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Investor Presentation

May 2011



HORSESHOE METALS
LIMITED

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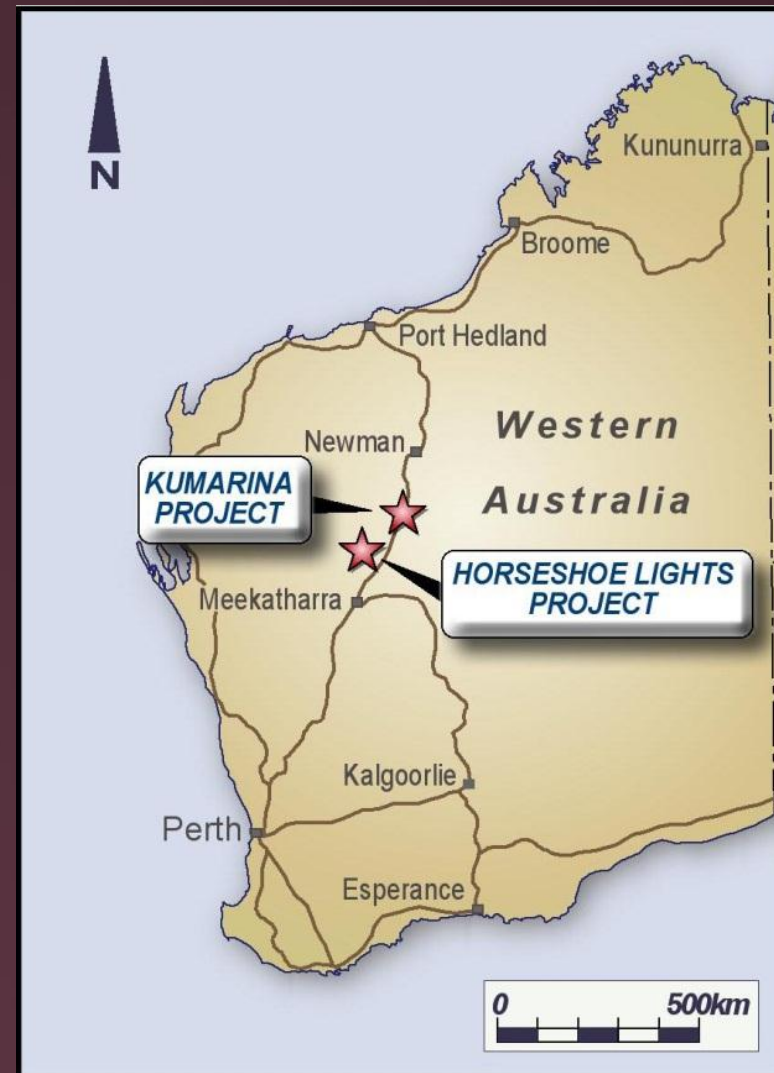
Company Overview



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Horseshoe Metals (ASX: HOR)

- listed on the ASX in July 10
- successful IPO raised \$7 million
- a copper and gold focused company
- 100% ownership of the **Horseshoe Lights** and **Kumarina** projects
- tenements covering ~300 km² in the resource rich Peak Hill Mineral Field





Corporate Summary

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Capital Structure

- Shares 56.1 M
- Options 30.0 M
- Market Cap \$17.0 M
(undiluted @ 30.5 cents per share)
- Cash (as at 9 May 2011) \$2.4 M

Substantial Shareholders

- Azure Capital Limited 7.9%

Management

- Neil Marston (Managing Director)
- Jeremy Shervington (Non-Executive Chairman)
- Stuart Hall (Non-Executive Director)
- Alec Pismiris (Non-Executive Director / Co. Secretary)
- Laurence Shervington (Alternate Director)



Projects Overview



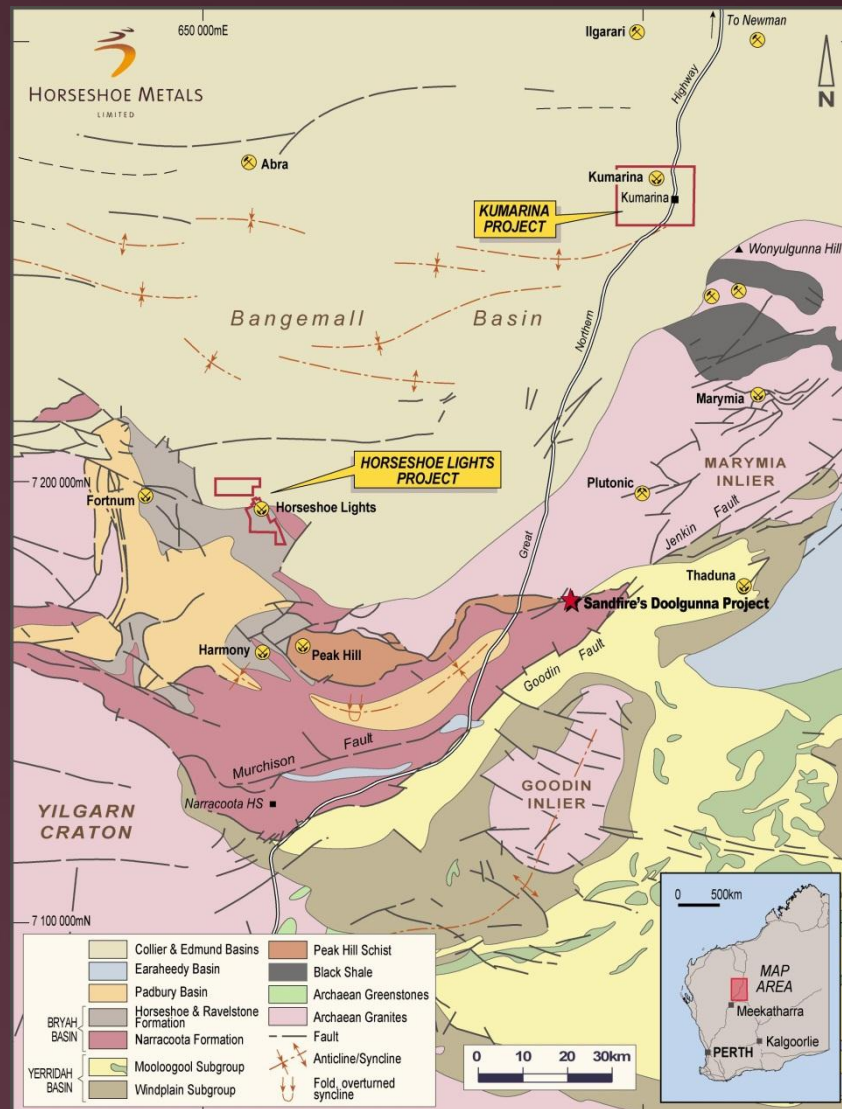
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Horseshoe Lights

