HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

9 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: $0.008

Market Capitalisation: $1.4 Million

Cash at Bank (30 Nov 2014)

$0.50 Million

COPPER TARGETS IDENTIFIED IN NEW GROUND AT HORSESHOE LIGHTS PROJECT

SUMMARY

- **Horseshoe Metals has completed due diligence on optioned VMS-prospective Exploration Licence E52/2569 adjacent to Horseshoe Lights Copper-Gold Project.**
- **The Company has a 2 year option-to-purchase E52/2569 from Elysium Resources Limited (ASX: EYM).**
- **Initial field work and historical exploration have delivered highly positive results with the presence of copper mineralisation identified at the surface and in shallow historical RAB drilling.**
- **Rock chip sampling conducted by the Company in November has reported copper results up to 721ppm Cu.**
- **Planning underway for deeper drilling to test copper targets in 2015.**

Horseshoe Metals Limited (**ASX: HOR**) (**"Horseshoe" or "the Company"**) is pleased to announce that it has successfully completed due diligence over volcanic massive sulphide (VMS) prospective Exploration Licence (E52/2569) adjacent to its Horseshoe Lights Copper-Gold Project in the Gascoyne region of Western Australia (see Figure 1).

In October Horseshoe announced it had entered into a 2 year option-to-purchase agreement with Elysium Resources Ltd ("Elysium") to acquire Exploration Licence E52/2569 (*refer ASX announcement, 29 October 2014)*.

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The Company is now pleased to advised that having completed due diligence, which included a comprehensive review of historical exploration data and a programme of field mapping and sampling, it will proceed with further exploration of the licence in accordance with the terms of the option-to-purchase agreement.

Recent Field Activities

As part of the Company's due diligence, in November 2014 the Company undertook an initial field mapping and sampling programme. A total of 49 rock chip samples were collected. The best copper results (>250ppm Cu) were:

- HSQV051 – 270ppm Cu
- HSQV079 - 721 ppm Cu
- HSQV080 - 324ppm Cu
- HSQV081 – 254ppm Cu

Refer to Table 2 for the full list of rock chip assay results and Figure 3 for sample locations.

Outcrops of weathered Narracoota Volcanics were observed in the vicinity of the anomalous copper rock chip readings. Structural readings measured from interpreted bedding planes of outcrop suggest that drill holes HSL1 and RC169-172, which were all drilled to the east, are located on the north-eastern limb of the south east striking anticline and have been drilled down-dip of the stratigraphy. The opportunity exists to drill to the west/south-west through the volcanic sequence to test for the Horseshoe Lights mine sequence mineralised horizon beneath the Ravelstone Formation contact. This horizon is commonly marked by a haematitic and jasper altered chert which has also been observed within the mapped area of E52/2569.

Historical Exploration Data

Historical exploration data recorded in the Department of Mines and Petroleum's WAMEX database and unpublished reports includes 6 Reverse Circulation ("RC") drill holes completed in 1979 (HSL1 by BHP Limited), 1986 (RC169-172 by Barrack Exploration Pty Limited) and 1993 (SWRC12 by Sabminco NL) (see Figure 2). The BHP and Barrack drill holes were drilled into a line of outcropping chert and interpreted Narracoota Formation volcanics which was later referred to as the Saturn Prospect. The Sabminco hole (SWRC12) was drilled in an area referred to as the Saturn West Prospect.

Only holes HSL1 and SWRC12 (in part) were assayed for copper however traces of copper, in the form of malachite, was recorded as observed in both RC171 and RC172. HSL1 recorded 3m (42-45m) @ 420ppm Cu. Gold anomalism was also recorded in four of the drill holes. A summary of the RC drill hole results is shown in Table 3. Sabminco drilled an additional 11 RC holes (SWRC01-SWRC11) in 1993 approximately 200m to the west of E25/2569 testing a pyritic chert outcrop and recorded an interval of 9m (19-28m) @ 10.32 g/t Au in SWRC05 (see Figure 2).

