



HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

21 April 2022

RC Drilling Underway at Horseshoe Lights Copper Gold Project, WA

- Reverse Circulation (RC) drilling has commenced
- Initial focus on the northern half of Motters Zone at 20m section spacing
- Up to 40 holes designed for ~6000m in multiple phases over coming months
- RC drilling planned for South Waste Dumps/Stockpiles and NW Sulphide Stockpile comprising:
 - 43 holes for ~650m at 50 x 50 spacing in NW Sulphide Stockpile; and
 - 90 holes for ~1220m at 40m x 40m spacing in Southern Dumps/Stockpiles
- Extensive exploration pipeline with activity planned across the Horseshoe Lights Project for the remainder of 2022

Horseshoe Metals Limited (ASX: HOR) ('Horseshoe' or the 'Company') is pleased to announce that Reverse Circulation ("RC") drilling has commenced at the Company's 100% owned Horseshoe Lights Copper-Gold Project in Western Australia (Figure 1).

The Horseshoe Lights Copper-Gold Project is the original Cu/Au VMS discovery in the Bryah Basin and is located approx. 60km west of DeGrussa Copper Mine operated by Sandfire Resources (ASX: SFR). Past production from Horseshoe Lights includes approx. **316,000 oz Au & 55 kt Cu metal** in two phases of mining, and the deposit contains a current *in situ* resource **128 kt Cu metal @ 1.0% (0.5% cut-off) and 36,000 oz Au** (refer Table 1).

Horseshoe's RC drilling contractor has mobilised to site and commenced drilling after initial delays due to recent rainfall. The Phase 1 RC programme completed last year focussed on the north end of Motters (see ASX release dated 29 October 2021) including:

- **45m @ 1.22 % Cu from 2m**
- **22m @ 1.87 % Cu from 12m**
- **26m @ 1.31 % Cu from 6m**
- **16m @ 1.15 % Cu from surface**

RC drilling will test the northern half of Motters and the Main Zone (Figure 1) to a depth of up to 200 metres below surface (MBS). Up to 40 holes have been designed for a total of approx. 6000m in multiple phases with the current campaign focusing on further definition and extension of the Motters Zone.

The Motters mineralised zone is interpreted to be the NNW/SSE striking sheared eastern limb of a folded Volcanogenic Massive Sulphide (VMS) horizon. RC drilling will infill the northern end of the structure (approx. 100m strike) and test the 400m southern extension where wide spaced historic RC and Diamond drilling has intersected significant copper mineralisation in the eastern wall of the open pit (Figure 1).

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
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Main zone NW extension will be targeted north of the open pit where infill drilling is required. In addition, drilling will target the northern extension of interpreted north plunging high grade mineralisation where historic drilling has failed to adequately test the structure.

A recent technical review (see ASX release dated 18 March 2022) confirmed the presence of significant copper and gold surface materials at Horseshoe Lights which have been broadly grouped as follows:

Copper - Gold	Flotation tailings, Vat 2, M15/C20 Stockpiles and North Dump
Copper	Low-grade sulphide, subgrade, rehandle and South Dump
Gold	Gold tailings, leach vats, low grade, rehandle and ROM stockpiles

Once the current Motters campaign is completed RC drilling will move to the NW Sulphide stockpile (43 holes for approx. 650m at a spacing of 50m by 50m) followed by the Southern Dumps/Stockpiles (90 holes for approx. 1200m at a spacing of 40m by 40m).

Further updates will be provided as drilling progresses.

For additional background on the Horseshoe Lights Project please refer to ASX releases:

12/09/2018	<i>"Exploration Update- Horseshoe Lights Project"</i>
06/08/2021	<i>"Horseshoe Lights Exploration Activities Update"</i>
10/09/2021	<i>"Horseshoe Lights Phase 1 Auger Programme Completed"</i>
13/09/2021	<i>"Horseshoe Lights Phase 1 RC Drilling Programme Completed"</i>
29/10/2021	<i>"Horseshoe Lights RC Drilling Results"</i>
26/11/2021	<i>"Horseshoe Lights Phase 1 Stockpile Results Received"</i>
21/02/2022	<i>"Horseshoe Metals Successful Relisting"</i>
03/03/2022	<i>"Horseshoe Lights Activities Update"</i>
11/03/2022	<i>"Horseshoe Lights Copper-Gold Resource Grade-Tonnage Review"</i>
18/03/2022	<i>"Surface Material Review at Horseshoe Lights"</i>
28/03/2022	<i>"Activity Update Horseshoe Lights Copper Gold Project"</i>

