ASX/MEDIA ANNOUNCEMENT

4 MARCH 2013

ASX Code:

HOR

Management

Mr Jeremy Shervington
Non-Executive Chairman

Mr Neil Marston
Managing Director

Mr Michael Fotios
Non-Executive Director

Mr Stuart Hall
Non-Executive Director

Mr Damian Delaney
Company Secretary

Issued Capital

Shares: 75.9 Million

Options: 22.0 Million

Share Price: $0.18

Market Capitalisation: $13.7 Million

Cash at Bank (31 December 2012)

$1.1 Million

HORSESHOE METALS LIMITED

HORSESHOE RELEASES MAIDEN MINERAL RESOURCE ESTIMATE FOR KUMARINA

HIGHLIGHTS

KUMARINA PROJECT

- **Maiden Mineral Resource at the Rinaldi Prospect of 835,000t @ 1.3% Cu for 10,600 tonnes of contained copper at a 0.5% Cu cut-off grade;**
- **Mineral Resource is predominately in the Measured and Indicated categories;**
- **Mineralisation is shallow; occurring from 2m to 120m metres depth;**
- **Mineralisation remains open along strike in both directions and down dip;**
- **Additional drilling to target mineral resource extensions will be undertaken in the next stage of exploration.**

HORSESHOE LIGHTS PROJECT

- **Updated Mineral Resource Estimate expected to be completed in March 2013.**

Horseshoe Metals Limited (**ASX:HOR**) (**"Horseshoe" or "the Company"**) is pleased to advise of the completion of the maiden Mineral Resource estimation, in accordance with the JORC guidelines and code for reporting of Mineral Resource Estimates, at the Kumarina Copper Project ("**Kumarina Project**") located in the Peak Hill Mineral Field of Western Australia (see Figure 1).

The Mineral Resource estimation has been completed on the Rinaldi Prospect. At a cut-off grade of 0.5% Cu, the Mineral Resource estimate is **835,000 tonnes @ 1.3% Cu** for 10,600 tonnes of contained copper.

Horseshoe commissioned independent resource specialists H & S Consultants Pty Ltd to undertake the estimation, following the completion of drilling by the Company in December 2012. The Mineral Resource is predominately in the Measured and Indicated categories as shown in Table 1 and Diagram 1 below, providing a high level of confidence in the continuity of the mineralisation.

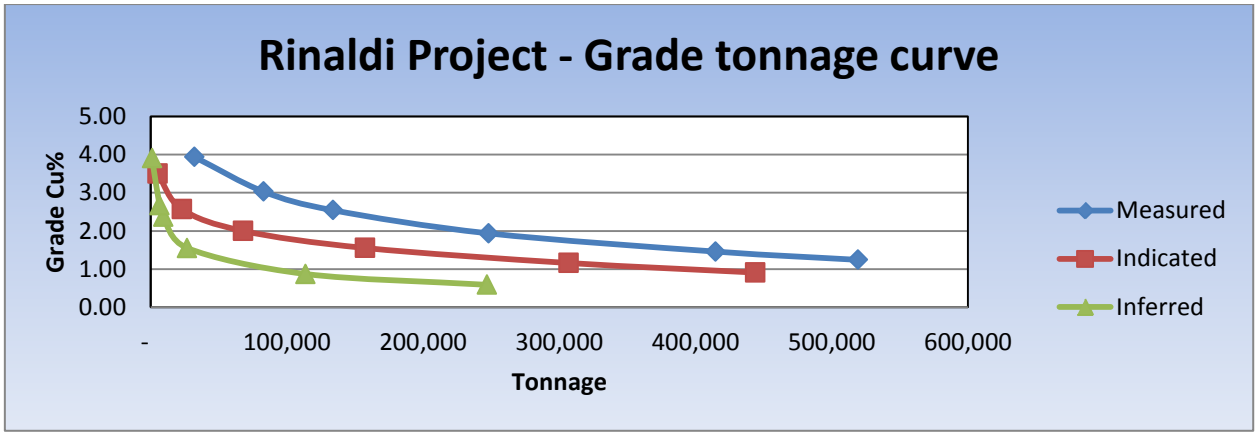

Diagram 1

The mineralisation at the Rinaldi Prospect is hosted within a north-south oriented sub-vertical fault zone, one of several such faults identified within the Company's tenement by a 2011 aeromagnetic survey (see Figure 2).

