



HORSESHOE METALS  
LIMITED

## ASX/MEDIA ANNOUNCEMENT

10 JUNE 2014

**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:** 86.1 Million

**Options:**

**5.4 Million (60c, exp 5/15)**

**Performance Rights:** 3.8 M

**Share Price:** \$0.022

**Market Capitalisation:**  
**\$1.9 Million**

**Cash at Bank**  
**(31 May 2014)**

**\$0.1 Million**

## \$150,000 GOVERNMENT GRANT FOR HORSESHOE LIGHTS DEEPS DRILLING PROGRAMME

### Highlights

- Horseshoe Metals Limited selected to receive \$150,000 Western Australian State Government co-funded drilling grant.
- Funds to be utilised to drill three diamond drill holes, testing for deep extensions or repetitions of high grade copper-gold mineralisation at the Horseshoe Lights Project.
- Horseshoe has now secured a combined \$250,000 in co-funded drilling grants, with an additional \$100,000 in co-funding secured in late 2013 for the Kumarina Project.
- Both co-funded drilling programmes at Kumarina and Horseshoe Lights are expected to commence in H2 2014.

Horseshoe Metals Limited (ASX:HOR) ("Horseshoe" or "the Company") is pleased to announce it has been awarded a second Western Australian State Government grant, on this occasion for \$150,000, to support a deep drilling programme on its 100% owned Horseshoe Lights copper-gold project ("Horseshoe Lights Project").

The project is located 75km west of Sandfire Resources NL's (ASX:SFR) Degussa copper-gold mine and 25km east of Resource and Investment NL's (ASX:RNI) recent Forrest copper-gold discovery, in central Western Australia (see Figure 1).

The Horseshoe Lights copper-gold mine is considered to be a deformed volcanogenic-hosted massive sulphide (VHMS) deposit hosted in the upper sequence of the Narracoota Formation within the Paleo-proterozoic Bryah Basin.

The \$150,000 in funding is provided from Round 9 of the highly successful co-funded drilling program, a flagship program of the Exploration Incentive Scheme (EIS), which is a Western Australian State Government initiative.

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This funding is in addition to \$100,000 in EIS funding approved in December 2103 from Round 8 of the co-funded drilling program, which the Company will be utilising to drill at the Kumarina Project.

### **Drilling Programme Details**

The collar locations of the 3 planned diamond drill holes totalling 1,500 metres depth are shown on Figure 2. The exploration targets to be drill tested under this programme are:

**Hole 1:** This hole of 650m planned depth will test on the south side of a major NE-SW fault that is interpreted to have displaced (to the east and south side down) possible extensions of the high grade copper-gold mineralisation mined from the Main Zone. This target zone has not been adequately tested by previous drilling. In addition, this hole is planned to drill through a dolerite dyke occupying the Bangemall Group thrust contact to test for the possible presence of Narracoota Formation hosted copper-gold mineralisation below the dyke.

**Hole 2:** This hole of 500m planned depth will test a DDIP (Dipole-Dipole Induced Polarisation) chargeability anomaly which lies within an interpreted south plunging antiform at the contact of the overlying Ravelstone Formation and the Narracoota Formation to the south of the existing open pit.

**Hole 3:** This hole is a 350m diamond tail extension of RC358 which was drilled in 2013 to test a significant chargeability anomaly identified in the DDIP survey. The Ravelstone/Narracoota Formation contact was intersected in RC358 at 115m downhole and the rest of the hole consisted of silicified and chloritic mafic volcanics with no obvious cause of the chargeability anomaly. A weakly mineralised zone coinciding with the start of elevated chargeability values was intersected between 218-224m and consisted of chalcopyrite mineralisation. The diamond tail is designed to provide information on the Narracoota Formation stratigraphic sequence and test for potentially high grade copper-gold mineralisation (see Figure 3).

Horseshoe is very pleased to have been once again selected to receive a co-funded grant after meeting the strict criteria provided by the Western Australian State Government. The Company believes the award of this grant is a strong vindication for the work it is doing at the Horseshoe Lights Project.

### **Future Activities**

This drilling programme, in addition to the co-funded Kumarina drilling programme (at Kumarina Deeps), is planned to commence in the second half of 2014.

