



HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

20 SEPTEMBER 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: 85.9 Million

Options:

5.4 Million (45c, exp 5/14)

5.4 Million (60c, exp 5/15)

Performance Rights: 3.8 M

Share Price: \$0.05

Market Capitalisation:
\$4.3 Million

Cash at Bank
(31 July 2013)

\$1.4 Million

DRILLING TO TARGET NEW COPPER/GOLD ZONES AT HORSESHOE LIGHTS

SUMMARY

- 1,200 metre RC drilling programme to commence at Horseshoe Lights Project over the coming weekend.
- Drilling will test for new zones of copper/gold mineralisation in the Narracoota Formation around the Horseshoe Lights open pit.

Horseshoe Metals Limited (ASX:HOR) (“Horseshoe” or “the Company”) provides the following update on activities being undertaken at its 100% owned Horseshoe Lights Copper/Gold Project (“Horseshoe Lights Project”), located 75km west-northwest of Sandfire Resources NL’s (ASX: SFR) DeGrussa Copper/Gold mine in Western Australia (see Figure 1).

Horseshoe Lights Drilling

A 1,200 metres Reverse Circulation (“RC”) drilling programme is due to commence over the coming weekend. The drilling will focus on testing areas that are considered highly prospective for new zones of copper/gold mineralisation.

The highest priority area is at the south end of the existing open pit where previous mine operators only drilled two holes (RC707 and DDH46) between the open pit and the South Waste Dump (see Figure 2). A recent site inspection of historical drill cuttings from RC707, a 158m vertical drill hole, displayed evidence of copper mineralisation within volcanic rocks of the Narracoota Formation. The Narracoota Formation lies under cover beneath the Ravelstone Formation in this area.

As the logged assay results for RC707 appear unreliable, the Company intends to twin the hole with its initial drill hole in this programme, with additional drill sites prepared ready for follow up drilling.

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Significantly there has been no drilling under the South Waste Dump in a corridor SSW of RC707 and DDH46.

Ground-based Magnetic Survey

As a follow-up to the detailed geophysical interpretation study undertaken earlier this year, Company personnel have recently completed a high resolution (25 metre line spacing) ground-based magnetic survey over a substantial portion of Mining Lease 52/743 (see Figure 3) at the Horseshoe Lights Project.

Initial images received show much greater detail than that available from the previous 100 metre line spacing airborne survey. The Company is awaiting a full interpretation of the results of this survey from its geophysical consultants, Resource Potentials Pty Limited, in the coming weeks.

Kumarina Heritage Survey

The Company has this week successfully completed a heritage survey programme at the Kumarina Project with Traditional Owners of the area, clearing sites ahead of 2013/14 drilling activities. The areas cleared include the Snell North Prospect, Rinaldi Prospect and Kumarina Deeps Prospect.

Future Activities

The Company is planning to commence drilling at the Snell North Prospect at Kumarina in the last quarter of 2013.

The timing and extent of follow-up drilling at Horseshoe Lights is dependent upon the results of this present programme as well as the findings from the ground-based magnetic survey interpretation.

ENDS

For further information please contact:

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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 300km² 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 (see Figure 1).



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About the Horseshoe Lights Project

The Horseshoe Lights Project includes the old open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of copper including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

The Horseshoe Lights ore body is interpreted as a deformed Volcanogenic Hosted Massive Sulphide (VMS) 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.

A Mineral Resource Estimate for the Horseshoe Lights deposit was completed by the Company in June 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The Mineral Resource Estimate meets the reporting requirements of the new 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

The total Measured, Indicated and Inferred Mineral Resource Estimate is **12.85 million tonnes @ 1.00% Cu and 0.1 g/t Au for 128,600 tonnes Cu and 36,000 oz Au** (using a cut-off grade of 0.5% Cu).

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 5km 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.

A Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in June 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The Mineral Resource Estimate meets the reporting requirements of the new 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

The total Measured, Indicated and Inferred Mineral Resource Estimate is **835,000 tonnes @ 1.3% Cu for 10,600 tonnes Cu** (using a cut-off grade of 0.5% Cu).