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

- ENDS -

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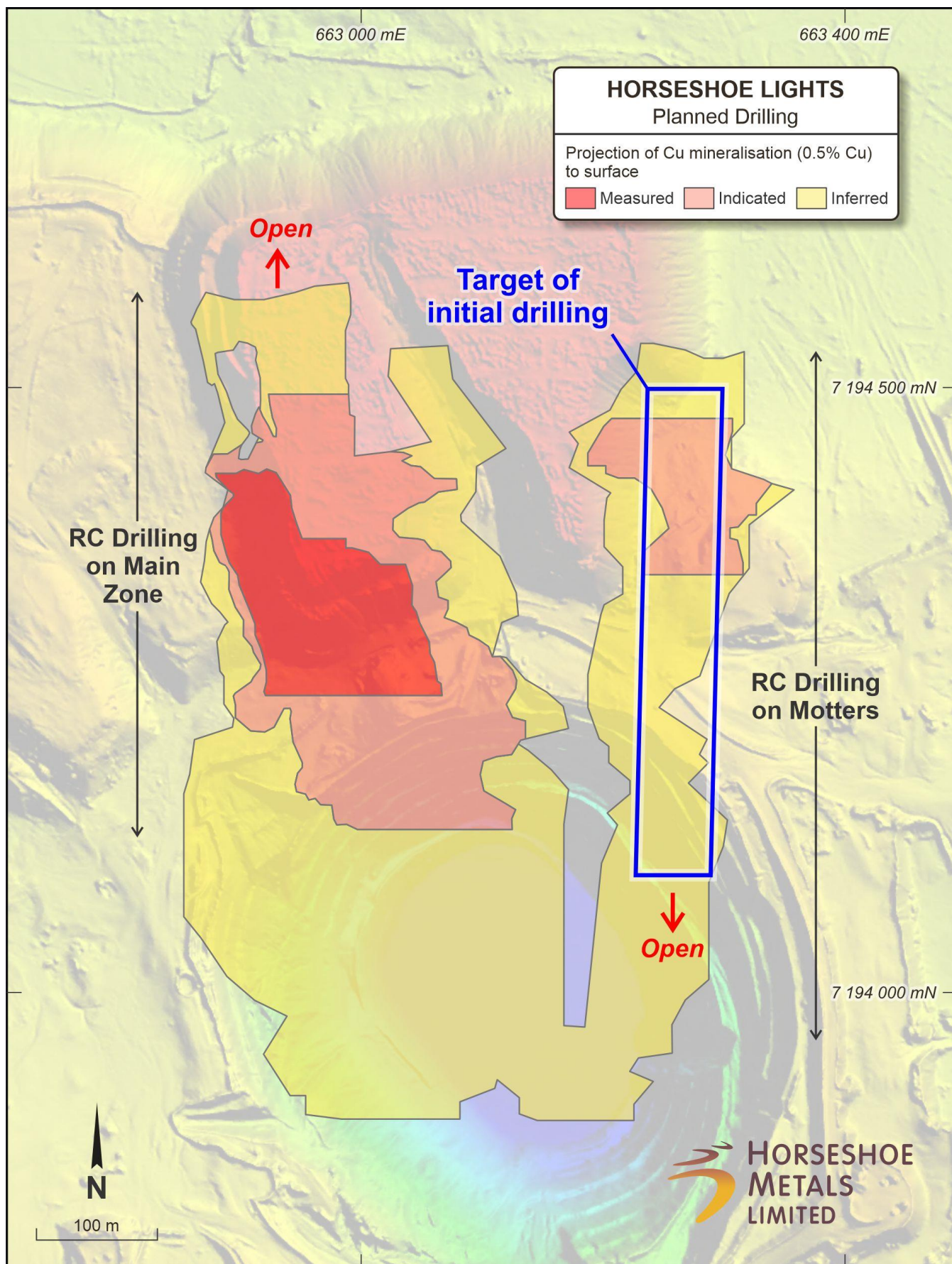


Figure 1 – Areas of planned RC Drilling Main and Motters Zones

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 Australian and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia. The tenements immediately surrounding the Horseshoe Lights Copper-Gold Project are currently part of a Farm In/Joint Venture with Kopore Metals Limited (ASX:KMT) where KMT has recently completed minimum expenditure requirements for the first year of Farm In.