The maiden shallow RC drilling programme at the Snell North Prospect at the Kumarina Project is planned to commence in the coming weeks after completion of the Rights Issue, which closes on 12 June 2014.

### **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 500km<sup>2</sup> 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).

### 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 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' Degussa copper-gold 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 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 @ 1.0% 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 make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina copper mine was the second largest copper producer in the Bangemall Group. 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 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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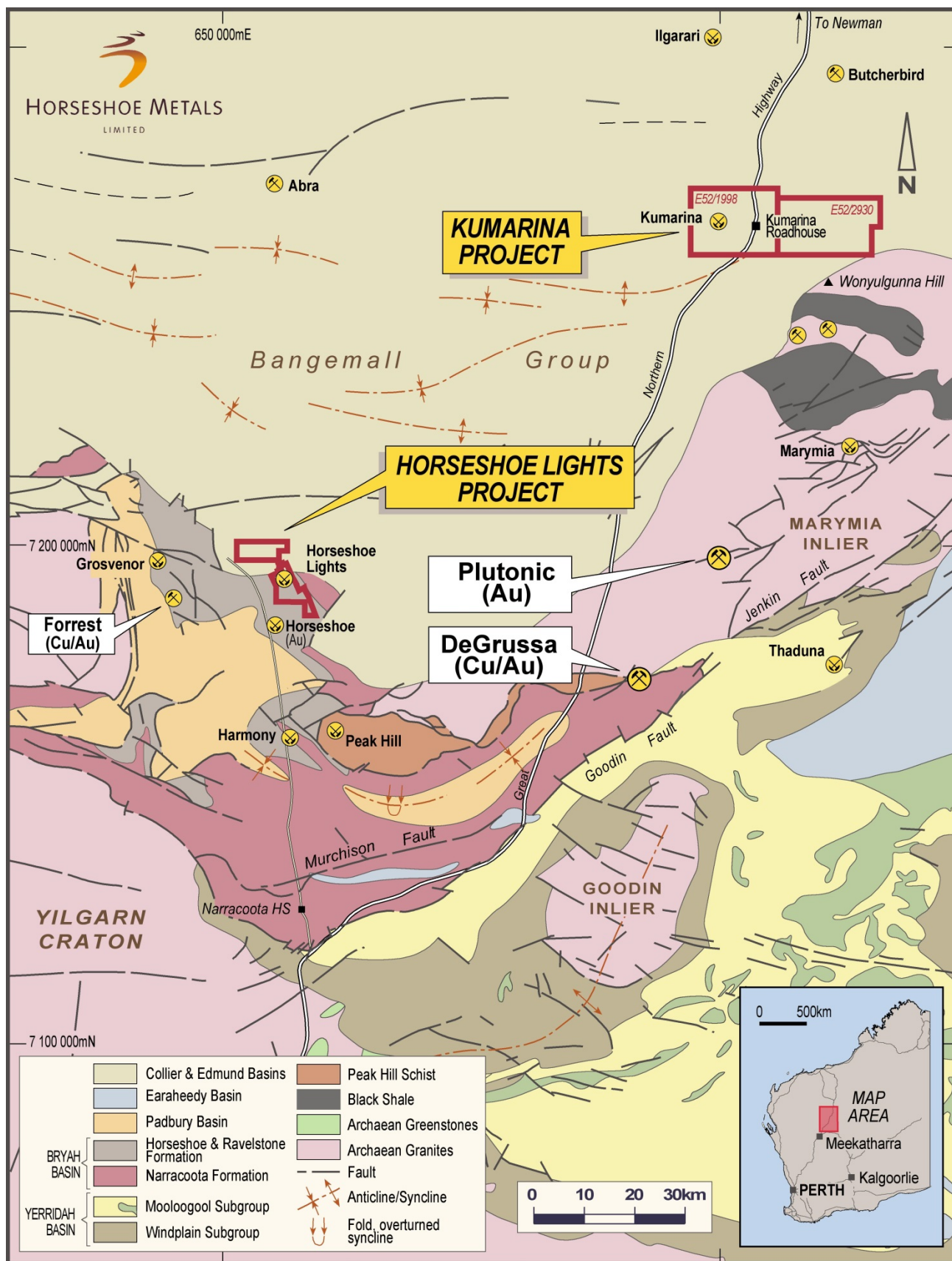