- located in the Bryah Basin
- partly within the Narracoota Volcanics
- 75km WNW of Doolgunna
Cu/Au discovery

Kumarina

- located in the Bangemall Basin
- same geological setting as several other nearby base metal deposits



Horseshoe Lights Project History



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- Discovered in 1946
- 1984 - 1988:- Gold CIP plant
- 1988 – 1994:- Copper flotation plant and Direct Shipping Ore (DSO)
- Final open pit depth – 215m below surface
- Mine closed in 1994 – low copper prices prevented a cutback of the pit to access remaining ore
- DSO production was 110,691 tonnes
- DSO ore (Chalcocite) known to exceed 20% Cu with gold credits

Horseshoe Lights Project

Mine Production Summary



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Mine Production Summary

Type	Tonnes	Au g/t	Au (oz)	Cu %	Cu (t)
Gold	1,609,806	4.2	219,000	-	-
Copper Ore/DSO	1,689,314	1.7	94,000	3.2	54,800
TOTAL	3,299,120	2.9	313,000	1.7	54,800

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Horseshoe Lights Project

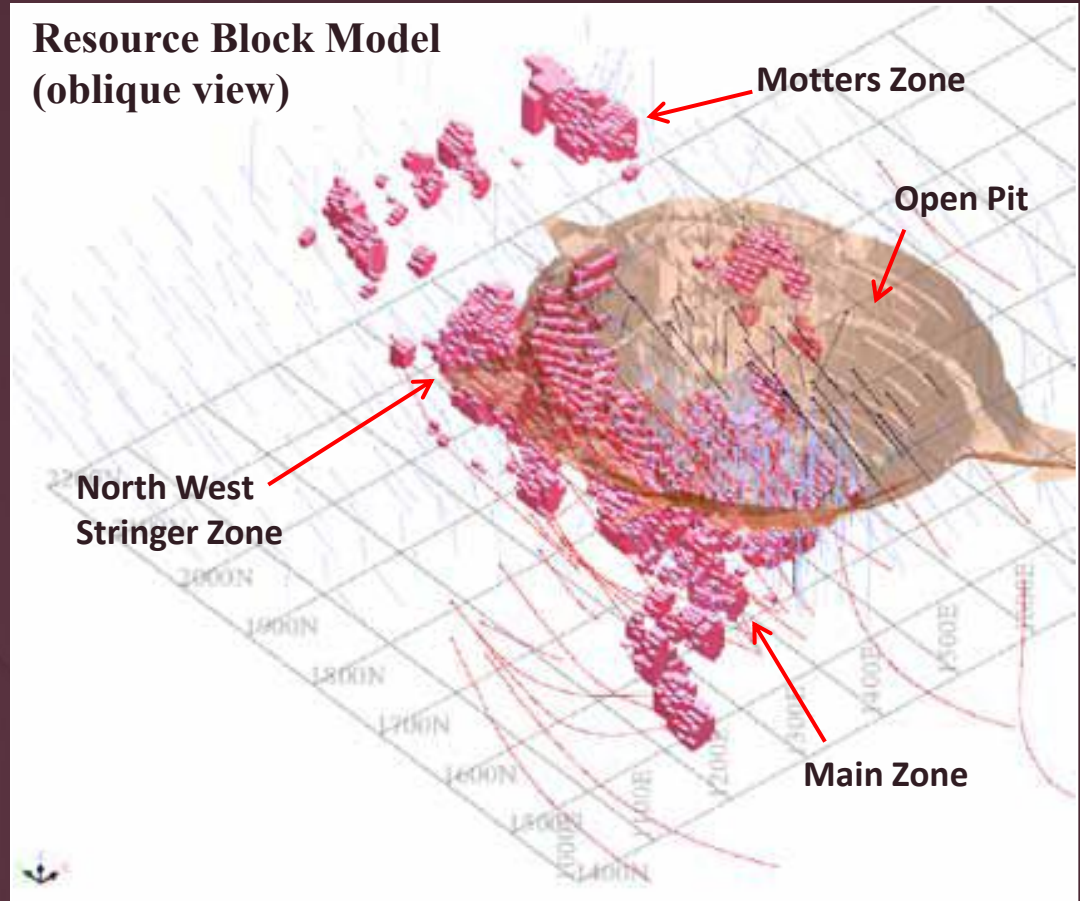
JORC Resource



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- Updated in Jan 2010 by Coffey Mining
- Inferred Mineral Resource estimated as **4.9 MT @ 1.0% Cu** containing **48,000 tonnes of copper**
- Mineralisation located in 3 zones:
 - Main Zone
 - North West Stringer Zone
 - Motters Zone

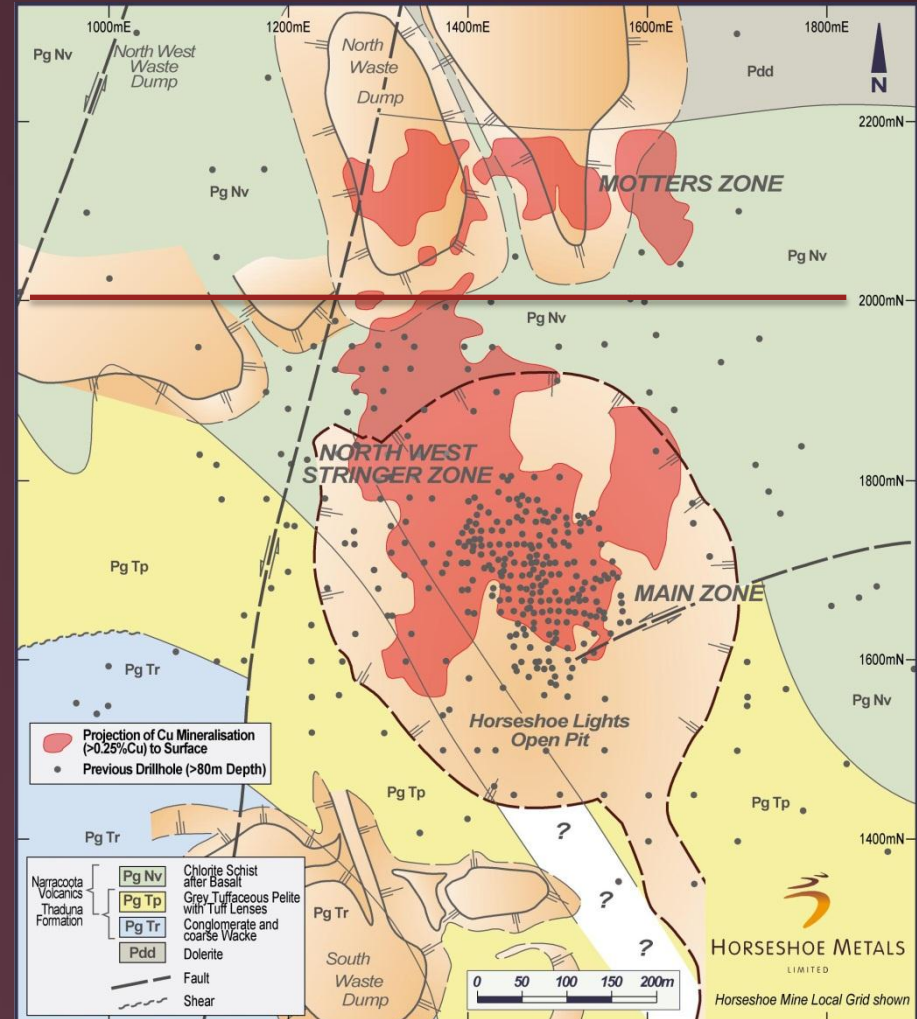


Horseshoe Lights Project Exploration Opportunity



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- Many of the old drill holes were less than 80m deep
- Focus of deep drilling was on the Main Zone
- North West Stringer Zone only tested at depth south of line 2000mN
- The area north of 2000mN is untested below 80m depth



