

## ASX/MEDIA ANNOUNCEMENT

29 OCTOBER 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:** 169.0 Million  
**Options:**  
5.4 Million (60c, exp 5/15)  
**Performance Rights:** 2.8 M

**Share Price:** \$0.02

**Market Capitalisation:**  
\$3.38 Million

**Cash at Bank**  
**(30 Sep 2014)**

**\$0.62 Million**



**HORSESHOE METALS**  
LIMITED

## HORSESHOE METALS EXPANDS FOOTPRINT AT HORSESHOE LIGHTS COPPER-GOLD PROJECT

### SUMMARY

- Horseshoe Metals has entered into an option to purchase a VMS-prospective Exploration Licence adjacent to its Horseshoe Lights Copper-Gold Project.
- The Horseshoe Lights Project is located in the Gascoyne region of WA.
- Licence situated in a favourable geological setting with potential to host mineralisation similar to the VMS copper-gold deposit at Horseshoe Lights.
- Recent exploration has identified two geophysical anomalies that will be drill tested subject to successful completion of due diligence.

Horseshoe Metals Limited (ASX:HOR) ("Horseshoe" or "the Company") is pleased to announce that it has entered into an option-to-purchase agreement to acquire an Exploration Licence (E52/2569) adjacent to its Horseshoe Lights Copper-Gold Project in the Gascoyne region of Western Australia (see Figure 2).

The Company has executed the agreement with Elysium Resources Limited ("Elysium") (ASX: EYM). It covers an area of more than 3km<sup>2</sup> of highly prospective ground adjoining the Horseshoe Lights Project (see Figure 3).

Details of the option-to-purchase agreement are provided overleaf.

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Horseshoe has been conducting an internal geological review of its tenements and the broader Bryah Basin, and as a result of this review has identified that E52/2569 covers a favourable geological setting with the potential to host repetitions of the Company's nearby Volcanogenic-hosted Massive Sulphide (VMS) copper-gold deposit at Horseshoe Lights.

The ground has not been subjected to any deep drilling (i.e. >75m depth) and geophysical anomalies have been identified within the licence area which warrant deeper drill testing.

### Option Terms

Summary details of the terms of the option-to-purchase are set out below:

- (a) Option Period – 2 years (to 28 October 2016);
- (b) Option Fee – Horseshoe to drill test M1 and Western Anomaly drilling targets identified by Elysium with a minimum of 2 x 250m Reverse Circulation drill holes (i.e. 1 into each target) in Year 1 of the Option Period ("Minimum Drilling Commitment"), at which point Horseshoe may elect to withdraw;
- (c) Exercise of Option – Horseshoe may exercise Option at any time within Option Period after the completion of the Minimum Drilling Commitment;
- (d) Exercise Price - \$100,000 payable in cash or by Horseshoe shares (based on 10 day VWAP price from date of exercise notice), at the election of Horseshoe.

The Option Agreement is conditional upon a due diligence process being completed within 30 days to the satisfaction of the Company.

### Historical Exploration

In the 1990's Sabminco NL undertook geophysical surveys and shallow RC and RAB drilling over the western portion of E52/2569 and reported anomalous gold intervals in a number of drill holes. (*refer EYM ASX announcement, 4 September 2013 for further details*).

In 2010 Elysium conducted an airborne electromagnetic survey over E52/2569. As a result of interpretation of data from this survey plus historical survey data Elysium identified two drill targets - M1 and Western Anomaly - (see Figure 1) which are recommended for drill testing with RC holes up to 300m depth (*refer EYM ASX announcement, 4 September 2013 and EYM Company Update (page 12, 14 May 2014)*).

### Future Activities – E52/2569

The Company intends to complete its due diligence and a compilation of the project data in relation to the option-to-purchase of E52/2569.

Subject to the successful undertaking of this due diligence process, Horseshoe then plans to obtain the necessary approvals to undertake drilling on the M1 and Western anomalies, as well as any other potentially prospective targets generated from the geological data review and on-ground field work.

**ENDS**



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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 over 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 Kumarina Project and the Horseshoe Lights Project (see Figure 2).