Figure 1 - Projects Location Plan





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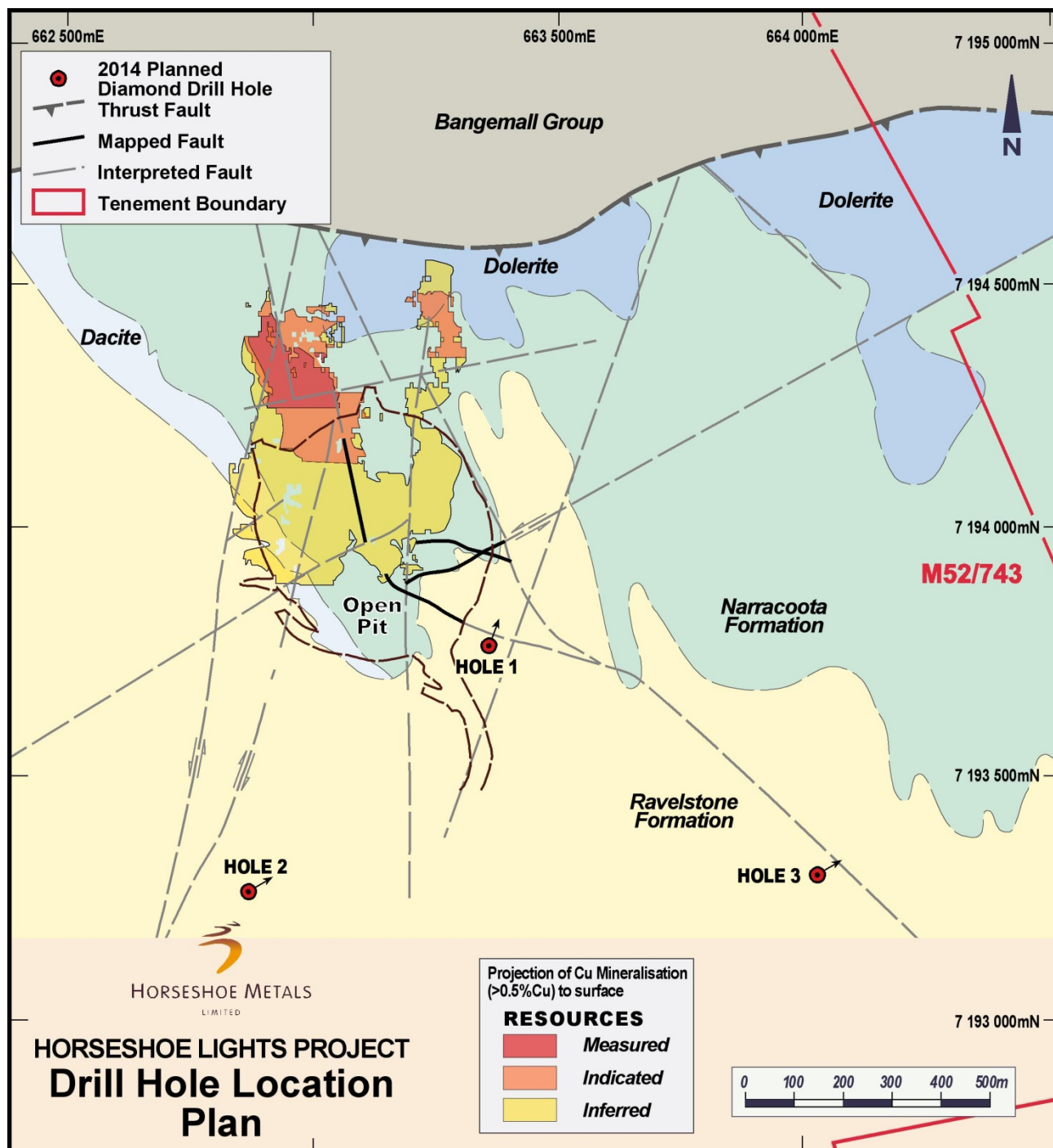