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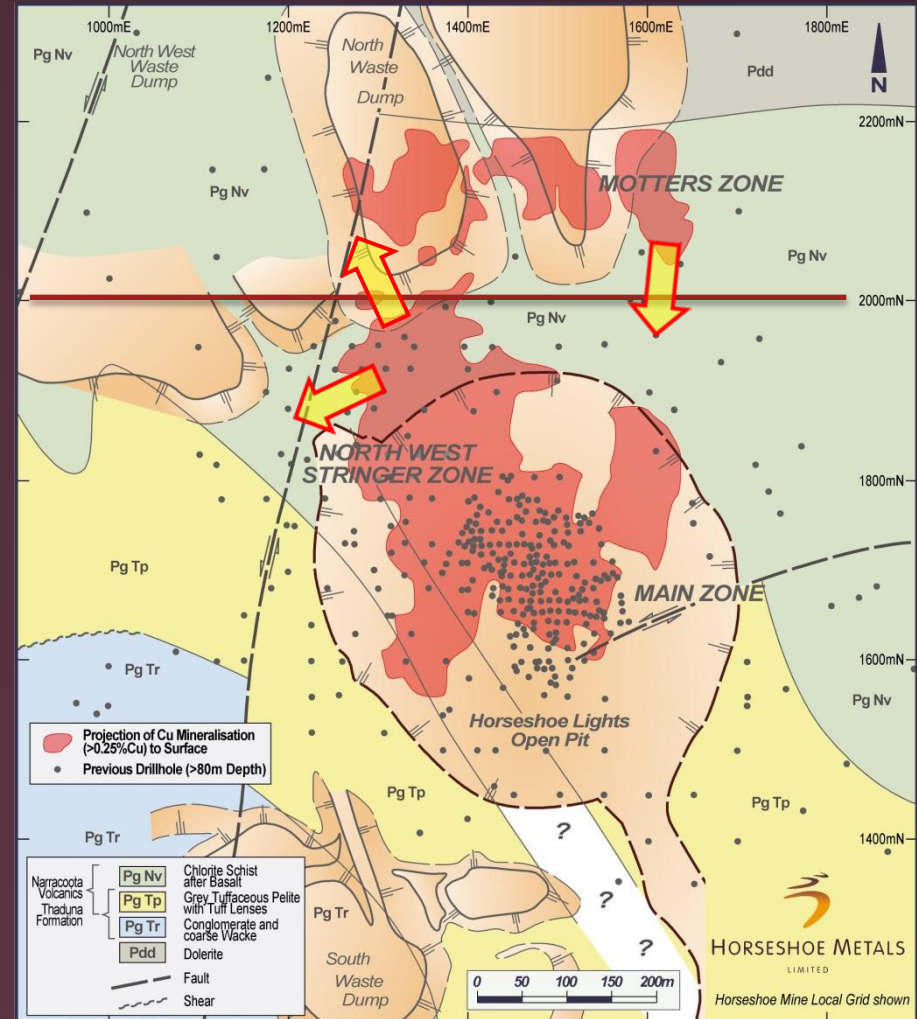
Horseshoe Lights Project Exploration Strategy



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Phase 1 and 2 drilling was aimed to test:

- north along strike from the North West Stringer Zone
- infill zones and down dip of the North West Stringer Zone, and
- south of Motters Zone



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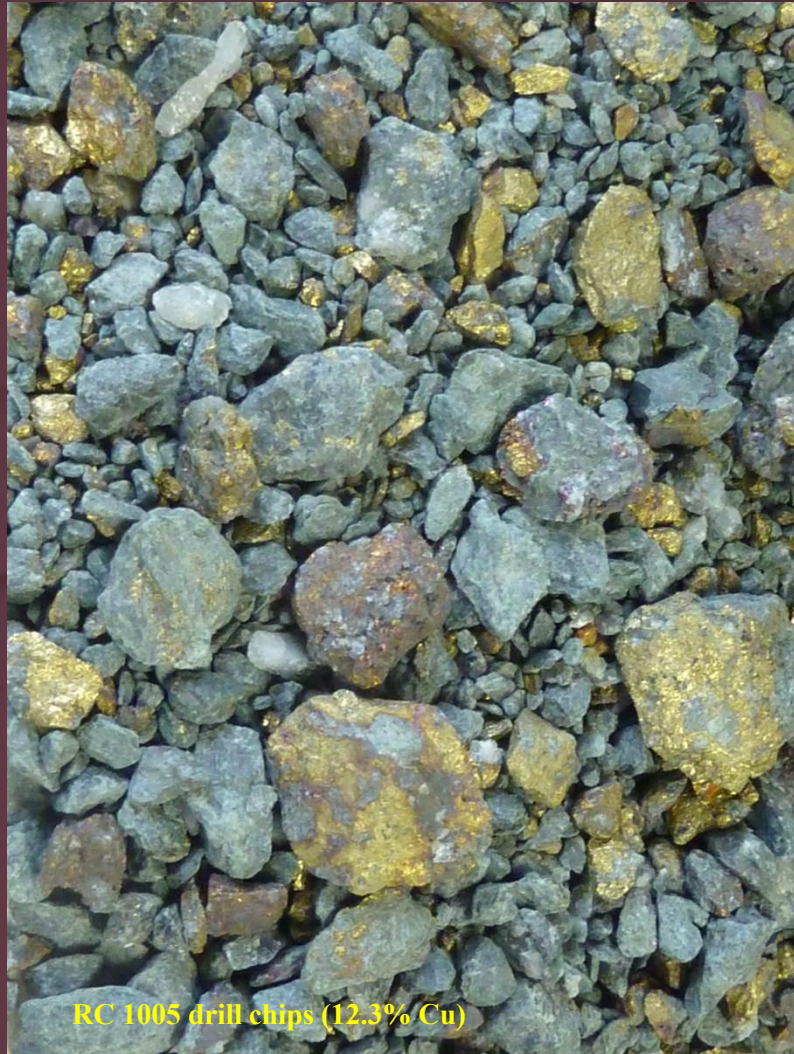
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Horseshoe Mine Local Grid shown

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Phase 1 drilling



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RC 1005 drill chips (12.3% Cu)

