HORSESHOE METALS
LIMITED

ASX / Media Release
05 November 2010

MORE POSITIVE DRILLING RESULTS AT HORSESHOE LIGHTS PROJECT

- **All 3 metre composite assay results now received for Phase 1 RC (Reverse Circulation) percussion drilling programme (13 RC holes, 2620 metres) at Horseshoe Lights VHMS Cu-Au Project in Western Australia in August 2010.**
- **Assay results confirm the occurrence of multiple zones of copper mineralisation and indicate potentially significant extensions to previously drilled mineralisation.**
- **Best intersections, including those results previously announced on 4 October 2010 for holes RC 1006 - RC 1012, are:**
  - **RC 1004 – 18m @ 1.76% Cu (15-33m) including 3m @ 3.34% Cu;**
    27m @ 0.94% Cu (36-63m).
  - **RC 1005 – 18m @ 1.68% Cu (93-111m) including 3m @ 4.54% Cu;**
    12m @ 0.66% Cu (153-165m).
  - **RC 1006 – 33m @ 0.59% Cu (75-108m);**
    15m @ 0.83% Cu (141-156m).
  - **RC 1007 – 21m @ 0.89% Cu (114-135m);**
    21m @ 0.97% Cu (189-210m) including 3m @ 3.38% Cu.
  - **RC 1008 – 18m @ 1.61% Cu (111-129m) including 3m @ 4.26% Cu;**
    15m @ 0.53% Cu (189-204m).
  - **RC 1010 – 51m @ 0.77% Cu (33-84m);**
    9m @ 1.71% Cu (168-177m) including 3m @ 3.72% Cu.
  - **RC 1011 – 30m @ 0.75% Cu (69-99m);**
    18m @ 1.27% Cu (114-132m) including 3m @ 4.09% Cu;
    15m @ 0.62% Cu (159-174m).
- **Analysis of 1m splits for check Cu assays is in progress.**
- **Phase 2 drilling programme is scheduled to commence in November 2010.**

ABN 20 123 133 166
Unit 6/11 Colin Grove, West Perth PO Box 256 West Perth WA 6872
Ph (08) 9481 5866 Fax: (08) 9481 5966
www.horseshoemetals.com.au

Horseshoe Metals Limited (**ASX: HOR**) (**"Horseshoe" or "the Company"**) is pleased to announce final results of 3m composite sample analysis from its recent drilling programme at its 100% owned Horseshoe Lights VHMS Cu-Au project ("**Horseshoe Lights Project**") located in the highly prospective Bryah Basin, 75km West-Northwest of Sandfire Resources NL's Doolgunna Cu-Au project, in Western Australia (see figure 1).

This announcement includes the initial drilling results for holes RC 1006 – RC 1012, released to the ASX on 4 October 2010 and discussion about the overall results of the Phase 1 drilling programme.