The deposit is very shallow with resource blocks occurring from 2 metres to 120 metres below surface. Importantly the higher grade zone of mineralisation which contains over 98% of >1.0% copper mineralisation is concentrated between 7267925mN and 7268275mN, a distance of about 350 metres (see Figure 3).

Importantly the copper mineralisation within the fault zone remains open along strike to the north and south of the deposit as well as at depth.

The Company is pleased with the progress of exploration at the Rinaldi Prospect which has culminated in this maiden Mineral Resource estimate.

Planned Activities

Kumarina Project

Additional drilling will be undertaken at the Rinaldi Prospect to test for extensions to the mineralisation within the north-south fault zone. A small number of holes drilled by the Company have intersected copper mineralisation within the interpreted fault zone at depth in a dolerite sill. Drilling to identify copper mineralisation within the dolerite sill/fault zone contact will be undertaken this year.

A recently completed soil geochemical survey over a large portion of the project area has identified several anomalies, some co-incidental with north-south faults, including along the fault zone south of the Rinaldi Prospect (see Figure 4). Follow up exploration on these anomalies is being planned, which will include reconnaissance drilling in the coming field season.

A co-incidental soil and aeromagnetic anomaly has also been identified at the Kumarina Deeps Prospect (see Figure 4). Drill testing of this interpreted deep anomaly will be a priority once the necessary site access clearances are received.

Horseshoe Lights Project

The Company's immediate focus is to update the Mineral Resource estimate following the completion of over 10,000 metres of drilling at Horseshoe Lights in 2012. Much of the Quality Assurance/Quality Control work on the historical parts of the database has now been completed. Release of the updated Mineral Resource estimate is expected towards the end of March 2013.

A geophysical study of the mine and surrounding areas is being finalised to identify targets for the next stage of drilling.

Drilling at the Horseshoe Lights Project for the 2013 field season will focus on:

1. deep, high grade copper/gold zones - potentially located down dip and down plunge of the Main Zone - of sufficient grade to potentially support underground mining; and
2. exploration targets outside of the immediate pit area which have not been adequately tested by previous exploration efforts.

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

Colin Hay
Professional Public Relations Pty Ltd
Ph: +61 8 9388 0944
E: colin.hay@ppr.com.au

Table 1
Kumarina Project - Rinaldi Prospect
Mineral Resource Estimation

Cut-off grade Cu (%)	Tonnes	Cu (%)	Cu (lbs)	Cu (t)	Resource Category
0.25	519,000	1.24	14,243,000	6,461	Measured
	444,000	0.91	8,922,000	4,047	Indicated
	247,000	0.6	3,216,000	1,459	Inferred
	1,210,000	1.0	26,382,000	11,967	TOTAL
0.5	415,000	1.46	13,354,000	6,057	Measured
	307,000	1.16	7,861,000	3,566	Indicated
	114,000	0.9	2,190,000	993	Inferred
	835,000	**1.3**	**23,405,000**	**10,616**	**TOTAL**
1.0	248,000	1.94	10,596,000	4,806	Measured
	157,000	1.55	5,396,000	2,448	Indicated
	27,000	1.6	918,000	416	Inferred
	432,000	1.8	16,910,438	7,671	TOTAL
1.5	134,000	2.54	7,506,000	3,405	Measured
	68,000	2.00	2,993,000	1,358	Indicated
	9,000	2.4	488,000	221	Inferred
	211,000	2.4	10,987,000	4,984	TOTAL
2.0	83,000	3.03	5,535,000	2,511	Measured
	23,000	2.57	1,294,000	587	Indicated
	7,000	2.7	384,000	174	Inferred
	112,000	2.9	7,213,000	3,272	TOTAL
3.0	32,000	3.94	2,794,000	1,267	Measured
	5,000	3.50	388,000	176	Indicated
	1,000	3.9	85,000	39	Inferred
	38,000	3.9	3,267,000	1,482	TOTAL

Nature of data

A total of 10,967.6 metres in 101 drill-holes were used in the resource estimate consisting of 7 diamond core (DD) holes and 94 reverse circulation (RC) holes. Average drill-hole depth is to 108.59m and the deepest drilling was to 202m below natural surface in drill-hole KRC082.

Drill-holes were predominantly sampled in one to three metre intervals for RC and predominantly one metre intervals for DD (although a number of sample intervals were employed for DD drilling in line with geological constraints).