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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 report that relates to the Horseshoe Lights Project Mineral Resources is based on information compiled by Mr. Dmitry Pertel, who is a member of the Australian Institute of Geoscientists. Mr. Pertel is an employee of CSA Global Pty Ltd. The information was previously issued with the written consent of Mr Dmitry Pertel in the Company's 30 June 2013 Quarterly Report released to the ASX on 31 July 2013. The Company confirms that:

- (a) the form and context in which Mr. Dmitry Pertel's findings are presented have not been materially modified.*
- (b) it is not aware of any new information or data that materially affects the information included in the 31 July 2013 ASX announcement and that all the material assumptions and technical parameters underpinning the estimate in the 31 July 2013 ASX announcement continue to apply and have not materially changed.*
- (c) it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code.*

The information in this report that relates to the Kumarina Project (Rinaldi Prospect) 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 Robert Spiers is an independent consultant to Horseshoe Metals Limited and a full time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd). The information was previously issued with the written consent of Mr Robert Spiers in the Company's 30 June 2013 Quarterly Report released to the ASX on 31 July 2013. The Company confirms that:

- (a) the form and context in which Mr Robert Spiers' findings are presented have not been materially modified.*
- (b) it is not aware of any new information or data that materially affects the information included in the 31 July 2013 ASX announcement and that all the material assumptions and technical parameters underpinning the estimate in the 31 July 2013 ASX announcement continue to apply and have not materially changed.*
- (c) it is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources in accordance with the JORC Code.*



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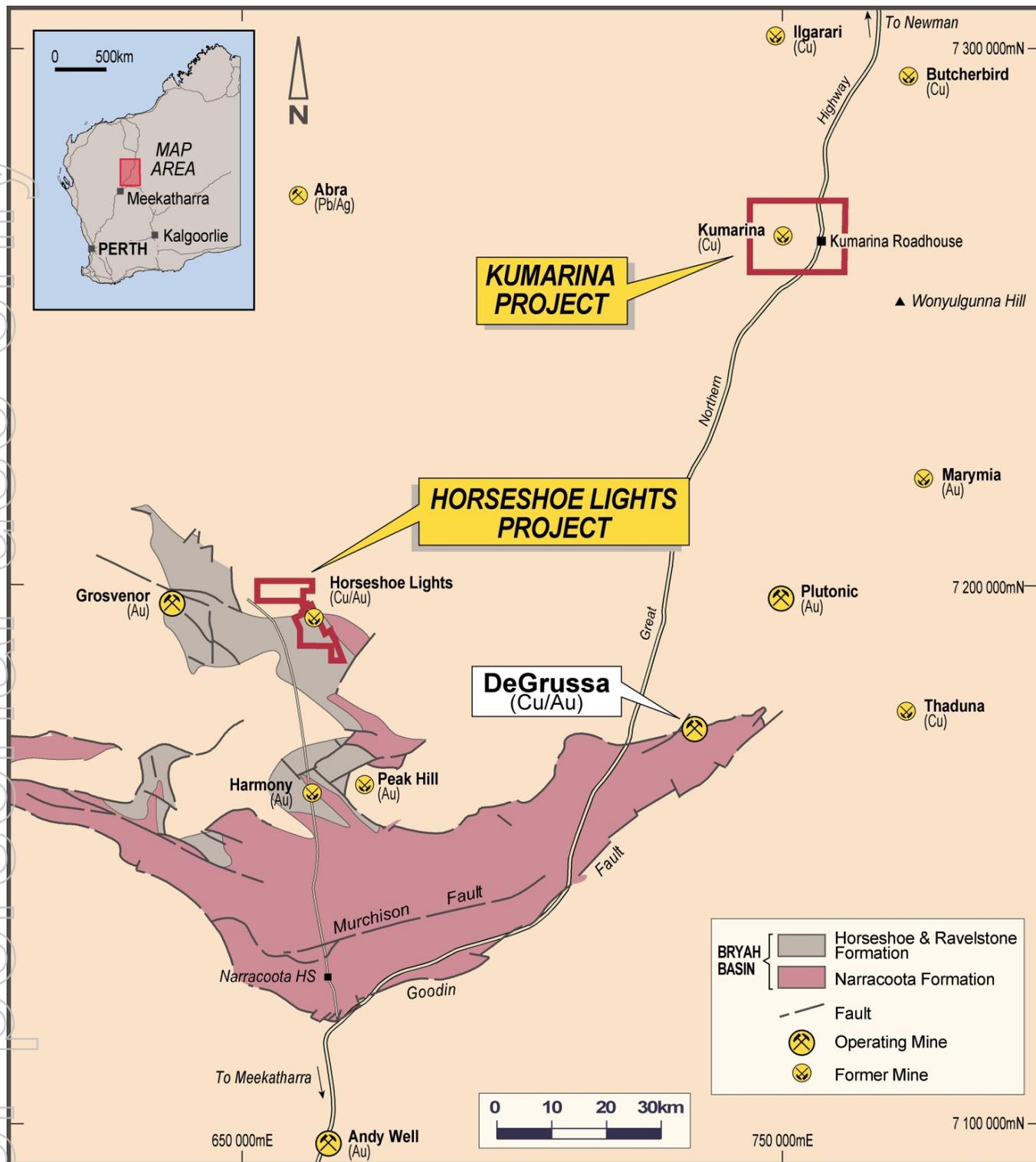