Figure 2 — Planned Drill Hole Location Plan



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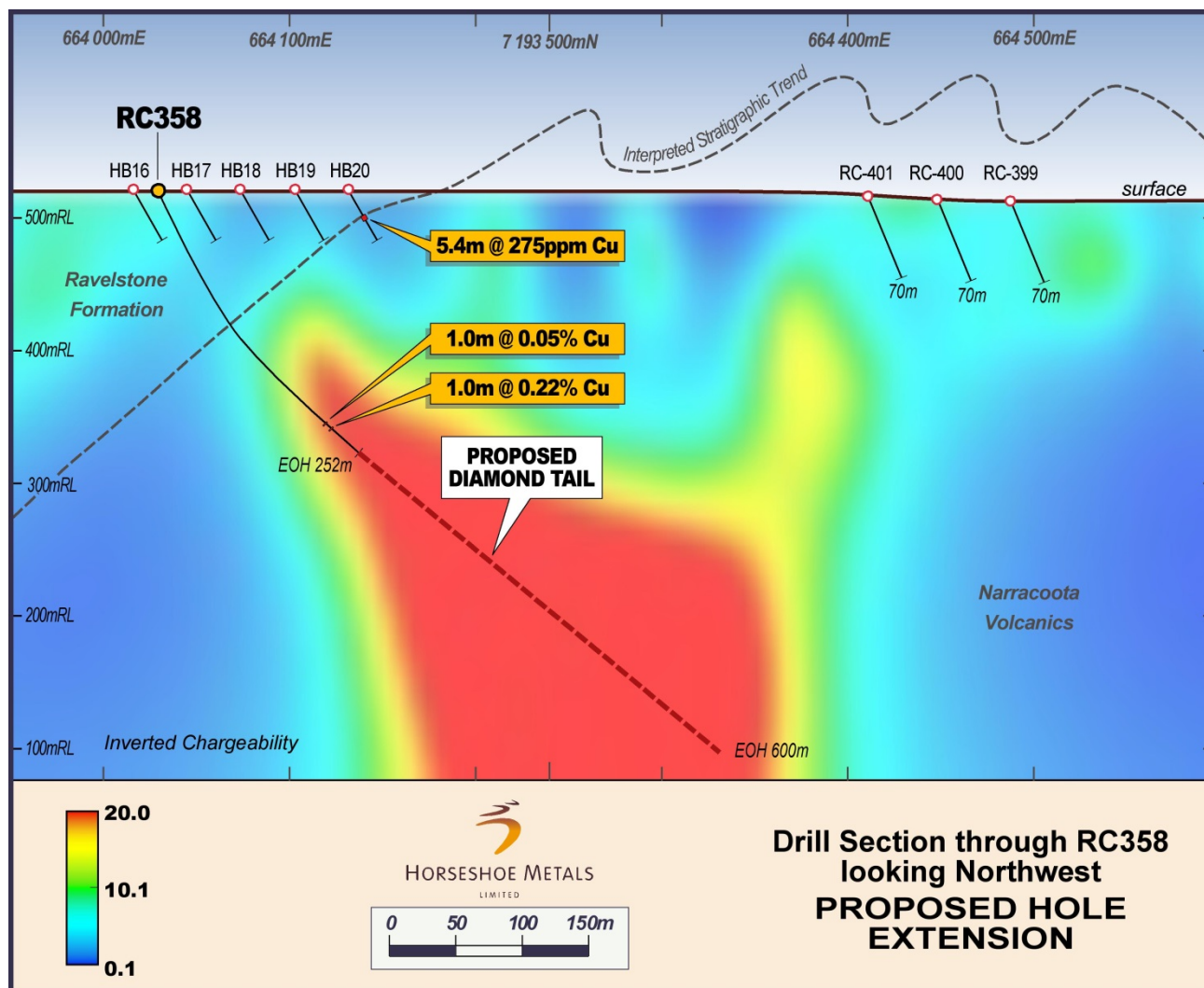


Figure 3 – Planned Hole 3 (RC358 Extension).



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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 2012 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.*