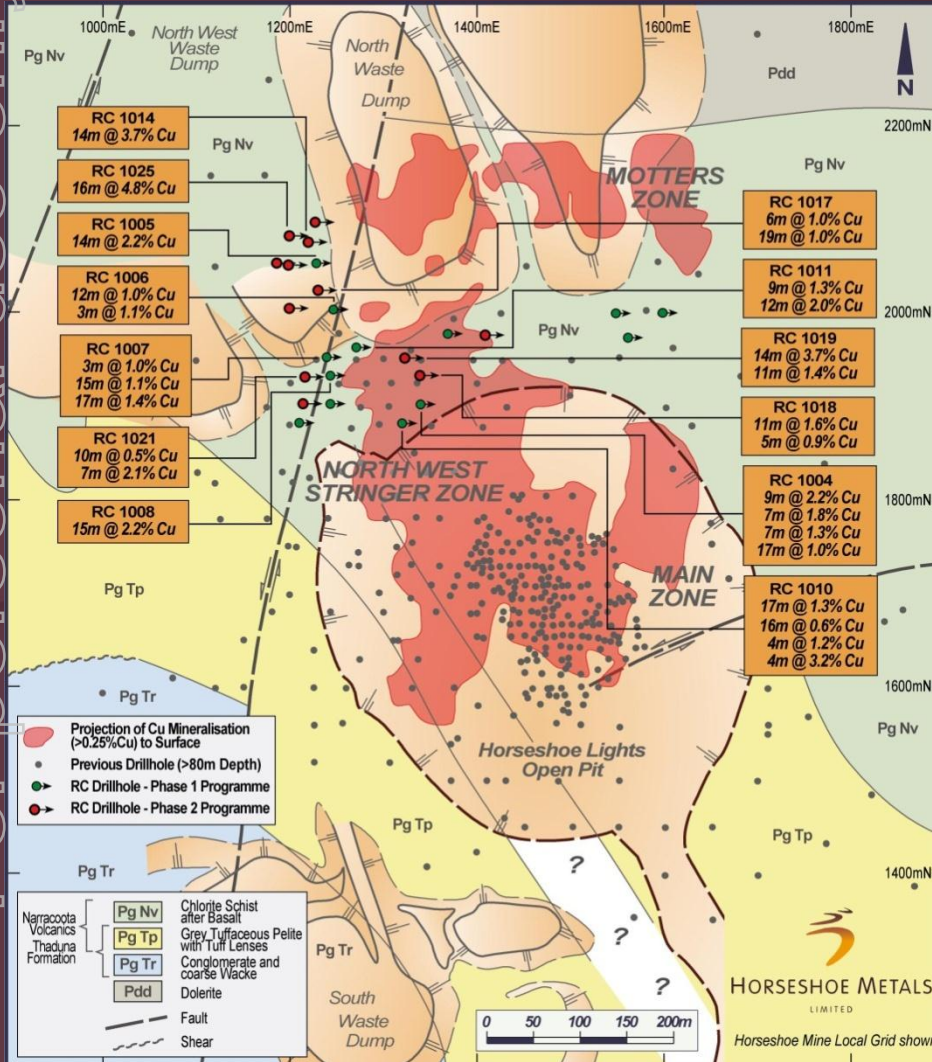
- 13 RC holes drilled (2,620m)
- Copper mineralisation reported in all holes
- 1 hole (RC 1005) drilled at 2050mN to test under an old hole which reported copper mineralisation at ~60m depth
- RC 1005 – best intercept recorded, **14m (95-109m) @ 2.2% Cu** including 1m @ 12.3% Cu
- RC 1005 confirmed that the North West Stringer Zone extends north of 2000mN line

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Phase 2 drilling



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- 13 RC holes drilled (2,632m)
- All holes drilled in North West Stringer Zone intersected copper mineralisation
- RC 1014 and 1025 drilled 25m north of RC 1005 both intersected high grade copper mineralisation
- RC 1014 – 14m @ 3.7% Cu (128m) including 3m @ 9.8% Cu
- RC 1025 – 16m @ 4.8% Cu (161m) including 3m @ 11.8% Cu
- RC 1019 – 14m @ 3.7% Cu (10-24m) including 9m @ 5.5% Cu and 11m @ 1.4% Cu (29-40m)