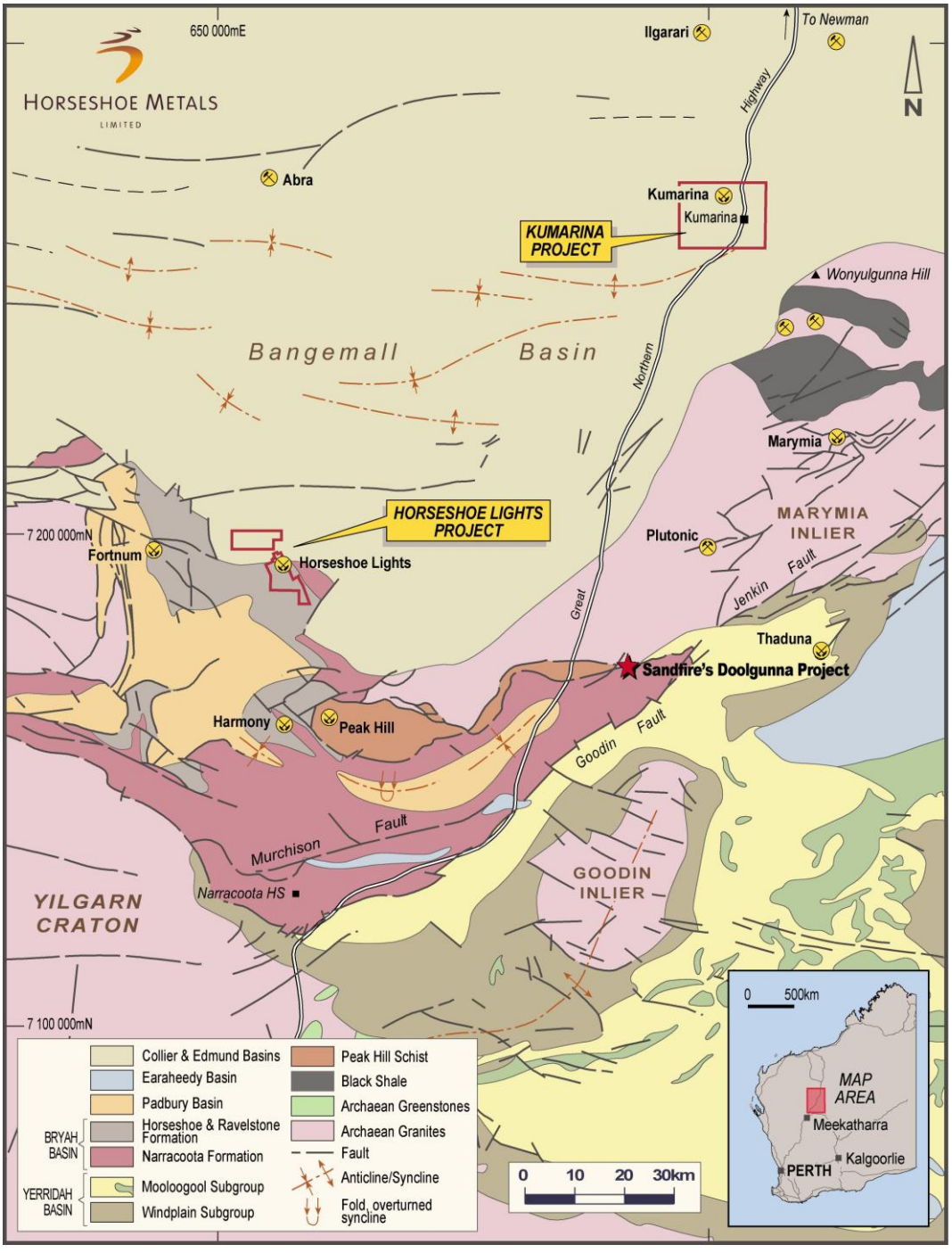

Figure 1 - Project Location Plan

ABN 20 123 133 166
Unit 6/11 Colin Grove, West Perth PO Box 256 West Perth WA 6872
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Horseshoe Lights Project

The Horseshoe Lights Project comprises sixteen tenements that cover an area of approximately 79.98km^2 including the old open pit of the Horseshoe Lights copper-gold mine which operated intermittently between 1946 and 1994, producing over 300,000 ounces of gold and 54,000 tonnes of copper. The Horseshoe Lights orebody is interpreted as a deformed volcanic-hosted massive sulphide (VHMS) 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 Volcanics, which also host the Sandfire Resources' recent Doolgunna Cu-Au discovery.

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.

Previous operators of the mine drilled 829 RC and approximately 60 diamond drill-holes, many of which do not exceed 100m in depth and, in the case of some of the sterilisation holes drilled in the 1980's, did not assay for copper.

The project has had no exploration since the early 1990's, and Horseshoe believes that systematic drilling combined with the application of modern EM geophysical methods can upgrade the known resources and lead to new discoveries in the mine area.

Results of Phase 1 Drill Programme

Horseshoe completed a programme of 13 Reverse Circulation (RC) percussion drill-holes totalling 2,620 metres within Mining Lease 52/743 in August 2010. Drill-hole locations are shown in Figure 2.

The recent programme was designed to test and extend the existing resource by drilling:

- gaps and down dip extensions of the Northwest stringer zone,
- north, and north-westerly strike extensions of the Northwest stringer zone, and
- potential mineralised zones south of the Motter's Zone.

Holes from the current programme were sampled on 1m intervals with 3m composite samples submitted for analysis of gold, copper and 32 other elements to Genalysis Laboratory Services Pty Limited. Mineralised 3m composites are now being re-assayed at 1m intervals and tested for acid-soluble copper.

All holes in the drill programme intersected either oxide and/or sulphide copper mineralisation. Intersections above 0.25% Cu are shown in Table 1.

ABN 20 123 133 166
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Hole RC1005 intersected a significant extension (18 metres at 1.68% Cu including **3m @ 4.54% Cu**) of the Northwest Stringer Zone in an area where previous sterilisation drilling is considered too shallow and was assayed for Au only. This zone remains open to the north and down dip.