In 1994 Sabminco NL drilled a total of 181 RAB holes (9,093 metres) on the western part of E52/2569 over the Saturn West Prospect (see Figure 2). Several RAB holes returned anomalous copper results as shown in Table 4. Two RAB drill holes which recorded 4 metre composite assay intervals above 500ppm Cu and both ended in mineralisation at the end of the hole (EOH), were:

- MRB457 – 24m (36-60m EOH) @ 468ppm Cu, and
- MRB461 - 6m (44-50m EOH) @ 484ppm Cu (see Figure 2).

The historical drill logs indicated a NW-SE striking anticline, exposing fine grained mafic volcanics of the Narracoota Formation beneath lithic siltstones and medium to coarse grained quartz wackes of the Ravelstone Formation. Sabminco NL interpreted that the volcanics appear to be felsic with a low iron content and similar to the Horseshoe Lights mine sequence. A number of faults and shears were also interpreted from drilling results and outcropping silicified chert.

The rest of E52/2569 has been covered with either BLEG Au, or -2mm soil sampling with no anomalous results reported from within the area of the exploration licence.

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 deep (>100m depth) drill targets – the M1 and Western anomaly (see Figure 3). The Western anomaly coincides with the Saturn West Prospect. Elysium had planned to drill test both these anomalies with 300m RC drill holes.

Future Activities – E52/2569

The results of Horseshoe's recent field work and the earlier exploration conducted over the licence area provide the Company with significant encouragement to undertake its own targeted deeper drilling on the exploration licence in 2015.

Horseshoe intends to obtain the necessary approvals and heritage clearances to undertake deeper drilling and will target the Western anomaly at the Saturn West Prospect, where Sabminco's drilling recorded shallow copper anomalism in the Ravelstone Formation sediments above the interpreted Narracoota Formation volcanics. Further drilling will test the M1 anomaly as well as in the vicinity of RC172 where anomalous copper has been observed in recent rock chips samples and historical drill logs.

ENDS

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ASX ANNOUNCEMENT 9 DECEMBER 2014

About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold focused company with a package of tenements covering about 500km^2 in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australia.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the old open pit of the Horseshoe Lights copper-gold mine (see Figure 1) 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 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).

