



HORSESHOE METALS
LIMITED

**ASX/MEDIA
ANNOUNCEMENT**

5 DECEMBER 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: \$0.012

Market Capitalisation:
\$2.0 Million

Cash at Bank
(30 Nov 2014)

\$0.50 Million

**HORSESHOE LIGHTS PROJECT
DRILLING UPDATE**

SUMMARY

- **DDH1 Drilling Pty Ltd contracted to commence deep diamond drilling in January 2015.**
- **350m diamond tail to be drilled to test deep DDIP anomaly.**
- **Whitestone Minerals Pty Limited to commence 3,700 metre RC drilling programme around open pit in January 2015.**

Horseshoe Metals Limited (ASX:HOR) (“Horseshoe” or “the Company”) is pleased to advise that DDH1 Drilling Pty Ltd (“DDH1”) has been contracted today to undertake the next round of diamond drilling at its Horseshoe Lights Copper-Gold Project in the Gascoyne region of Western Australia (see Figure 1).

DDH1 have scheduled a diamond drill rig to be on site in the week commencing 12 January 2015. The scope of the programme is to drill one 350m diamond tail onto an existing RC drill hole (RC358).

RC358 is located about 800m south east of the Horseshoe Lights open pit (see Figure 2) and was originally drilled in 1987 to a down hole depth of 120m. In 2013 the Company extended the drill hole to a depth of 252 metres to test a chargeability anomaly identified from a ground based Dipole-Dipole Induced Polarisation (“DDIP”) survey completed by the Company in 2011 (*refer to ASX Announcement dated 03 December 2013*).

This drill hole is part of the Western Australian State Government’s \$150,000 co-funded drilling programme which needs to be completed by 30 June 2015.



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Other Activities

The Company has a Preliminary Economic Assessment Study underway which is due to be finalised later this month.

The study has identified areas adjacent to the existing open pit where there is potential to add extra tonnes and grade. A total of up to 28 Reverse Circulation ("RC") holes (approximately 3,700 metres) have been planned and collar locations are shown in Figure 2.

A specialist rig will be needed to undertake this drilling due to the shallow angle and confined drill collar locations of several of the holes. This specialist drilling is to be provided under the terms of the drilling funding contract between the Company and Whitestone Minerals Pty Ltd, a company associated with Director, Mr Michael Fotios, which was approved by shareholders at the Annual General Meeting held in May 2014. Under the terms of the contract Whitestone is to provide approximately \$235,000 of drilling at commercial rates for equity by 27 March 2015.

Whitestone have now advised the Company that the specialist rig should be mobilised to site in order to commence the drilling campaign in January 2015.

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 500km² 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.



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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 @ 1.00% 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).

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 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.*



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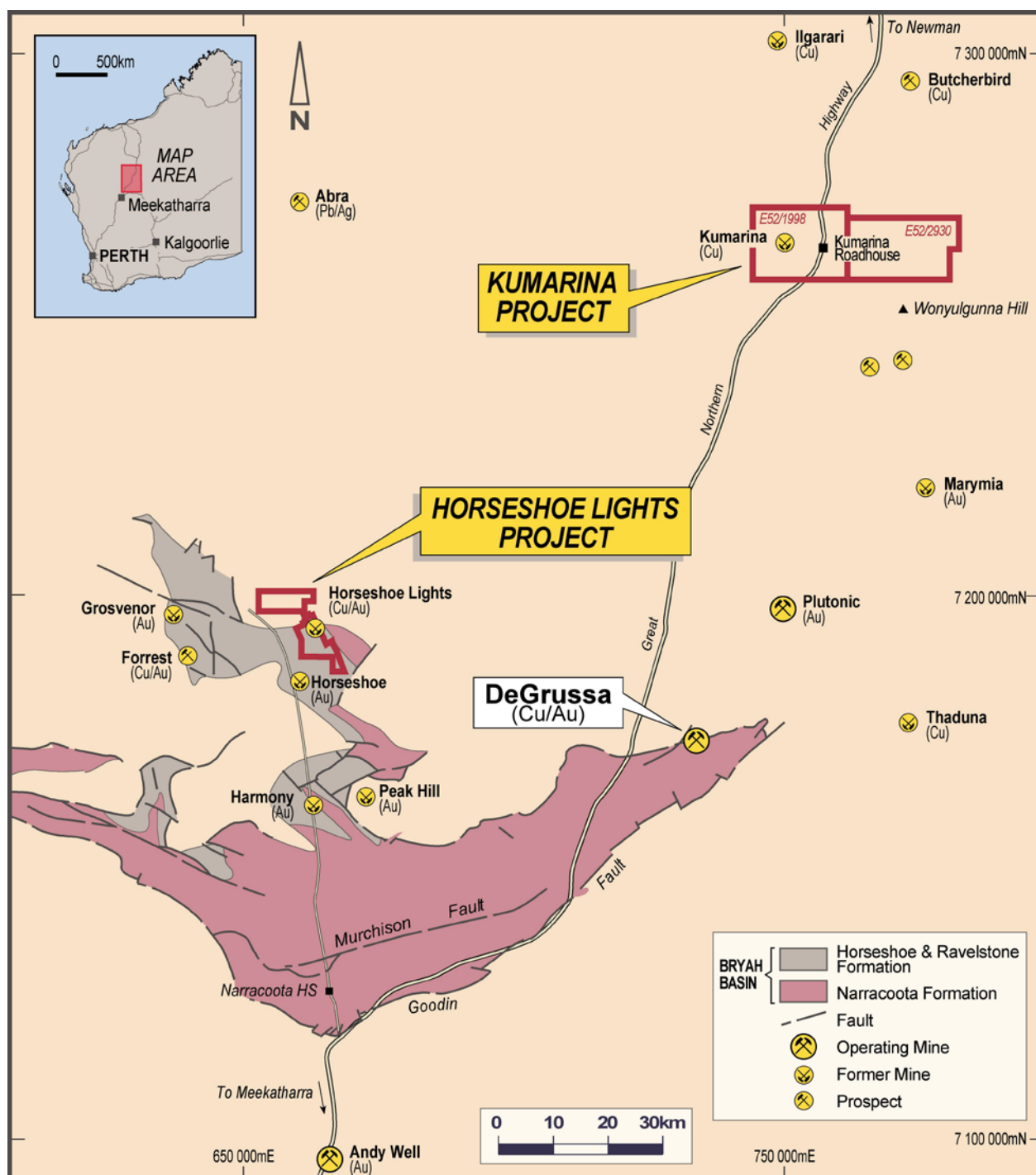