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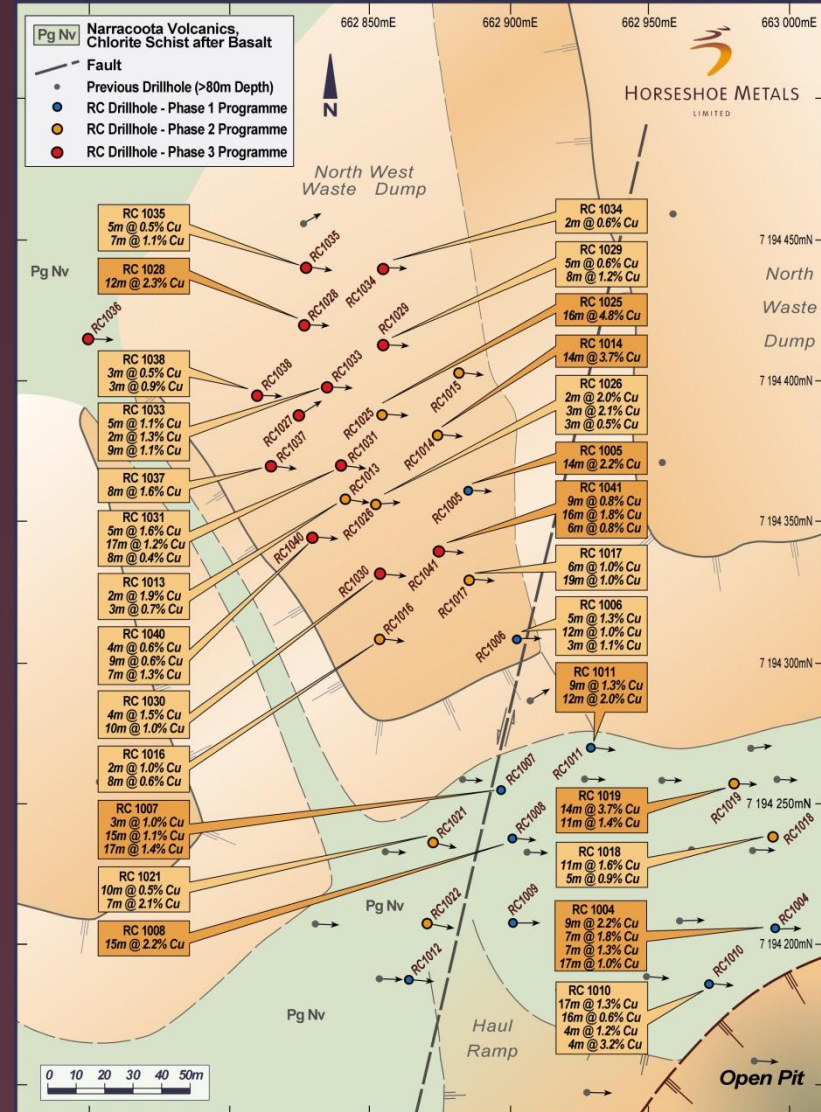
Phase 3 drilling



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- 15 RC holes drilled (3,110m)
- 12 out of 14 holes drilled in North West Stringer Zone intersected copper mineralisation
- Drilling extended mineralisation zone a further 50m north and by up to 100m down dip of Phase 1 & 2 drilling
- RC 1028 – 12m (184-196m) @ 2.3% Cu (128m) including 4m @ 4.7% Cu
- RC 1041 – 16m @ 1.8% Cu (130-146m) including 10m @ 2.5% Cu



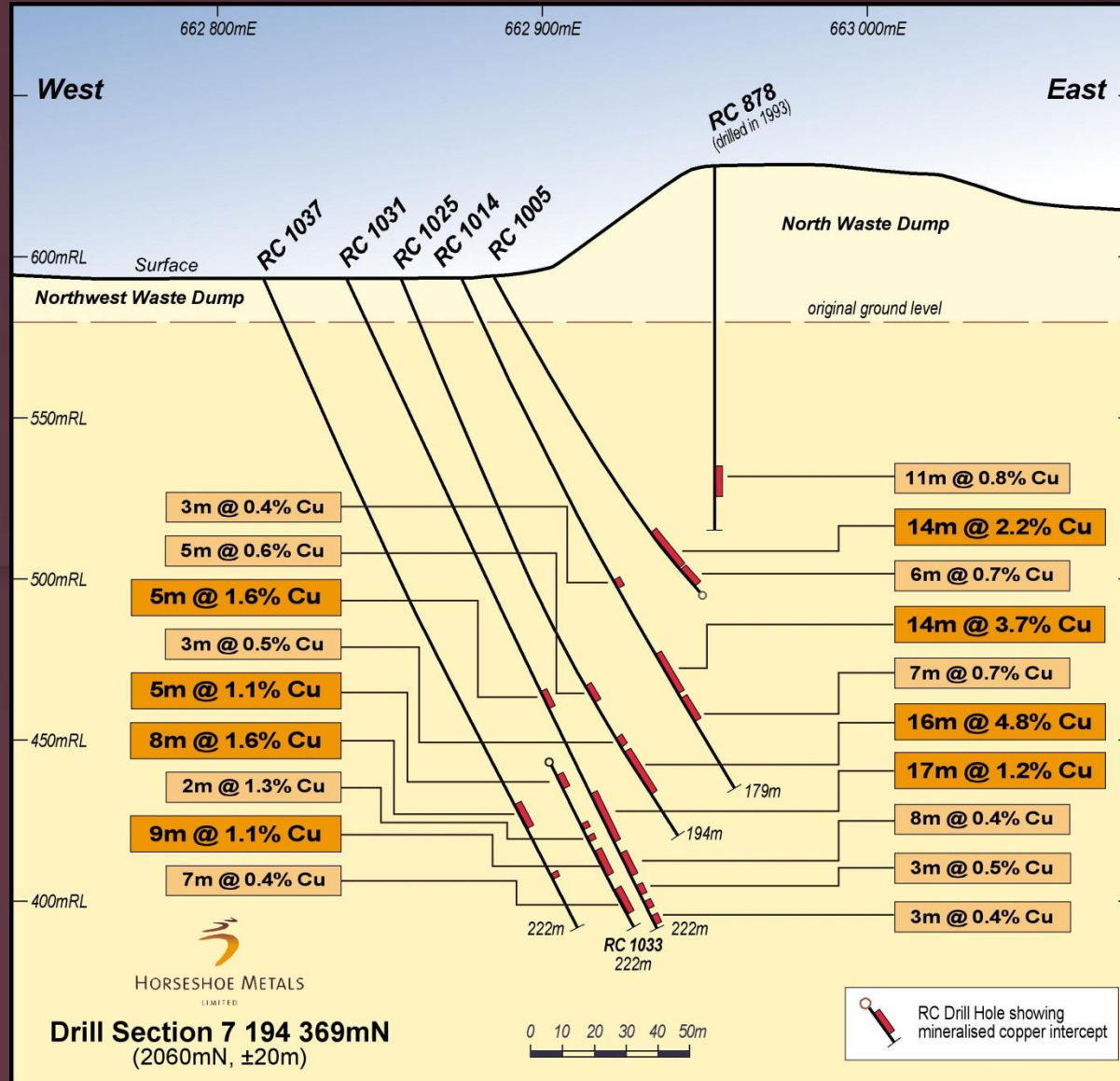
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Cross Section - North West Stringer Zone



