



# HORSESHOE METALS LIMITED

ASX ANNOUNCEMENT

3 February 2023

## Placement to Accelerate Horseshoe Lights Copper-Gold Project

- Heavily oversubscribed placement raises \$2M – strong support from new and existing investors
- Company to unlock value from existing Horseshoe Lights surface materials – near-term cash flow opportunities from high-grade copper stockpiles
- Placement proceeds to be used to advance exploration and development activities at Horseshoe Lights Copper-Gold Project
- Significant potential for high-grade extensions to current in situ copper resource – mineralisation remains open in multiple zones
- Assays results from November drilling expected mid-February, follow-up drilling to commence in current quarter

Horseshoe Metals Limited (ASX:HOR) (“Horseshoe” or “the Company”) is pleased to advise that it has received firm commitments for a placement to raise \$2 million (before costs) at an issue price of 2.5 cents to sophisticated and professional investors (“Placement”).

The funds raised from the Placement will be used to advance the Company’s flagship 100% owned Horseshoe Lights Copper-Gold Project in Western Australia, as well as for additional working capital.

Considerable exploration upside remains at Horseshoe Lights, where past production includes **~316,000 oz Au and 55 kt Cu metal** and the Company has defined a current in situ resource of **128 kt Cu metal @ 1.0% (0.5% cut-off)**.

The Company is awaiting results from the RC drilling programme undertaken at the Main Zone and Motters extensions in November 2022, which are expected to provide additional clarity around the broader mineralisation structure at Horseshoe Lights (refer ASX announcement 17 November 2022).

### Planned activities at Horseshoe Lights over the following months include:

- Processing of high-grade copper stockpiles for direct shipping ore (DSO) sales
- Further RC drill testing of Main Zone northern extensions and down plunge
- Further RC drill testing of Motters southern extension and down plunge
- RC/auger infill drilling of surface materials in stockpiles and northern waste dump
- Additional metallurgical test work on oxide copper stockpiles and targets
- Gravity recovery test work on Copper Flotation and CIP tailings
- Ongoing review of scoping study results to incorporate potential oxide heap leach SXEW treatment

#### BOARD OF DIRECTORS

Mr Craig Hall  
*Non-Executive Director*

Mr Alan Still  
*Non-Executive Director*

Ms Kate Stoney  
*Non-Executive Director,  
Company Secretary*

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## **Company comment**

**Director Kate Stoney said:** *"We are delighted to have secured \$2M via this extremely well supported placement to new and existing investors. We would like to welcome new shareholders to the register and we thank Merchant Capital and our existing investors for their continued support."*

*Horseshoe enters 2023 with considerable exploration momentum and a strong pipeline of activity, with first assay results from our most recent drilling programme expected to be delivered later this month. We look forward to keeping shareholders updated as work on our flagship Horseshoe Lights Project increases over the coming months."*

## **Placement details**

The Company will issue 80,000,000 fully paid ordinary shares at an issue price of 2.5 cents using its existing 15% placement capacity under ASX Listing Rule 7.1. The issue price represents a discount of 21.9% to the last traded price of 3.2 cents on 1 February 2023.

Merchant Capital Partners Pty Ltd ("**Merchant**") was engaged as sole Lead Manager in respect of the placement. A management and placement fee of 6% of total funds raised is payable to Merchant. The Company will additionally issue 8,000,000 unlisted options to Merchant or its nominees with a strike price of 3.75 cents and expiring 24 months from the date of issue.

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

**- ENDS -**

## ***Enquiries***

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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 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.