Figure 1 – Horseshoe Lights Project Tenement Location Plan

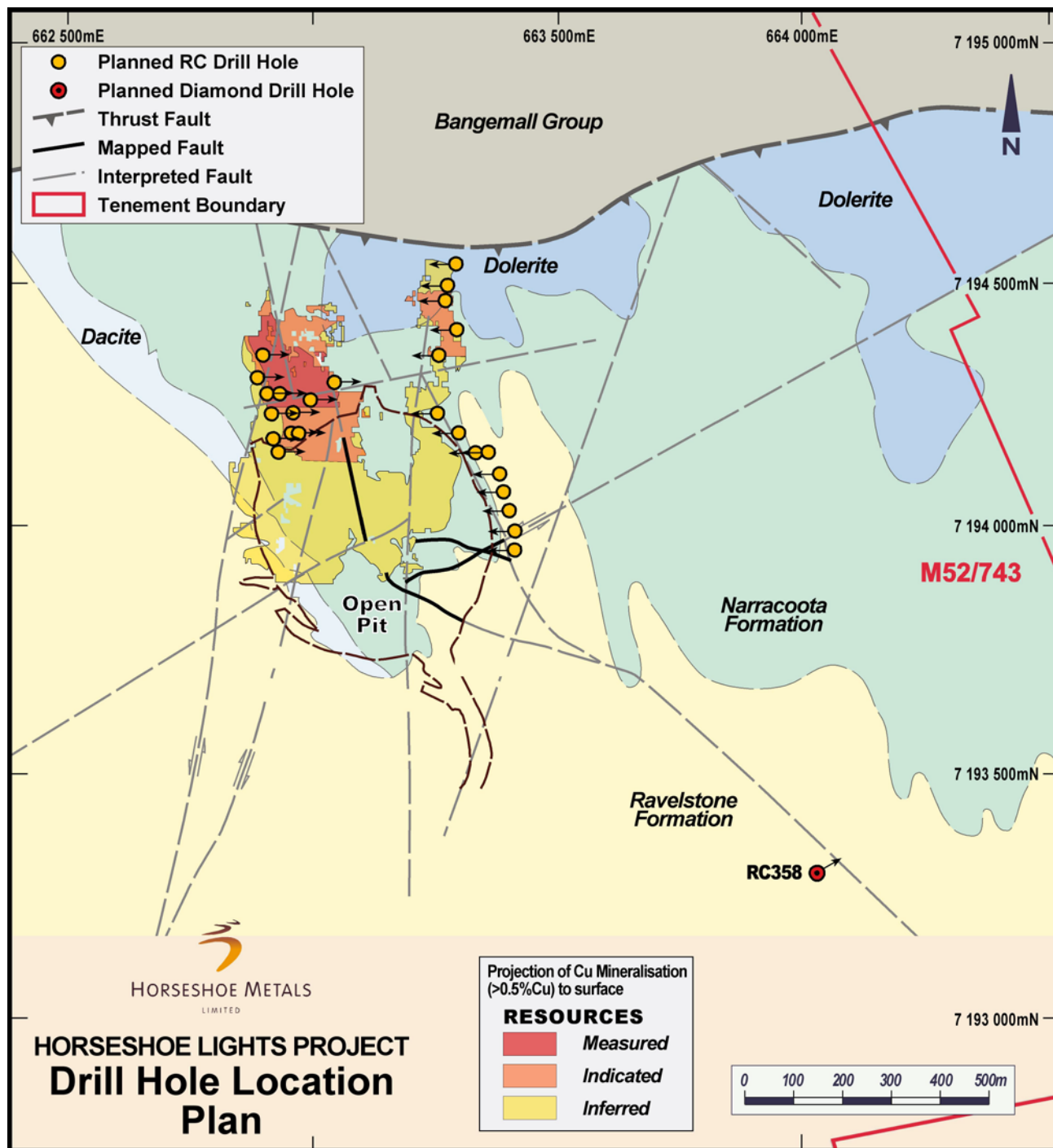


Figure 2 – Horseshoe Lights Project Drill Hole Location Plan