For estimation purposes the assay data was composited into one-metre intervals resulting in 14,295 samples being available for block modelling. The block model consists of parent cell blocks with the dimensions of 10 metre x 10 metre x 5 metre (XYZ). The block model was sub-celled to a minimum block dimension of 1 metre x 1 metre x 0.5 metre (XYZ) in-line with post processing requirements.

Block Classification

Ordinary Kriging was used for the estimation, the search and data criteria used for the domains is shown in Table 2 below.

Table 2
Block Classification
Search Criteria

Category	X (m)	Y (m)	Z (m)	Min samples	Max samples	Octants
Measured	20	40	8	16	32	4
Indicated	35	70	14	16	32	4
Inferred	35	70	14	8	32	2

Searches were aligned consistent with the orientations defined during the geometry modelling for each individual mineralised domain.

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 Geoff Willetts, BSc. (Hons) MSc. who is a Member of the Australian Institute of Geoscientists. Geoff Willetts is employed full-time by Horseshoe Metals Limited.

Geoff Willetts 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'. Geoff Willetts 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 is based on information compiled by or under the supervision of Mr Robert Spiers, who is a member of the Australian Institute of Geoscientists. Mr Spiers 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". Mr Robert Spiers is an independent consultant to Horseshoe Metals Limited and a full time employee of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd). He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX: HOR) 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.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes 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 ore body is interpreted as a deformed volcanogenic-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 Formation, which also host Sandfire Resources' DeGrussa Cu-Au mine.

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 70 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.

Prior to the commencement of drilling by Horseshoe in 2010, the project had no exploration since the 1990's and Horseshoe believes that systematic drilling, combined with the application of modern geophysical methods, can upgrade the known resources and may lead to new discoveries in the mine area.

About the Kumarina Project

The copper deposits at the Kumarina Project 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, 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.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are 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.