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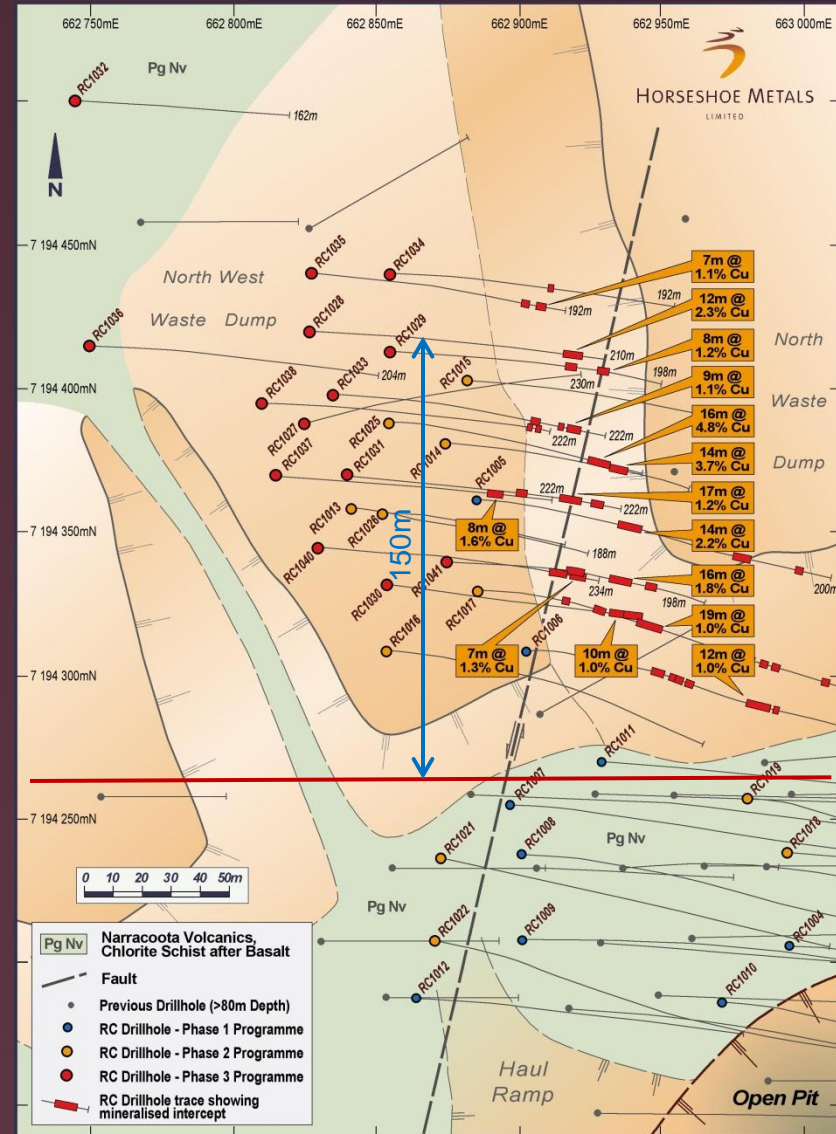
Drilling - Results to Date



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- Zone of Cu mineralisation in North West Stringer Zone has been extended by over 150m from 1990's drilling
- Drilling has intersected Cu mineralisation to depths of 200m BGL
- Mineralisation in multiple zones grading generally in the 0.3 - 2.0% Cu range but with higher Cu grades being frequently observed (up to 17% Cu recorded)
- No significant gold or silver intersected.