Figure 1 - Projects Location Plan



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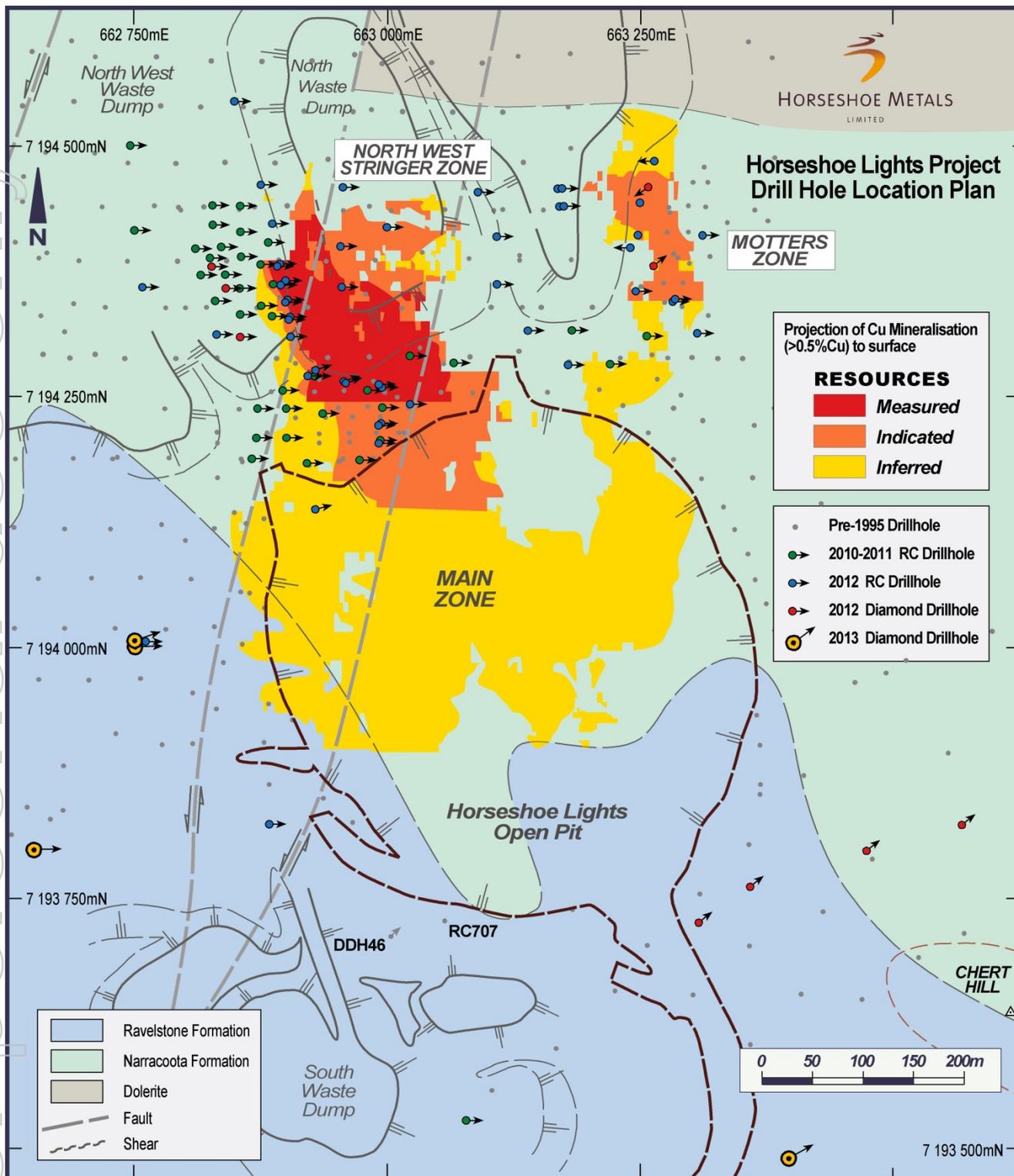