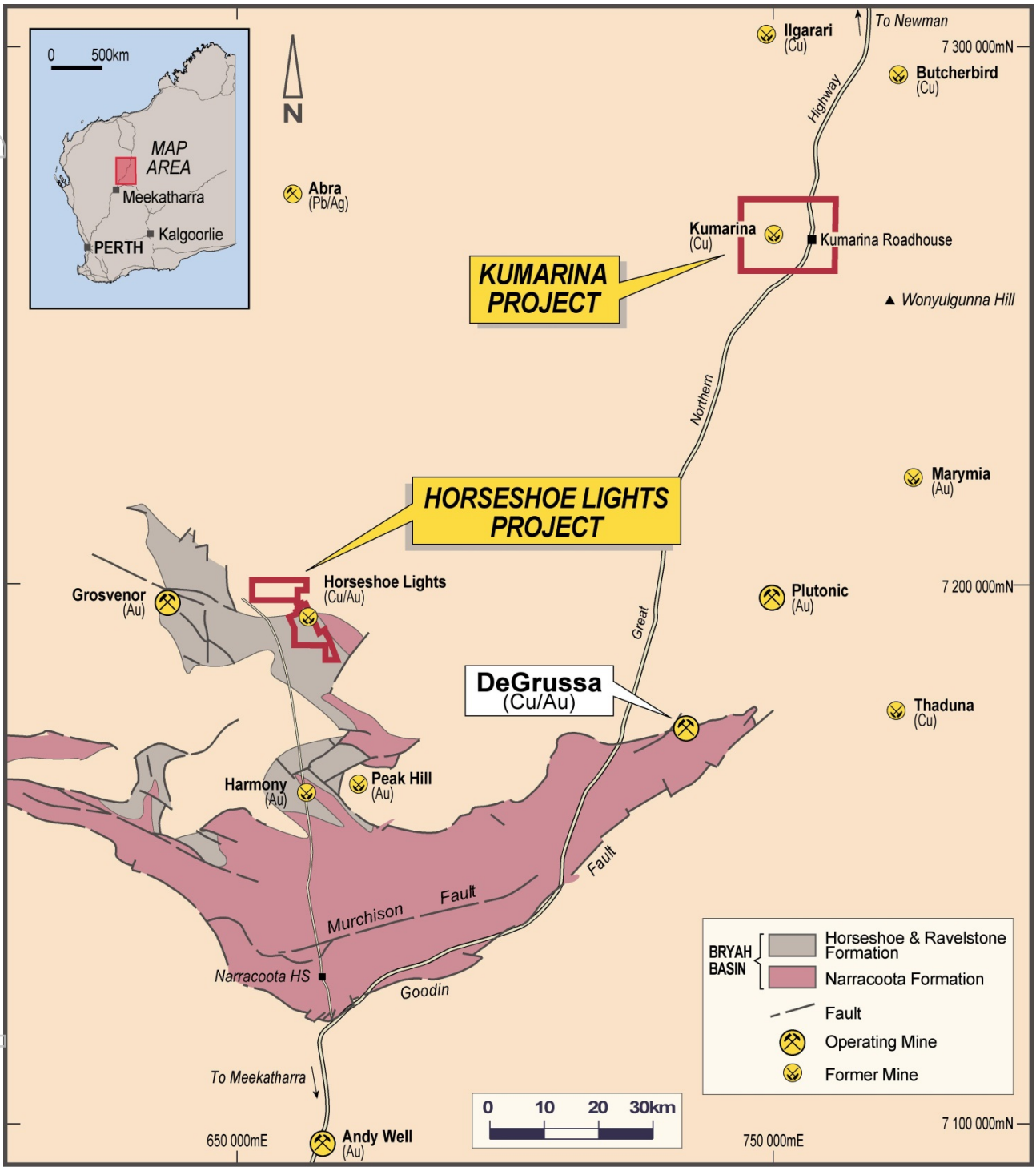

Figure 1 – Projects Location Plan

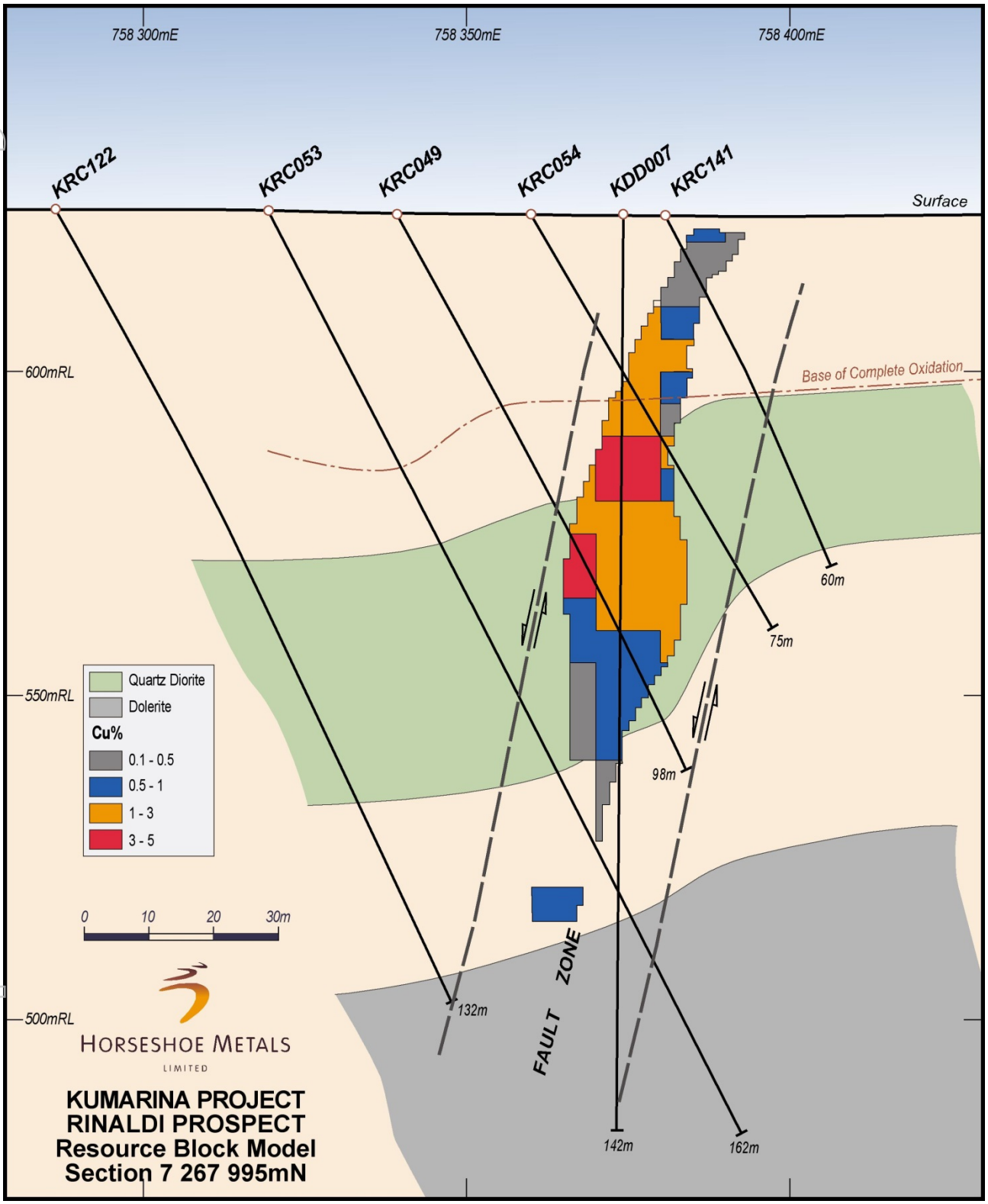

