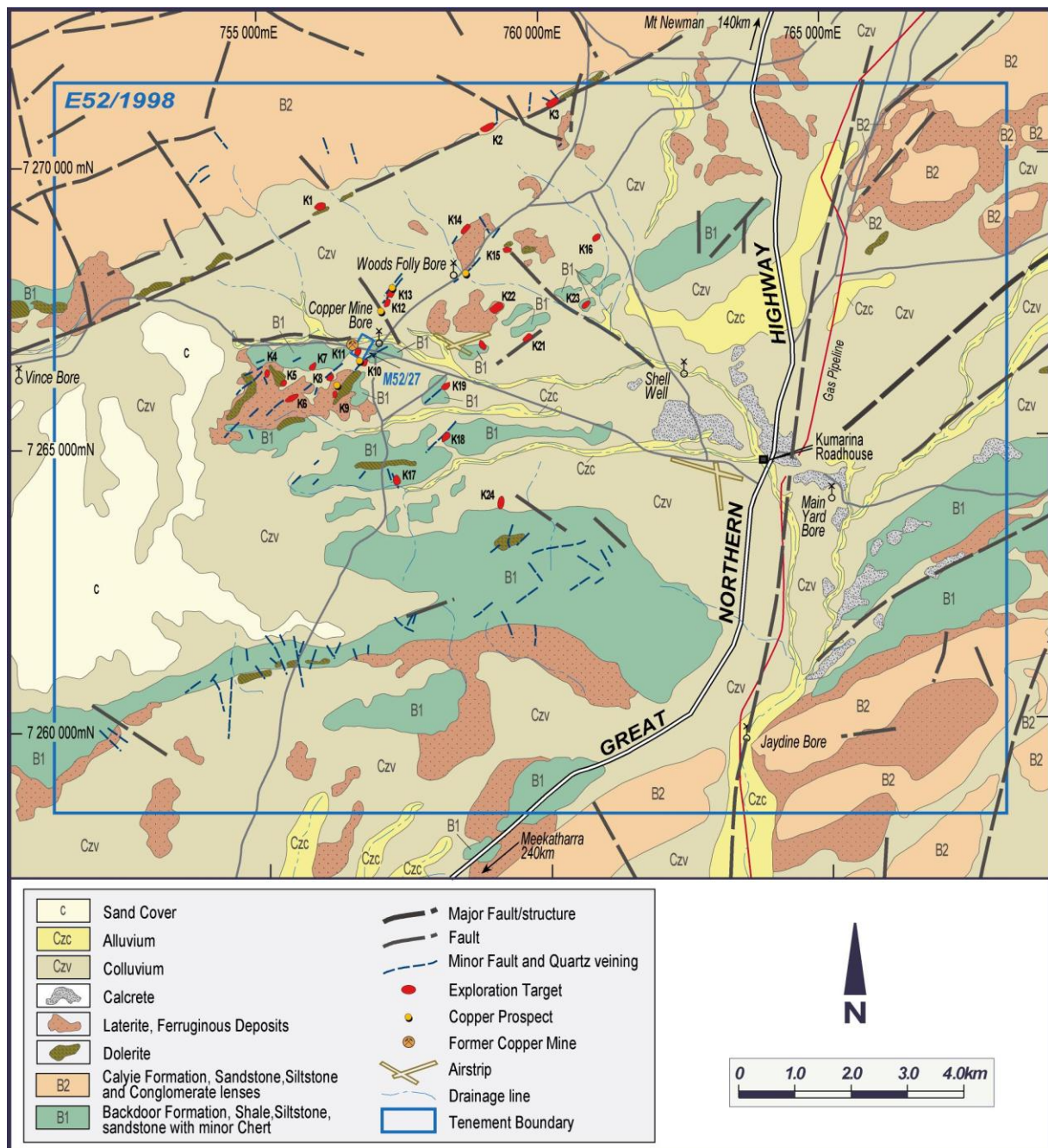


Figure 2 Project Geology and Earthscan Exploration Targets

## Exploration Plans

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 Earthscan;
- 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.

A heritage survey will need to be completed before any ground disturbing activities, such as drilling, can be undertaken. It is intended that the Company arrange for the survey to be completed in accordance with the heritage agreement so that drilling of priority exploration targets may commence as soon as practicable in 2011.

The application of modern exploration techniques and structural interpretation to the Kumarina Project area is an exciting development for Horseshoe Metals Limited.

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.*