



HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

6 March 2019

STRATEGIC REVIEW OF HORSESHOE LIGHTS COPPER-GOLD PROJECT

Horseshoe Metals Limited (**Horseshoe** or the **Company** (**ASX: HOR**)) announces that it is undertaking a strategic review of options to deliver best value for shareholders from the Company's 100% owned Horseshoe Lights Copper-Gold Project, located 75km west of Sandfire Resources NL's (ASX: SFR) DeGrussa copper-gold mine, in the Bryah Basin region of Western Australia.

Following several unsolicited approaches from third parties expressing an interest in Horseshoe Lights, the Company has appointed leading Perth advisory firm PCF Capital Group to carry out a sale process to identify options that deliver best value for Horseshoe shareholders. Any potential sale will be subject to shareholder and any regulatory approvals.

The Horseshoe Lights Project includes the closed Horseshoe Lights mine, which operated up until 1994 to produce more than 300,000 ounces of gold and 54,000 tonnes of copper. The Horseshoe Lights orebody has a total (measured, indicated and inferred) JORC Resource of 12.85 Mt @ 1.00% Cu at a 0.5% Cu cutoff (refer Table 1) and is interpreted as a deformed Volcanogenic-Hosted Massive Sulphide (VMS) deposit, hosted by quartz-sericite and quartz-chlorite schists of the Lower Proterozoic Narracoota Formation.

A recent campaign of reverse circulation (RC) drilling at Horseshoe Lights (refer ASX:HOR announcement 12th September 2018- "Exploration Update- Horseshoe Lights Project") returned several significant intercepts including bedrock results of 11m at 1.54% Cu from 72m and 8m at 0.96% Cu from 50m, as well as waste rock landform intercepts of 4m at 2.2g/t Au from 1m and 3m at 1.4% Cu from surface.

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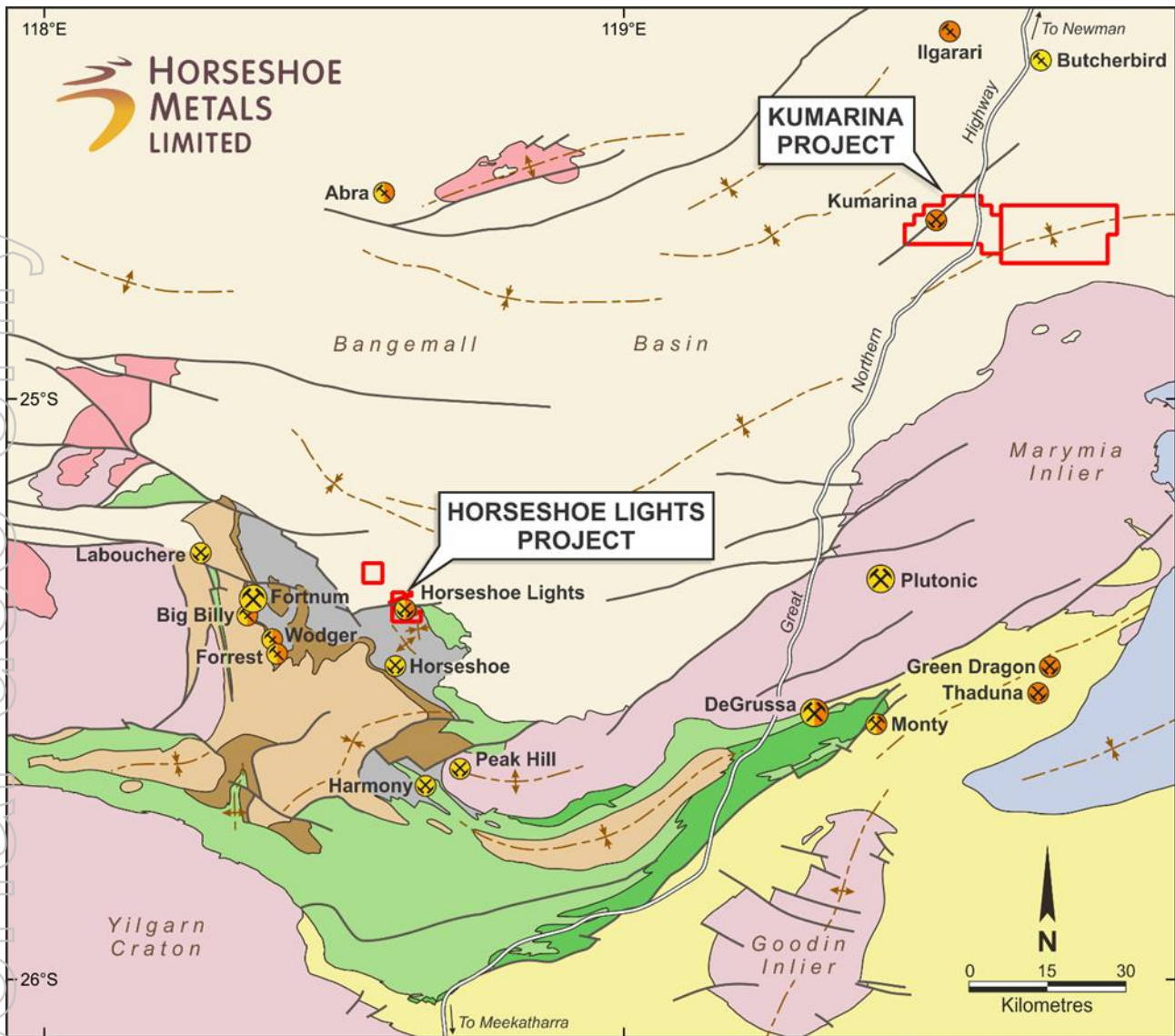
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Regional Geology

- Bangemall Basin 1.1 Ga
- Earaheedy Basin 1.8 Ga
- Padbury Basin 1.9 Ga
- Bryah Basin 2.0 Ga
- Yerrida Basin 2.1 Ga
- Granite 2.5 - 1.9 Ga
- Archean Craton

- Horseshoe Formation
- Ravelstone Formation
- Narracoota Formation
- Karalundi Formation

- Fault
- Anticline
- Syncline
- Operating mine
- Closed mine
- Prospect
- Au
- Au / Cu
- Cu



HOR Project Locations, 2017/18/19

About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold focused Company with a package of tenements covering approximately 500km² in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the historic 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 contained 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.

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.

Table 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 June 2018.

TABLE 1 HORSESHOE LIGHTS PROJECT SUMMARY OF MINERAL RESOURCES AS AT 30 JUNE 2018									
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)	
In-situ Deposit (0.5% Cu cut-off grade)	Measured	1.73	1.04	0.0	0.5	18,000	1,900	28.8	
	Indicated	2.43	0.95	0.0	0.7	23,200	3,400	52.2	
	Inferred	8.69	1.01	0.1	2.6	87,400	30,700	712.4	
	Total	12.85	1.00	0.1	1.9	128,600	36,000	793.4	
Flotation Tailings	Inferred	1.421	0.48	0.34	6.5	6,800	15,300	294.8	
M15 Stockpiles	Inferred	0.243	1.10	0.17	4.7	2,650	1,300	36.7	
Note: At 0% Cu cut-off grade unless otherwise stated						TOTAL	138,050	52,600	1,124.9

The above Mineral Resource Estimates all meet the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights Project is based on information reviewed by Mr Craig Hall, whom is a member of the Australian Institute of Geoscientists. Mr Hall is a contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was

originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5th June 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited, and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

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