Figure 2 –Sectional View of Rinaldi Block Model

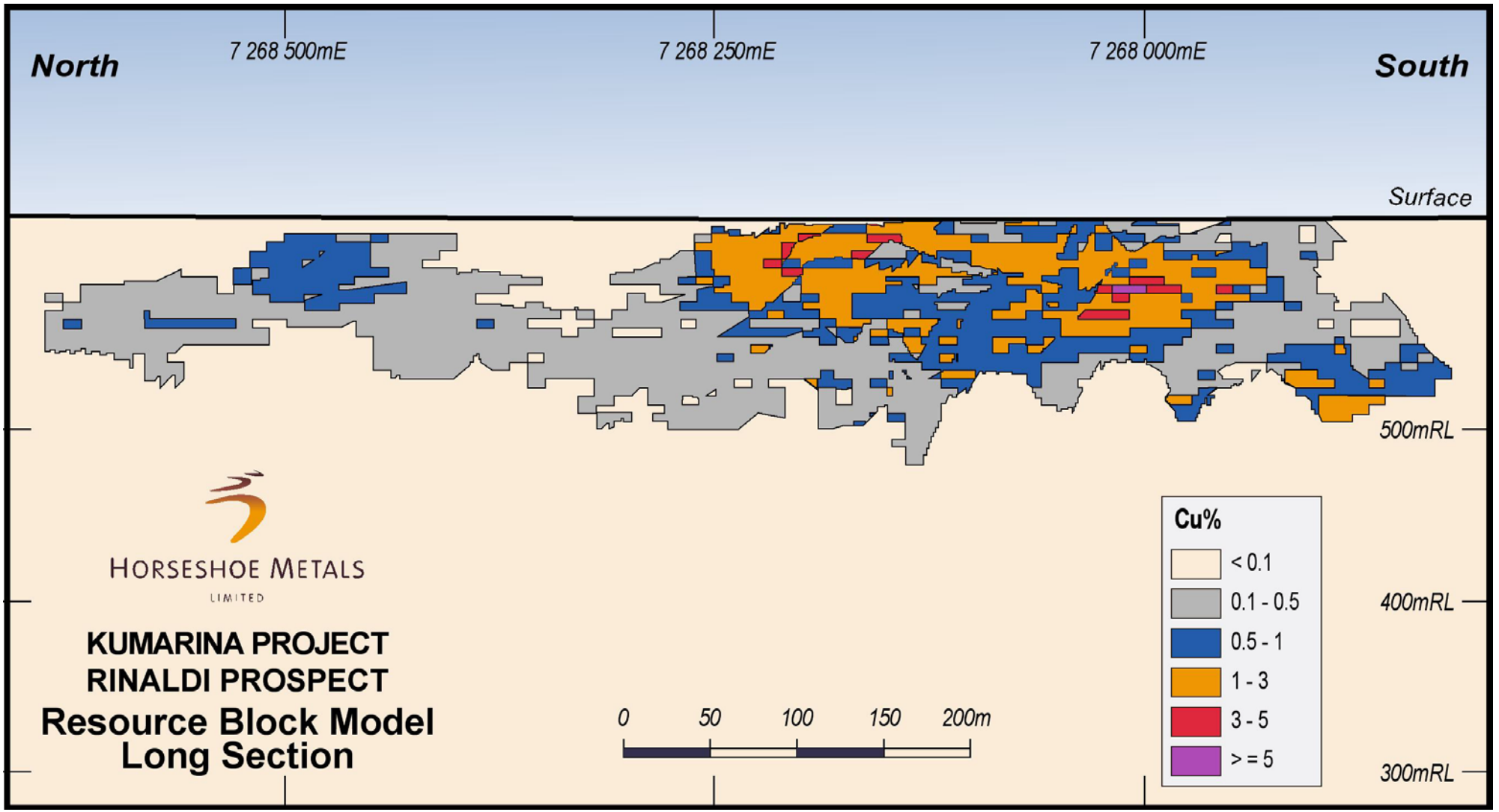

Figure 3 –Long Sectional View of Rinaldi Block Model

