



HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

29 JULY 2014

ASX Code: HOR

Management

Mr Neil Marston
Managing Director/Company Secretary

Mr Michael Fotios
Non-Executive Director

Mr Alan Still
Non-Executive Director

Issued Capital

Shares: 167.4 Million
Options:
5.4 Million (60c, exp 5/15)
Performance Rights: 2.8 M

Share Price: \$0.035

Market Capitalisation:
\$5.86 Million

Cash at Bank
(29 July 2014)

\$1.1 Million

PLACEMENT RAISES MORE EXPLORATION FUNDS

Highlights

- Additional \$120,000 raised by the placement of 6.0M shares @ \$0.02.
- Overall total cash raised since June 2014 is now \$1.34 million
- Total cash and third party funding for drilling is \$1.8 million
- Drilling at Kumarina Copper Project is ongoing and results will be reported in due course

Horseshoe Metals Limited (ASX:HOR) ("Horseshoe" or "the Company") is pleased to announce that it has raised a further \$120,000 via a placement of 6,000,000 new shares to sophisticated and professional investors at \$0.02 per share.

The Placement has been made by the allotment of part of the shortfall shares available pursuant to the Company's non-renounceable pro-rata entitlement issue Offer Document dated 26 May 2014.

This placement brings the total amount raised in the Company's recent capital raising activities to over \$1.34 million. The funds will be used to fund ongoing exploration programmes at its exciting copper/gold projects in the Gascoyne region of Western Australia.

In addition to the cash raised, Horseshoe Metals has been granted up to \$250,000 in co-funding support from the WA State Government, under its Exploration Incentives Scheme, for deep drilling at its Kumarina and Horseshoe Lights Projects (*refer to ASX Announcement dated 10 June 2014*).

An additional \$235,000 in drilling, paid for in Horseshoe Metals' shares in lieu of cash (which have already been issued), is to be undertaken by Whitestone Minerals Pty Ltd by March 2015 (*refer to ASX Announcement dated 24 June 2014*). Whitestone Minerals Pty Ltd is controlled by Horseshoe Metals Limited's Director, Mr Michael Fotios.

This brings the combined total of cash raised and third party funded drilling to \$1.8 million.



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Kumarina Drilling Update

The Company recently advised (*refer to ASX Announcement dated 7 July 2014*) that a Reverse Circulation (RC) drill programme totalling approximately 2,000 metres had commenced at the Kumarina Copper Project.

To date 1,456 metres of drilling has been completed in 11 holes at the Snell North Prospect and adjacent to the abandoned Kumarina Copper Mine.

Samples from the first 300 metres of drilling have been submitted for laboratory analysis and will be reported when available. Samples for the balance of the programme remain on site and will be forwarded to the laboratory in the coming days.

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 500km² 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 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' 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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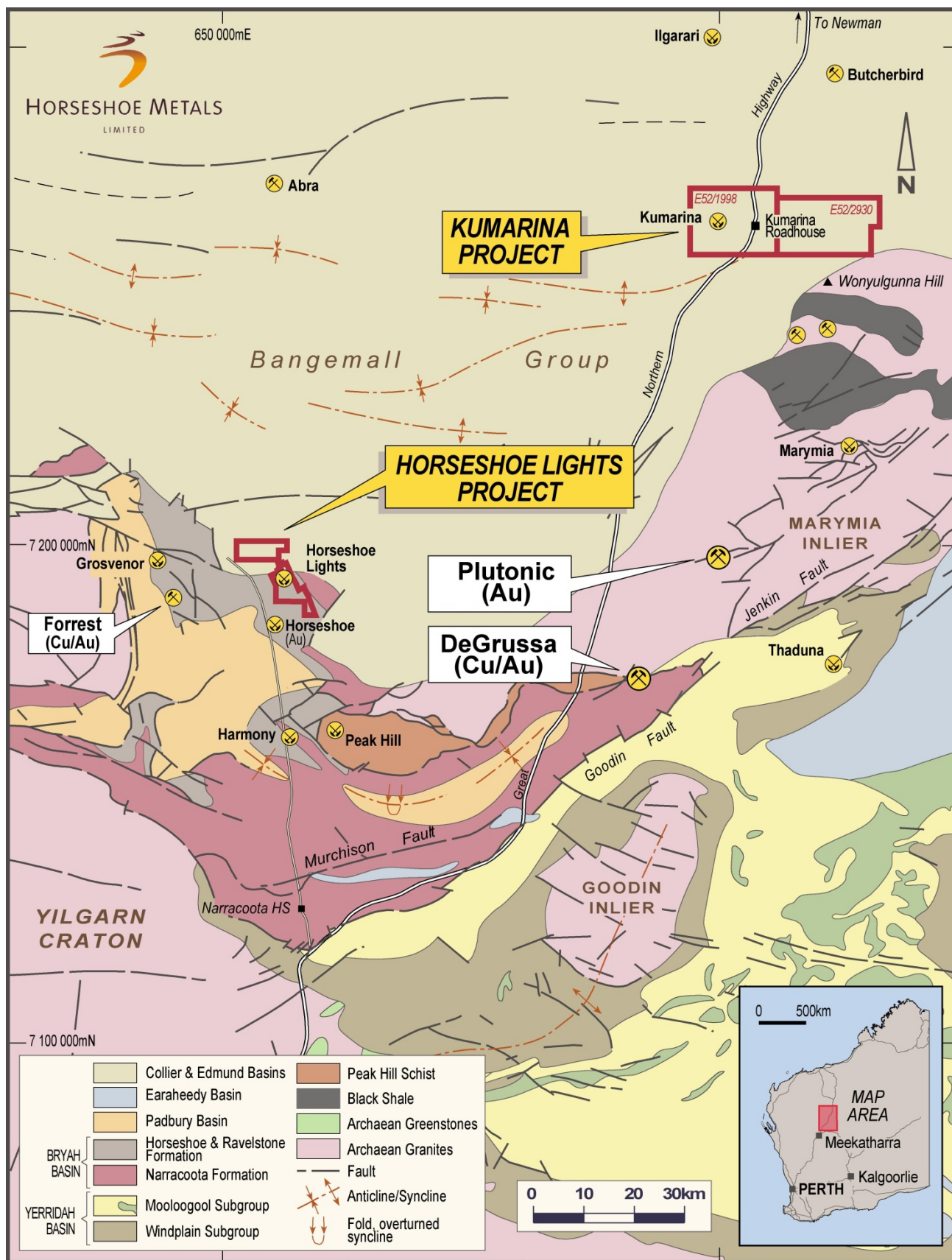


Figure 1 - Projects Location Plan



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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.*