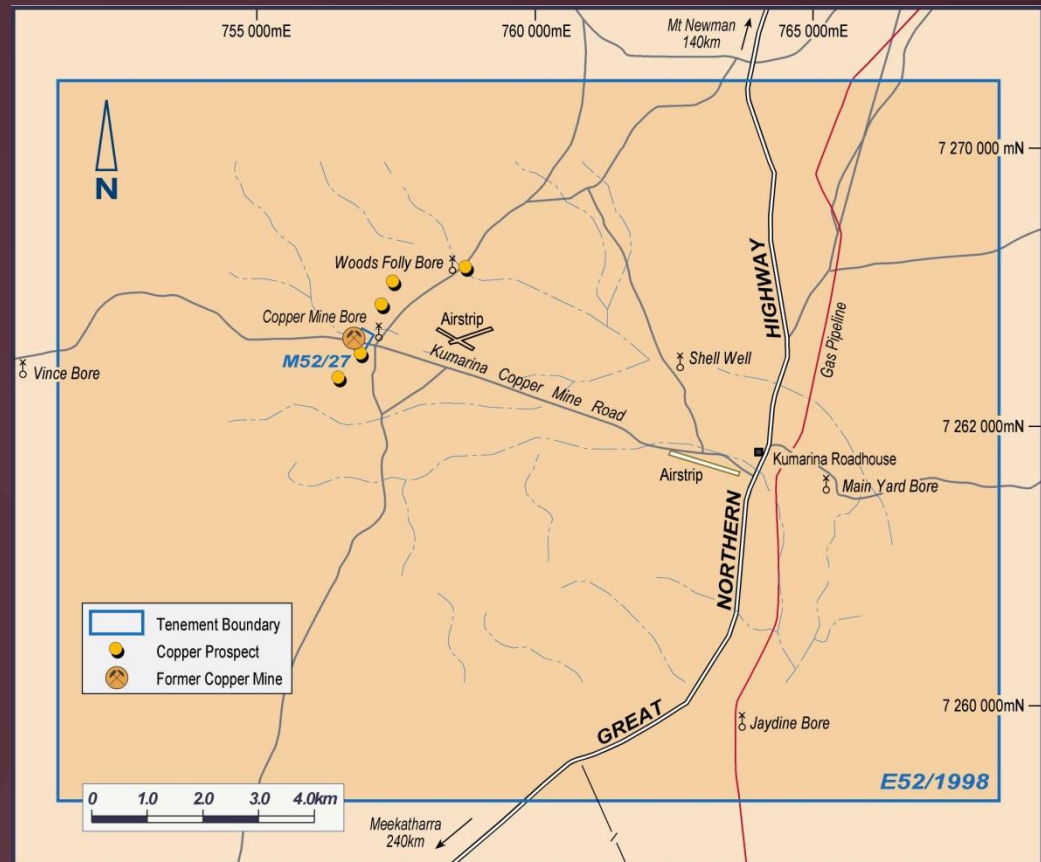
Kumarina Project



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Kumarina represents a potential satellite operation to feed into future Horseshoe Lights production

- Copper discovered in 1913 and worked up until 1973
- Historical workings extend over nearly 3km including a 50m deep shaft and drives
- Recorded production was 481 tonnes of copper ore at **37% Cu** and 2,340 tonnes at a grade of **17.51% Cu**



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Kumarina Project



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The Kumarina area is at an early stage of assessment.

- Limited exploration since mining ended in 1970's
- Aircore drilling in 1998 produced up to 6m at 4.24% Cu (39-45m) near old shaft (pictured)
- High resolution aeromagnetic survey completed in March 2011
- Aeromagnetic survey interpretation to commence shortly - will be used to identify priority areas for drilling
- Phase 1 exploration drilling to follow heritage survey



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2011 upcoming activities

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Horseshoe Lights

- Review results of ground EM (FLTEM) survey (in progress)
- Geological review using latest drilling information (in progress)
- Resource re-estimation
- Follow-up drilling – targets to be confirmed

Kumarina

- Interpretation of aeromagnetic survey
- Geological mapping
- Heritage survey
- Drilling of targets identified from aeromagnetic survey and geological mapping.

Other Opportunities

- Evaluate other opportunities which will complement the company's existing strategy

The Value Opportunity

- ✓ Tenements with past production
 - ✓ Successful drilling results
- ✓ JORC Resource – 48,000t Cu metal
 - ✓ Near term mining potential



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Appendix 1: Horseshoe Lights Project Inferred Mineral Resources Estimate



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Inferred Mineral Resource Estimate – January 2010

OK Estimate Reported above Various Lower Cu Cut-offs
Parent cell 20m N by 10m X by 5m Z
Density of 2.0t/m³ for all material

Cut off (Cu %)	Tonnes	Cu (%)	Au (ppm)
0.00%	4,880,000	1.00	0.10
0.25%	4,880,000	1.00	0.10
0.50%	4,320,000	1.10	0.10
1.00%	1,710,000	1.60	0.20

It is noted in respect of the resource estimation that:

- Drilling coverage for the project areas ranges from a nominal 20m by 20m to 40m by 60m. The drill holes are typically orientated either vertically or 60° due east. Drilling consists of a combination of reverse circulation and diamond drilling.
- The database consists of approximately 44,000 historical assays which have been compiled from various reports and databases.
- A nominal 0.25% Cu lower cut-off was used to define the mineralised zones, with zones defined by an indicator probability shell limited to 20m from an informing composite.
- A supplied topographic surface was used to constrain the reported resource below the topographic surface and the historical open pit.
- The assay data was composited to 3m down hole points with statistical analyses on the 3m composites undertaken. Variography and search neighbourhood analysis were also conducted as input into grade estimation. High grade cutting was applied to the composites prior to estimation.
- The method used to obtain grade estimates within the mineralised zones for Cu and Au was block Ordinary Kriging (OK). Density has been estimated at 2.0 tonnes/m³ for all material types.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate. Only estimated blocks within 20m of a drill hole were classified.

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Competent Persons Statement



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The information in this presentation 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 Pty Ltd.

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 this presentation of the matters based on his information in the form and context in which it appears.

The information in this presentation 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 undertaken, 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 this presentation of the statements based on their information in the form and context in which those statements appear.