### About the Horseshoe Lights Project

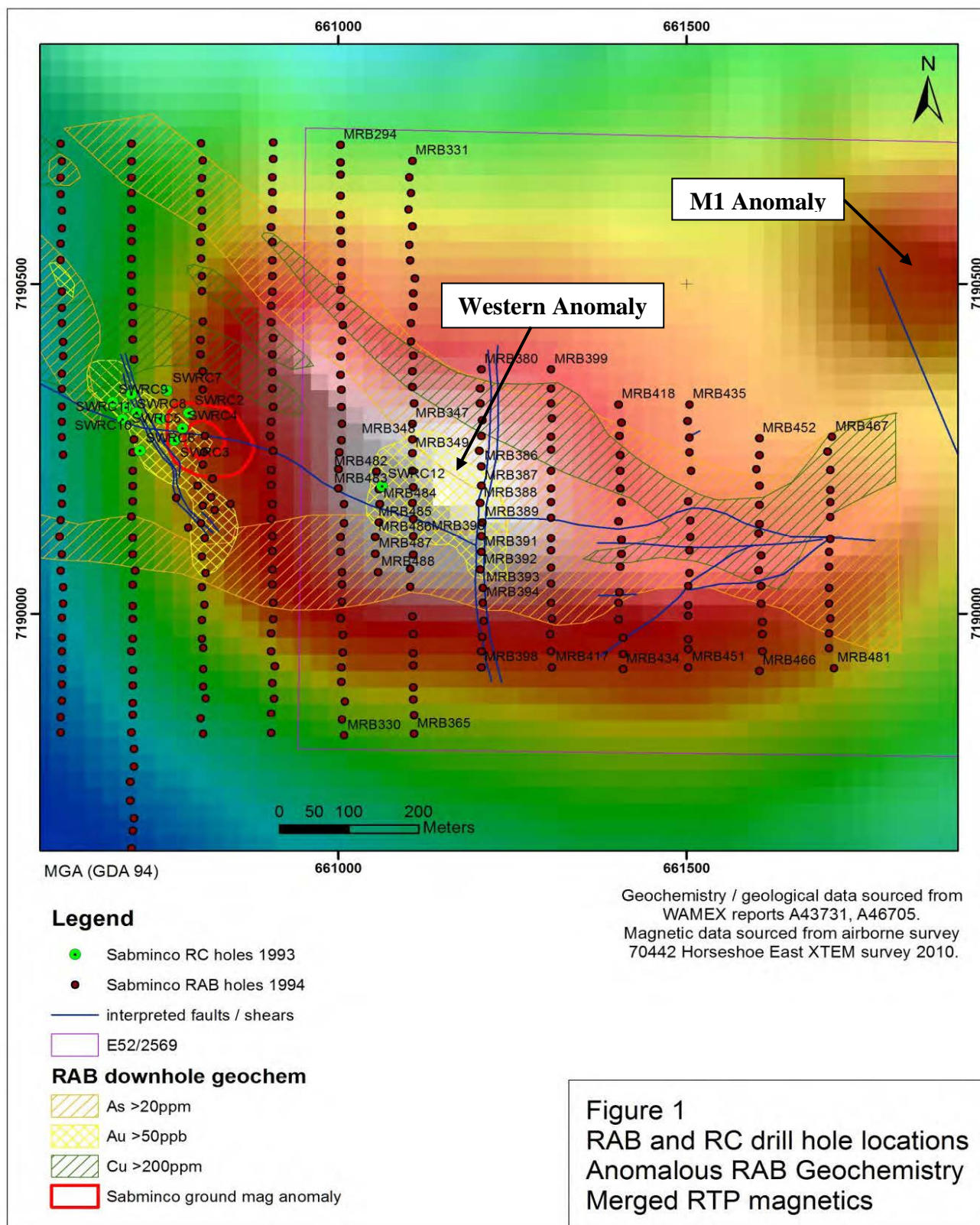
The Horseshoe Lights Project includes the old open pit of the Horseshoe Lights copper-gold mine which operated up until 1994, producing over 300,000 ounces of gold and 54,000 tonnes of copper including over 110,000 tonnes of Direct Shipping Ore (DSO) which graded between 20-30% copper.