TABLE 2
Assay Results - 2014 Rock Chip Sampling - E52/2569

Sample ID	Easting	Northing	Cu (ppm)	Au (ppm)	As (ppm)	Description
HSQV050	661,940	7,190,359	31	<0.005	<5	Chert with relic box work and altered quartz
HSQV051	661,930	7,190,370	**270**	0.015	<5	Chert with minor relic box work
HSQV052	661,932	7,190,367	111	0.005	<5	Quartz veins in chert with sulphide
HSQV053	661,937	7,190,378	53	<0.005	<5	Quartz vein at volcanic-chert contact zone
HSQV054	661,933	7,190,342	11	<0.005	<5	Chert with Quartz vein
HSQV055	661,932	7,190,340	4	<0.005	<5	Chert with Quartz vein
HSQV056	661,934	7,190,328	16	<0.005	<5	Quartz vein
HSQV057	661,923	7,190,292	10	<0.005	<5	Chert and quartz vein with pyrite
HSQV058	661,944	7,190,271	3	<0.005	<5	Quartz vein
HSQV059	661,940	7,190,254	5	0.005	<5	Chert with vuggy quartz
HSQV061	661,936	7,190,359	16	<0.005	<5	Strongly foliated north-south volcanic
HSQV062	661,943	7,190,403	64	<0.005	<5	Iron-Rich Sediment
HSQV063	661,951	7,190,413	36	<0.005	<5	Iron rich quartz stringer vein
HSQV064	661,944	7,190,386	49	<0.005	<5	Strongly foliated north-south volcanic
HSQV065	661,974	7,190,344	2	<0.005	<5	North-south vuggy quartz vein
HSQV066	661,982	7,190,366	58	0.005	<5	Weakly foliated volcanic
HSQV067	661,938	7,190,113	10	<0.005	<5	Strongly foliated north-south volcanic
HSQV068	661,954	7,190,131	3	<0.005	<5	Banded chert
HSQV069	661,955	7,190,124	14	<0.005	<5	Iron-rich volcanic sediment with 1cm quartz vein
HSQV070	661,953	7,190,115	101	<0.005	<5	Fragmental qtz vein with relic boxwork in iron-rich matrix
HSQV071	661,980	7,190,086	7	<0.005	<5	4m fragmental quartz vein within fault breccia
HSQV072	661,988	7,190,091	45	<0.005	<5	Weakly haematite altered volcanic sediment
HSQV073	661,995	7,190,104	122	<0.005	<5	Fragmental quartz vein with relic boxwork in volcanic sed.
HSQV074	661,994	7,190,059	7	<0.005	<5	quartz vein with relic boxwork in volcanic sediment
HSQV075	662,000	7,190,136	115	0.015	20	quartz vein with relic boxwork in volcanic sediment
HSQV076	661,953	7,190,177	17	<0.005	<5	Volcanic sed. with relic boxwork with E-W qtz stringers
HSQV077	662,018	7,190,241	24	<0.005	<5	Strongly silica altered volcanic?
HSQV078	662,021	7,190,217	66	<0.005	<5	Strongly silica altered volcanic?
HSQV079	662,117	7,190,254	**721**	<0.005	<5	Sub-vertical fragmental quartz vein striking east-west
HSQV080	662,120	7,190,200	**324**	<0.005	<5	Iron rich fragmental quartz vein
HSQV081	662,116	7,190,149	**254**	0.010	<5	fragmental quartz vein in Iron rich matrix
HSQV082	662,060	7,190,553	119	0.010	<5	Haematitic greywacke
HSQV083	662,032	7,190,596	7	<0.005	<5	Quartz with iron-manganese rich veinlets
HSQV084	661,836	7,190,670	6	<0.005	<5	Silica altered greywacke with relic boxwork
HSQV085	661,848	7,190,582	1	<0.005	<5	Vuggy quartz vein
HSQV086	662,074	7,190,359	22	<0.005	<5	1m Quartz vein striking north west-south east
HSQV087	662,152	7,190,262	6	<0.005	<5	Silica altered greywacke
HSQV088	662,162	7,190,252	12	<0.005	<5	Chert with 5cm quartz vein running NE-SW
HSQV089	662,168	7,190,244	8	<0.005	<5	Vuggy quartz vein running east-west with boxwork
HSQV090	662,203	7,190,213	4	<0.005	<5	East west quartz vein within weathered grey volcanic
HSQV091	662,182	7,190,196	24	<0.005	<5	Chert at volcanic contact
HSQV092	662,080	7,190,377	5	<0.005	<5	NW-SE vuggy qtz vein dipping 80° north east
HSQV093	662,081	7,190,372	3	<0.005	<5	Chert with quartz vein containing relic boxwork
HSQV094	662,081	7,190,363	5	<0.005	<5	Boudinaged quartz vein running north west-south east
HSQV095	662,073	7,190,357	7	0.035	<5	Qtz vein with relic boxwork running north west-south east
HSQV096	662,079	7,190,345	11	<0.005	<5	Chert striking north-south with quartz stringer
HSQV097	662,078	7,190,337	50	<0.005	<5	Weathered volcanic with foliation striking 300° north west
HSQV098	662,403	7,190,511	12	<0.005	<5	Quartz vein striking north east DIP -85°SE
HSQV099	661,896	7,190,495	61	<0.005	<5	North-south qtz vein

TABLE 3
Au/Cu Results – 1979-1993 RC Drill Holes - E52/2569

Year	Hole #	Easting	Northing	Depth	Azi.	Dip	Best Au interval	Best Cu Interval
1979	HSL1	661,905	7,190,386	52m	90°	-60°	Not assayed	3m (42-45m) @ 420ppm Cu
1986	RC169	661,889	7,190,349	63m	92°	-60°	2m (47-49m) @ 0.16g/t	Not Assayed
1986	RC170	661,834	7,190,472	63m	92°	-60°	2m (7-9m) @ 0.12g/t	Not Assayed
1986	RC171	662,056	7,190,358	63m	92°	-60°	-	Not Assayed - Trace Malachite noted in log (15-17m)
1986	RC172	662,120	7,190,243	63m	92°	-60°	2m (37-39m) @ 0.18g/t	Not Assayed - Trace Malachite noted in log (59-61m)
1993	SWRC 12	661,094	7,190,194	60m	N/A	-90°	6m (20-26m) @ 0.21g/t 2m (34-36m) @ 0.23g/t	1m (3-4m) @ 220ppm Cu 40 – 60m not assayed for Cu