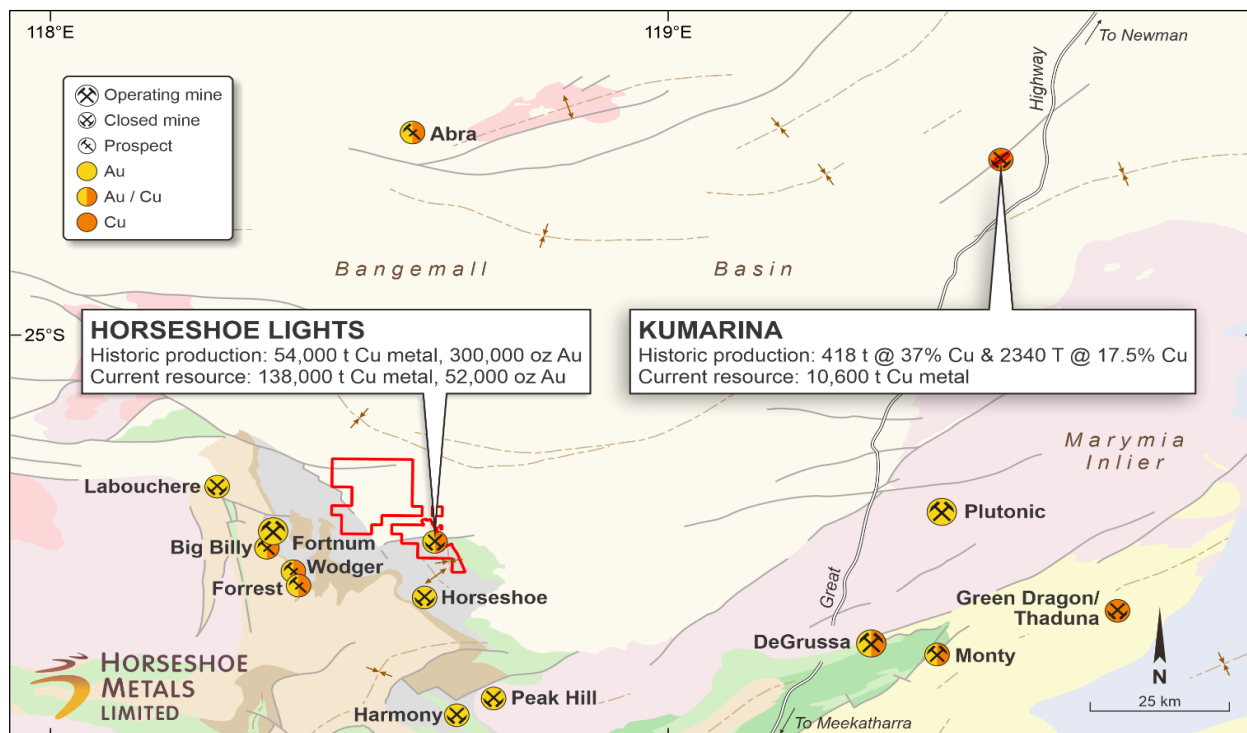


Figure 1: Location of Horseshoe Lights Copper-Gold Project and Kumarina Project in the Murchison, WA

## 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-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. The table below summarises the total Mineral Resources for the Horseshoe Lights Project at the date of this announcement.

<b>HORSESHOE LIGHTS PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>as at 31 December 2022</b>								
Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)
<b>In-situ Deposit</b> (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
	<b>Total</b>	<b>12.85</b>	<b>1.00</b>	<b>0.1</b>	<b>1.9</b>	<b>128,600</b>	<b>36,000</b>	<b>793.4</b>
<b>Flotation Tailings</b>	<b>Inferred</b>	<b>1.421</b>	<b>0.48</b>	<b>0.34</b>	<b>6.5</b>	<b>6,800</b>	<b>15,300</b>	<b>294.8</b>
<b>M15 Stockpiles</b>	<b>Inferred</b>	<b>0.243</b>	<b>1.10</b>	<b>0.17</b>	<b>4.7</b>	<b>2,650</b>	<b>1,300</b>	<b>36.7</b>
Note: At 0% Cu cut-off grade unless otherwise stated					<b>TOTAL</b>	<b>138,050</b>	<b>52,600</b>	<b>1,124.9</b>

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".

#### **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 table below summarises the total Mineral Resources for the Kumarina Project at the date of this announcement.

<b>KUMARINA PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>as at 31 December 2022</b>				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
<b>Rinaldi Prospect</b> (0.5% Cu cut-off)	<i>Measured</i>	415,000	1.46	6,100
	<i>Indicated</i>	307,000	1.16	3,500
	<i>Inferred</i>	114,000	0.9	1,000
	<b>Total</b>	<b>835,000</b>	<b>1.3</b>	<b>10,600</b>

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".

### ***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 Michael Fotios, who is a member of the Australian Institute of Mining and Metallurgy. Mr Fotios is a consultant 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 Fotios 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 Fotios. 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 Fotios. 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 Fotios. 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.