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 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 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).







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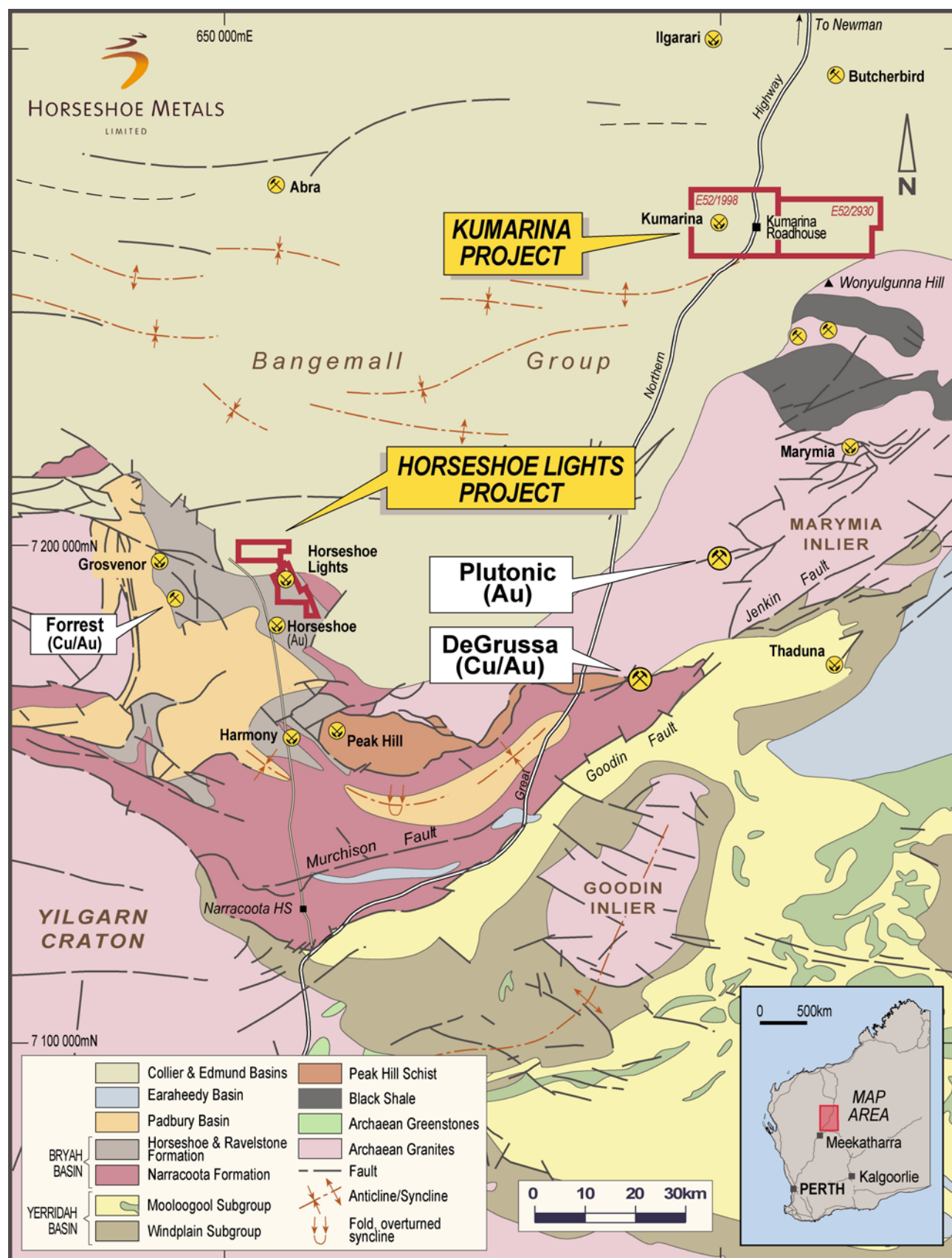