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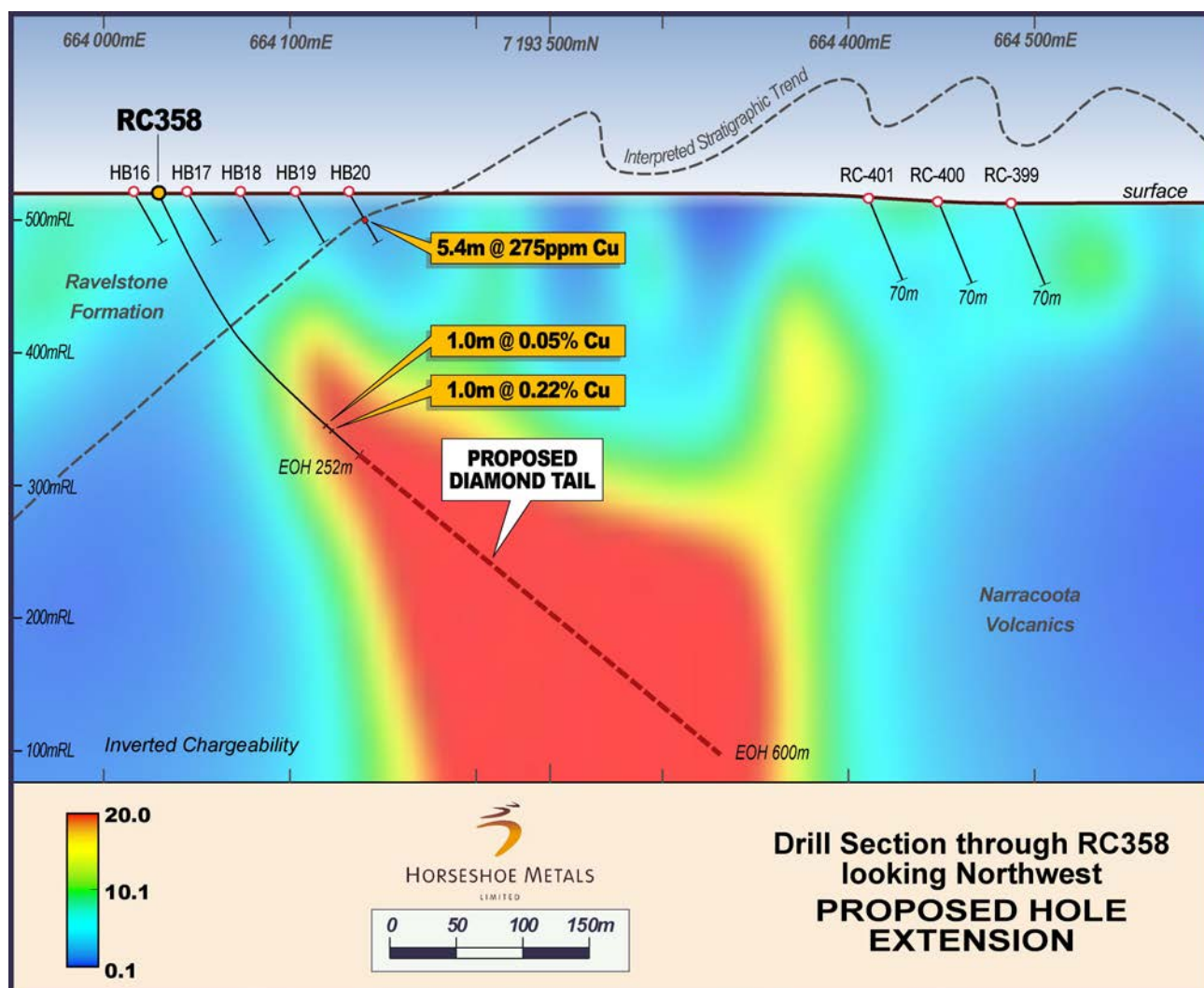


Figure 3 – Horseshoe Lights Project Proposed Diamond Tail on RC358 overlain on image of DDIP anomaly.