TABLE 4
Significant Cu Results - 1994 RAB Drill Holes - E52/2569

Hole #	Easting	Northing	Depth	Azi.	Dip	Best Cu Interval
MRB304	661,032	7,190,463	36m	-	Vert.	8m (28-36m EOH) @ 220ppm Cu
MRB305	661,032	7,190,438	30m	-	Vert.	14m (16-30m EOH) @ 166ppm Cu
MRB314	661,032	7,190,213	40m	-	Vert.	16m (0-16m) @ 145ppm Cu
MRB316	661,032	7,190,163	45m	-	Vert.	28m (12-40m) @ 115ppm Cu
MRB321	661,032	7,190,038	36m	-	Vert.	16m (4-20m) @ 141ppm Cu
MRB345	661,132	7,190,338	57m	-	Vert.	20m (28-48m) @ 167ppm Cu
MRB351	661,132	7,190,188	39m	-	Vert.	7m (32-39m EOH) @ 360ppm Cu
MRB354	661,132	7,190,113	39m	-	Vert.	20m (0-20m) @ 181ppm Cu
MRB355	661,132	7,190,088	26m	-	Vert.	26m (0-26m EOH) @ 342ppm Cu
MRB381	661,232	7,190,338	75m	0°	-60°	31m (44-75m EOH) @ 267ppm Cu
MRB382	661,232	7,190,313	67m	0°	-60°	36m (24-60m) @ 270ppm Cu
MRB391	661,232	7,190,088	75m	0°	-60°	36m (0-36m) @ 304ppm Cu
MRB400	661,332	7,190,338	60m	0°	-60°	6m (44-50m) @ 260ppm Cu
MRB401	661,332	7,190,313	60m	0°	-60°	16m (44-60m EOH) @ 138ppm Cu
MRB402	661,332	7,190,288	65m	0°	-60°	16m (28-44m) @ 238ppm Cu
MRB403	661,332	7,190,263	60m	0°	-60°	40m (20-60m EOH) @ 218ppm Cu
MRB421	661,432	7,190,238	50m	0°	-60°	10m (40-50m EOH) @ 197ppm Cu
MRB422	661,432	7,190,213	60m	0°	-60°	28m (32-60m EOH) @ 282ppm Cu
MRB423	661,432	7,190,188	50m	0°	-60°	10m (40-50m EOH) @ 266ppm Cu
MRB425	661,432	7,190,138	58m	0°	-60°	14m (44-58m EOH) @ 141ppm Cu
MRB427	661,432	7,190,088	75m	0°	-60°	24m (32-56m) @ 204ppm Cu 11m (64-75m EOH) @ 266ppm Cu
MRB428	661,432	7,190,063	50m	0°	-60°	10m (40-50m EOH) @ 132ppm Cu
MRB441	661,532	7,190,163	60m	0°	-60°	16m (44-60m EOH) @ 212ppm Cu
MRB442	661,532	7,190,138	60m	0°	-60°	28m (32-60m EOH) @ 265ppm Cu
MRB443	661,532	7,190,113	60m	0°	-60°	24m (36-60m EOH) @ 382ppm Cu
MRB444	661,532	7,190,088	60m	0°	-60°	24m (36-60m EOH) @ 252ppm Cu
MRB456	661,632	7,190,163	60m	0°	-60°	20m (40-60m EOH) @ 369ppm Cu
MRB457	661,632	7,190,138	60m	0°	-60°	**24m (36-60m EOH) @ 468ppm Cu**
MRB458	661,632	7,190,113	60m	0°	-60°	24m (36-60m EOH) @ 223ppm Cu
MRB461	661,632	7,190,038	50m	0°	-60°	**6m (44-50m EOH) @ 484ppm Cu**
MRB467	661,732	7,190,263	51m	0°	-60°	12m (16-28m) @ 204ppm Cu
MRB482	661,082	7,190,213	56m	0°	-60°	16m (20-36m) @ 181ppm Cu