Figure 2 – Projects Location Plan

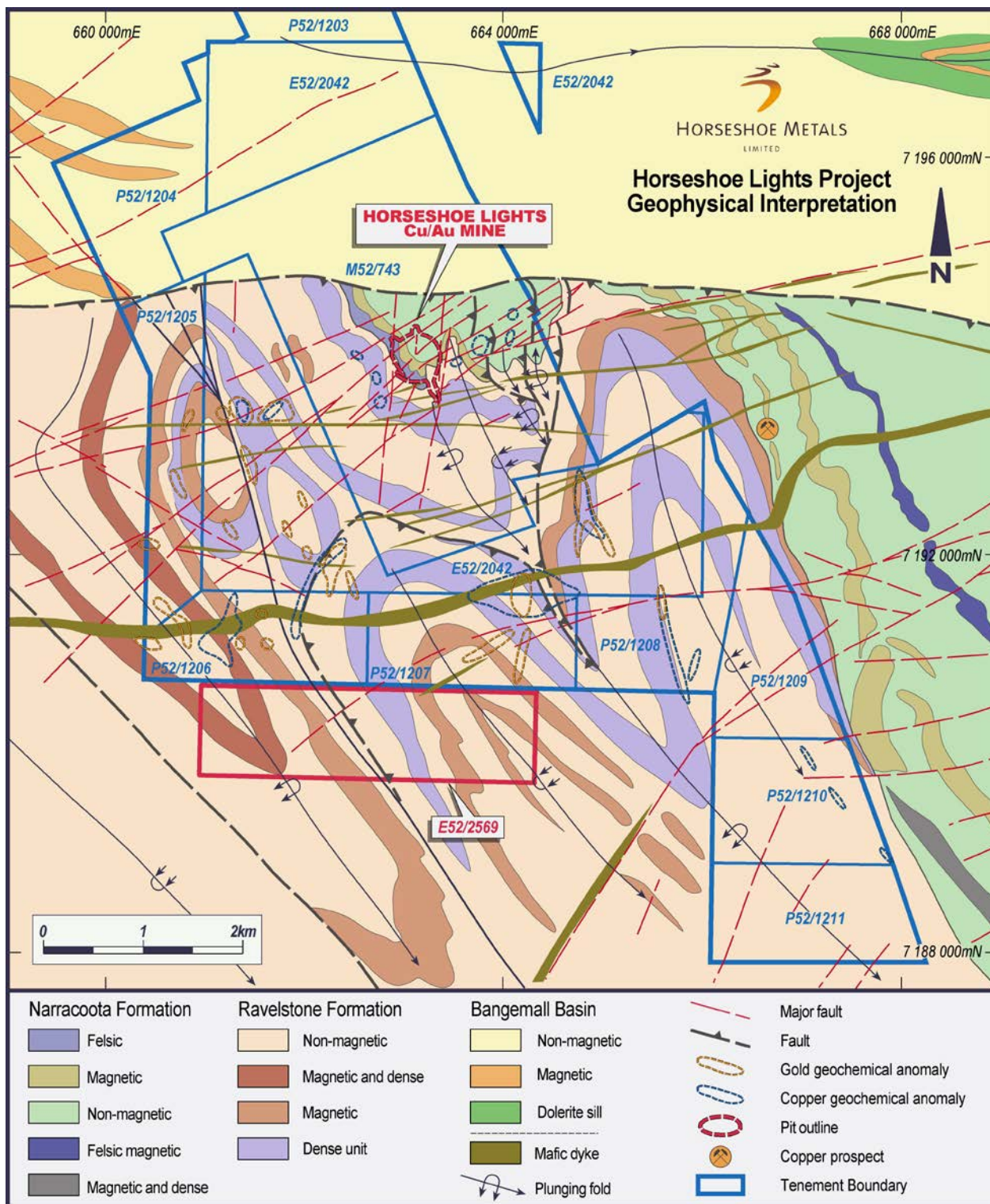


Figure 3 – Horseshoe Lights Project Tenement Location Plan



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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 a consultant to 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.*