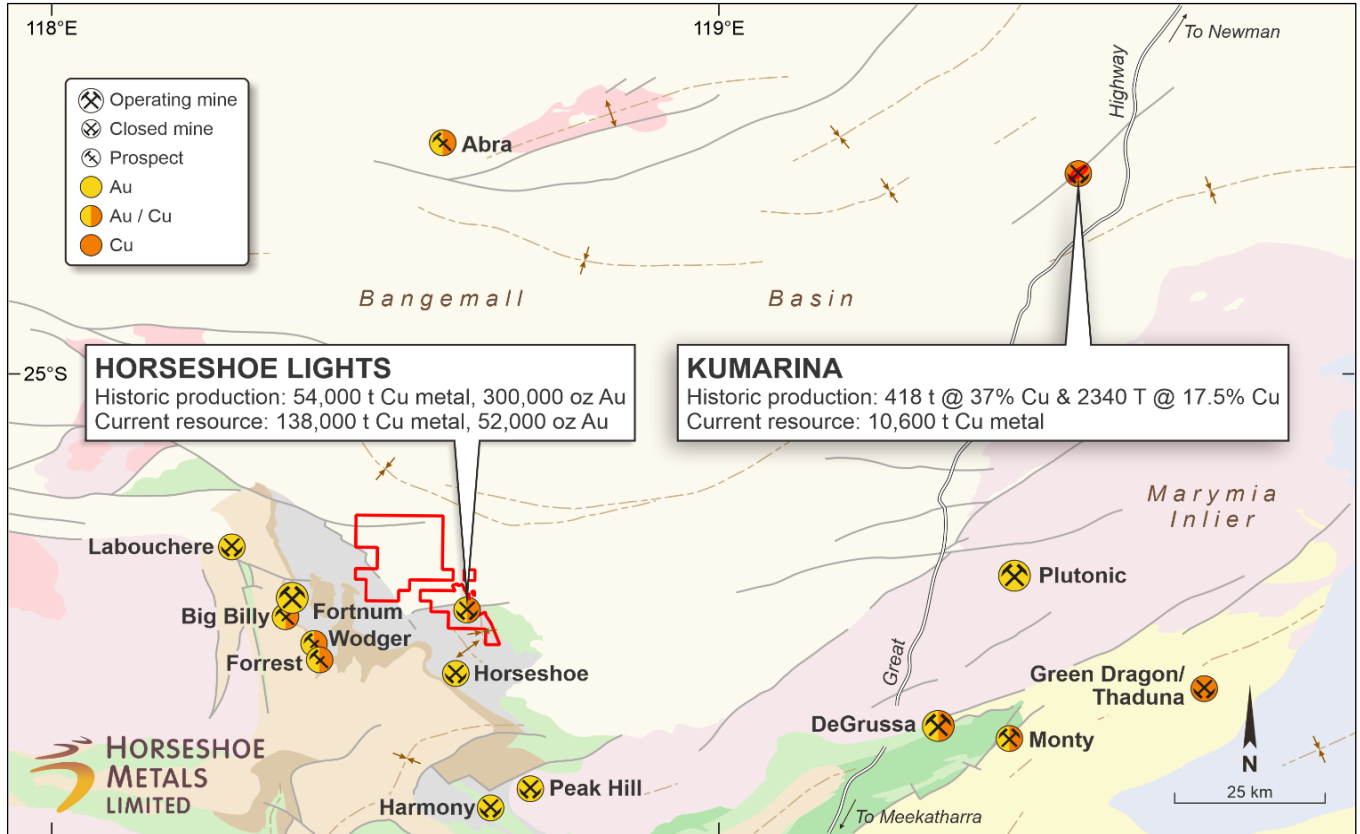


Figure 2: Location of Horseshoe Lights Copper-Gold Project and Kumarina Project in the Murchison, WA

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-chalcocopyrite. 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 2 summarises the total Mineral Resources for the Horseshoe Lights Project as at 31 December 2021.

Horseshoe Lights Copper-Gold Project summary:

- **Current in situ resource 128,000 t Cu metal @ 1.0% (0.5% cut-off)**
- **Current M15 stockpile resource 2650 t Cu metal @ 1.1%**
- **Current Flotation tailings resource 6,800 t Cu metal @ 0.48% and 15,300oz Au at 0.34 g/t**
- **Extensive drilling (over 120km total) and metallurgical test work**
- **Open pit only drilled to a depth of ~250m – proximal major deposits in Bryah Basin have been drilled to ~800-1000m**
- **Horseshoe are targeting a Deep sulphide copper target – “Below the Dolerite” (BTD)**

<p style="text-align: center;">TABLE 2</p> <p style="text-align: center;">HORSESHOE LIGHTS PROJECT</p> <p style="text-align: center;">SUMMARY OF MINERAL RESOURCES</p> <p style="text-align: center;">AS AT 31 December 2021</p>								
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)	<i>Measured</i>	1.73	1.04	0.0	0.5	18,000	1,900	28.8
	<i>Indicated</i>	2.43	0.95	0.0	0.7	23,200	3,400	52.2
	<i>Inferred</i>	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	

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. An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (see 30 June 2013 Quarterly Report announced on 31 July 2013). The total Measured, Indicated and Inferred Mineral Resource Estimate

as at 31 December 2021 is shown in Table 3 below.

TABLE 3 KUMARINA PROJECT SUMMARY OF MINERAL RESOURCES AS AT 31 December 2021				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	Total	835,000	1.3	10,600

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

Forward Looking Statements

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who 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 5 June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company’s ASX release “Quarterly Report Period Ended 30 June 2013”, released on 31 July 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.

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, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company’s ASX announcement “Horseshoe releases Maiden Mineral Resource Estimate for Kumarina”, released to the ASX on 4 March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company’s ASX release “Quarterly Report Period Ended 30 June 2013”, released on 31 July 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.