Infill and down-dip drilling of the Northwest Stringer Zone (Holes RC1003, 1004, 1006-1012) has generally confirmed current mineralisation models. Infill hole RC1004 intersected significant zones of shallow mineralisation including 18m @ 1.76% Cu at 15-33m down-hole depth and 27m @ 0.94% Cu at 36-63m down hole depth.

Holes RC1000, 1001 and 1002 intersected low grade oxide copper mineralisation (best intercept 6m at 0.49% Cu in RC1001) as southerly extensions of the Motters Zone stringer mineralisation.

Evaluation of the results of multi-element analyses on the 3m composite samples is ongoing. Initial interpretation indicates stringer zone-type copper mineralisation at Horseshoe Lights is associated with Na and K depletion, and Mg enrichment in the altered schistose metavolcanics.

Results broadly support the historical drill results in the area drilled and point to potentially significant extensions of ore-grade ore-width mineralisation, especially hole RC1005. The historical drilling data formed the basis for the resource estimate previously released by Horseshoe, comprising an Inferred Mineral Resource (reported above 0.25% Cu) of 4.9 million tonnes @ 1.0% copper containing 48,000 tonnes of copper metal.

The recent drill-holes were affected by substantial deviation (i.e. curving) however, and as the old RC holes were not surveyed, this has led to complications in making a direct correlation between historical and recent mineralised intersections. It is planned to address this issue by surveying critical old holes that remain open during the forthcoming drill program to confirm the down hole dip and azimuth of these old holes.

Future Exploration Programme

The Company has contracted Geotech Airborne Pty Ltd to undertake a 500 line kilometre, low-level airborne VTEM survey over the Horseshoe Lights project and its environs in November 2010. This survey is designed to identify conductive massive sulphide zones as repetitions or extensions to the Main Horseshoe Lights mineralisation.

It is planned to commence the next phase of RC drilling at Horseshoe Lights in the second week of November. Drilling will include additional confirmatory drilling within the resource envelope, as well as targeting resource extensions such as those identified by drill hole RC1005.

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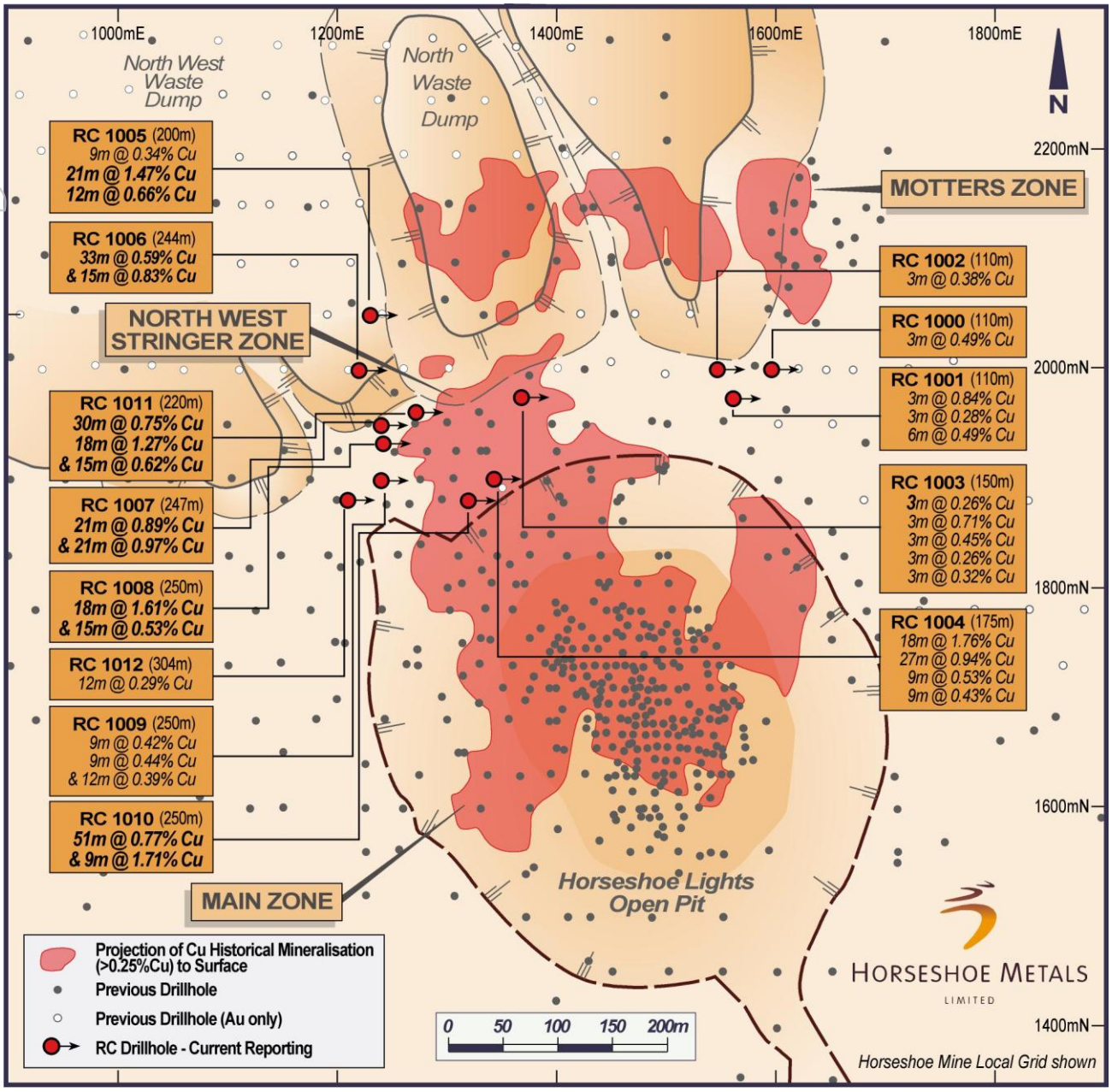