Figure 2 – Drill Hole Location Plan



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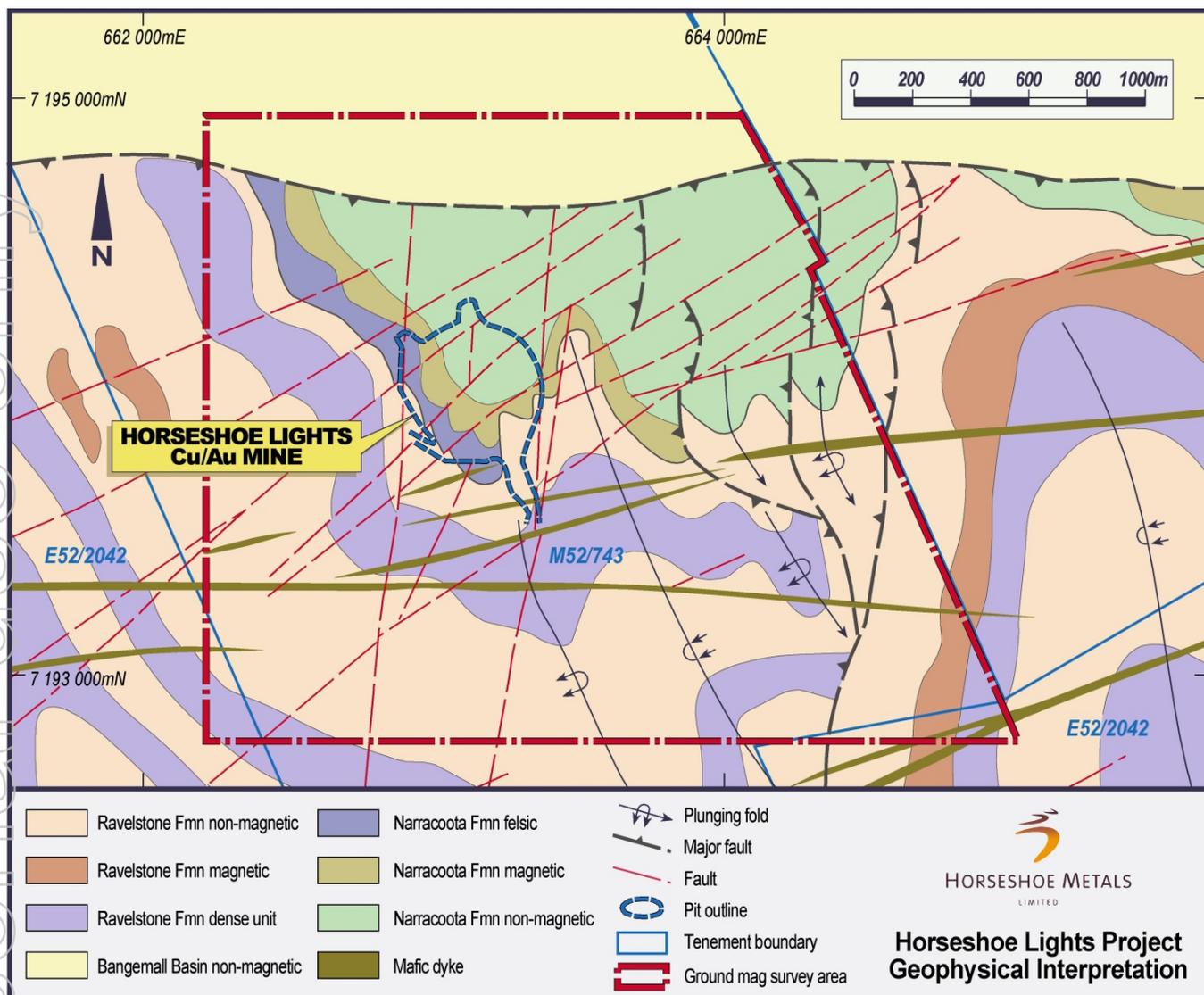


Figure 3 – Horseshoe Lights Project –Ground-based Magnetic Survey Area

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