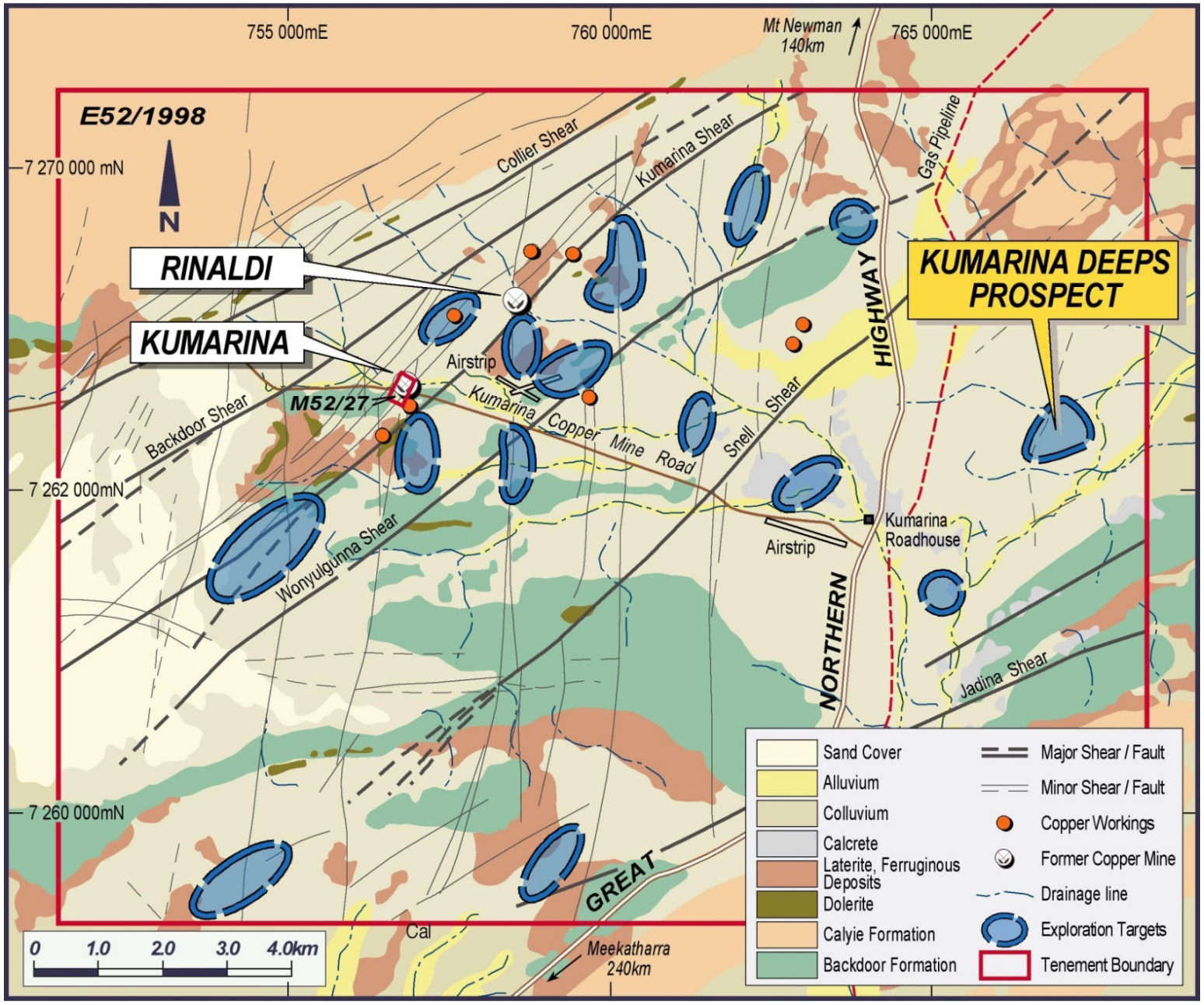

Figure 4 –Kumarina Project – Exploration Targets from Soil Sampling Programme