Figure 2 – Drill Hole Location Plan

ENDS

For further information please contact:

Neil Marston
Managing Director
Horseshoe Metals Limited
Ph: +61 8 9481 5866
M: 0427 188 768
E: nam@horseshoemetals.com.au
Website: www.horseshoemetals.com.au

David Brook
Professional Public Relations Pty Ltd
Ph: +61 8 9388 0944
M: 0415 096 804
E: david.brook@ppr.com.au

About Horseshoe Metals Limited

Horseshoe Metals Limited is a copper and gold focused company with a package of tenements covering approximately 300km^2 in the highly prospective Peak Hill Mineral Field located north of Meekatharra in Western Australia. The Company's projects are the Horseshoe Lights Project and the Kumarina Project. The Horseshoe Lights Project includes the closed Horseshoe Lights Mine which produced over 300,000 oz of gold and over 54,000 tonnes of copper during the period 1946-1994. The Horseshoe Lights Mine lies within the Narracoota Volcanics geological unit and is considered to be a Volcanic Hosted Massive Sulphide (VHMS) style deposit.

Competent Persons Statement

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.

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Table 1
Horseshoe Lights Project
Copper Intersections - Holes RC 1000 -1012
(3m Composites / 0.25% Cu cut-off)

Hole Number	Northing (GDA)	Easting (GDA)	Dip	Total Depth	Depth (down hole)	Interval (metres)	Cu%	Comments
RC 1000	7194310	663256	-60	110m	27-30m	3	0.49%	Oxide Zone
RC 1001	7194284	663321	-60	110m	54-57m	3	0.84%	Oxide Zone
					60-63m	3	0.28%	Oxide Zone
					75-81m	6	0.49%	Oxide Zone
RC 1002	7194309	663206	-60	110m	81-84m	3	0.38%	Oxide Zone
RC 1003	7194284	663025	-60	150m	12-15m	3	0.26%	Oxide Zone
					27-30m	3	0.71%	Oxide Zone
					48-51m	3	0.45%	Oxide Zone
					63-66m	3	0.26%	Oxide Zone
					78-81m	3	0.32%	Oxide Zone
RC 1004	7194208	662996	-60	175m	**15-33m**	**18**	**1.76%**	Oxide Zone
including					***18-21m***	***3***	***3.34%***	Oxide Zone
					36-63m	**27**	**0.94%**	Oxide Zone
					66-75m	**9**	**0.53%**	Oxide Zone
					81-90m	**9**	**0.43%**	Oxide Zone
					93-96m	3	0.26%	Sulphide Zone
					108-111m	3	0.63%	Sulphide Zone
					153-156m	3	1.24%	Sulphide Zone
RC 1005	7194358	662885	-60	200m	**69-78m**	**9**	**0.34%**	Oxide Zone
					84-87m	3	0.27%	Oxide Zone
					93-111m	**18**	**1.68%**	Sulphide Zone
including					***108-111m***	***3***	***4.54%***	Sulphide Zone
					114-117m	3	0.39%	Sulphide Zone
					138-141m	3	0.32%	Sulphide Zone
					153-165m	**12**	**0.66%**	Sulphide Zone
					168-171m	3	0.30%	Sulphide Zone
					183-186m	3	0.77%	Sulphide Zone
RC 1006	7194308	662875	-60	244m	60-63m	3	0.28%	Oxide Zone
					66-69m	3	0.33%	Oxide Zone
					75-108m	**33**	**0.59%**	Combined oxide and sulphide
					141-156m	**15**	**0.83%**	Sulphide Zone

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Table 1 (continued)
Horseshoe Lights Project
Copper Intersections - Holes RC 1000 -1012
(3m Composites / 0.25% Cu cut-off)

Hole Number	Northing (GDA)	Easting (GDA)	Dip	Total Depth	Depth (down hole)	Interval (metres)	Cu%	
RC 1007	7194258	662895	-60	247m	27-30m	3	0.33%	Oxide Zone
					108-111m	3	0.38%	Sulphide Zone
					114-135m	**21**	**0.89%**	Sulphide Zone
including					***120-123m***	***3***	***1.98%***	Sulphide Zone
					141-144m	3	0.41%	Sulphide Zone
					147-156m	9	0.67%	Sulphide Zone
					159-168m	9	0.58%	Sulphide Zone
					177-186m	9	0.43%	Sulphide Zone
					189-210m	**21**	**0.97%**	Sulphide Zone
including					***207-210m***	***3***	***3.38%***	Sulphide Zone
					213-216m	3	1.32%	Sulphide Zone
					225-228m	3	0.54%	Sulphide Zone
RC 1008	7194238	662900	-60	250m	87-90m	3	0.38%	Oxide Zone
					111-129m	**18**	**1.61%**	Sulphide Zone
including					***117-120m***	***3***	***4.26%***	Sulphide Zone
and					***120-126m***	***6***	***1.82%***	Sulphide Zone
					132-141m	**9**	**0.62%**	Sulphide Zone
					153-159m	6	1.57%	Sulphide Zone
					165-174m	**9**	**0.42%**	Sulphide Zone
					189-204m	**15**	**0.53%**	Sulphide Zone
					216-219m	3	0.32%	Sulphide Zone
RC 1009	7194208	662900	-60	250m	**12-21m**	**9**	**0.42%**	Oxide Zone
					99-102m	3	0.34%	Sulphide Zone
					111-114m	3	0.31%	Sulphide Zone
					123-126m	3	0.30%	Sulphide Zone
					141-144m	3	0.30%	Sulphide Zone
					147-153m	6	0.48%	Sulphide Zone
					159-168m	**9**	**0.44%**	Sulphide Zone
					174-180m	6	0.80%	Sulphide Zone
					189-195m	6	0.51%	Sulphide Zone
					198-204m	6	1.14%	Sulphide Zone
					219-231m	**12**	**0.39%**	Sulphide Zone

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Table 1 (continued)
Horseshoe Lights Project
Copper Intersections - Holes RC 1000 -1012
(3m Composites / 0.25% Cu cut-off)

Hole Number	Northing (GDA)	Easting (GDA)	Dip	Total Depth	Depth (down hole)	Interval (metres)	Cu%	
RC 1010	7194188	662976	-65	250m	**33-84m**	**51**	**0.77%**	Oxide Zone
					102-105m	3	0.64%	Combined oxide and sulphide
					108-111m	3	0.61%	Sulphide Zone
					120-126m	6	0.62%	Sulphide Zone
					153-156m	3	0.38%	Sulphide Zone
					162-165m	3	0.45%	Sulphide Zone
					168-177m	**9**	**1.71%**	Sulphide Zone
including					***174-177m***	***3***	***3.72%***	Sulphide Zone
RC 1011	7194269	662927	-65	220m	45-48m	3	0.29%	Oxide Zone
					69-99m	**30**	**0.75%**	Combined oxide and sulphide
					114-132m	**18**	**1.27%**	Sulphide Zone
including					***117-120m***	***3***	***4.09%***	Sulphide Zone
and					***120-123m***	***3***	***1.74%***	Sulphide Zone
					159-174m	**15**	**0.62%**	Sulphide Zone
RC 1012	7194188	662866	-65	304m	147-150m	3	0.27%	Sulphide Zone
					159-162m	3	0.32%	Sulphide Zone
					168-171m	3	0.54%	Sulphide Zone
					177-180m	3	0.26%	Sulphide Zone
					189-192m	3	0.32%	Sulphide Zone
					195-198m	3	0.33%	Sulphide Zone
					201-207m	6	0.31%	Sulphide Zone
					210-216m	6	0.63%	Sulphide Zone
					246-249m	3	0.73%	Sulphide Zone
					282-285m	3	0.27%	Sulphide Zone

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