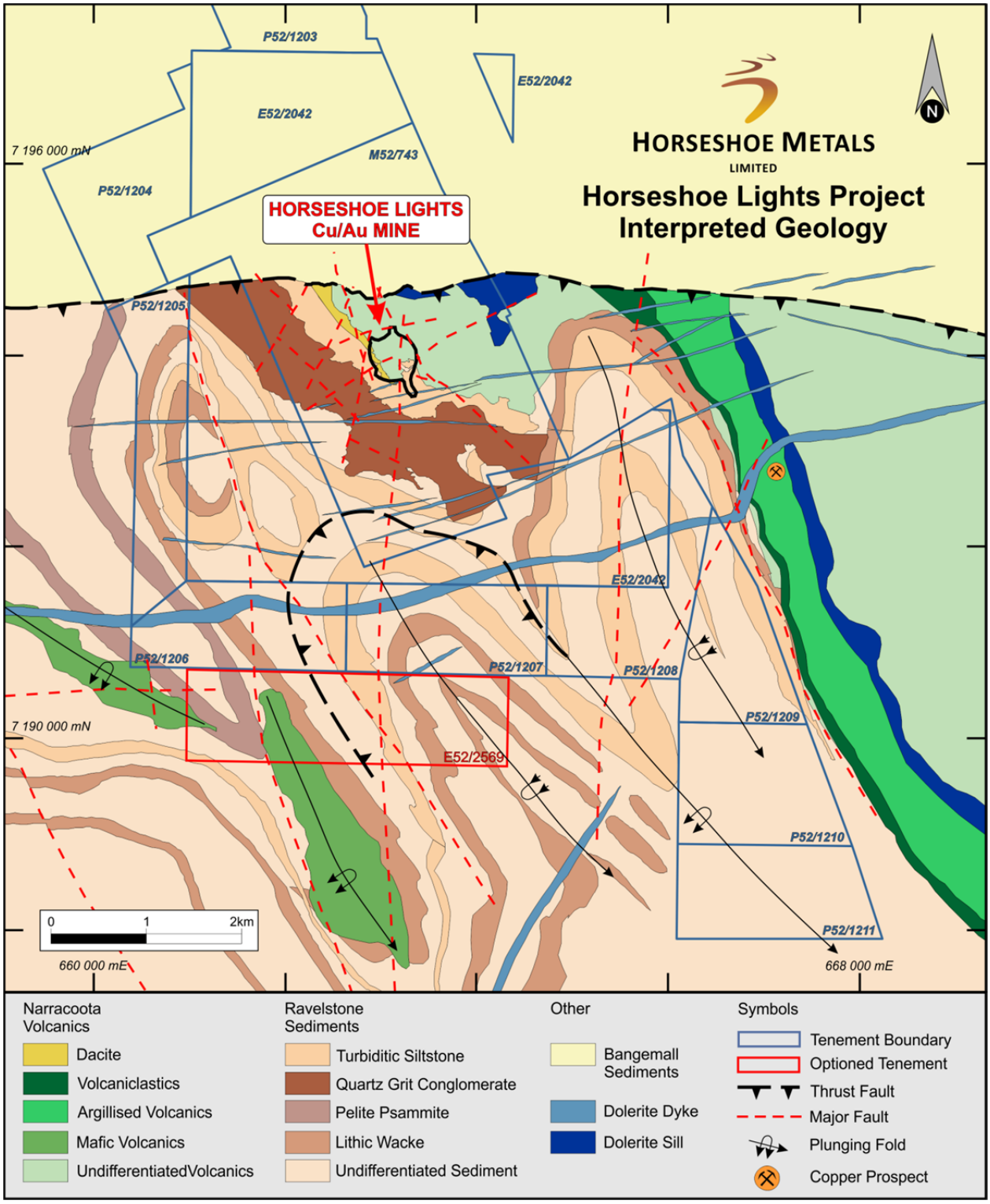

Figure 1 – Horseshoe Lights Project
Interpreted Geology Plan

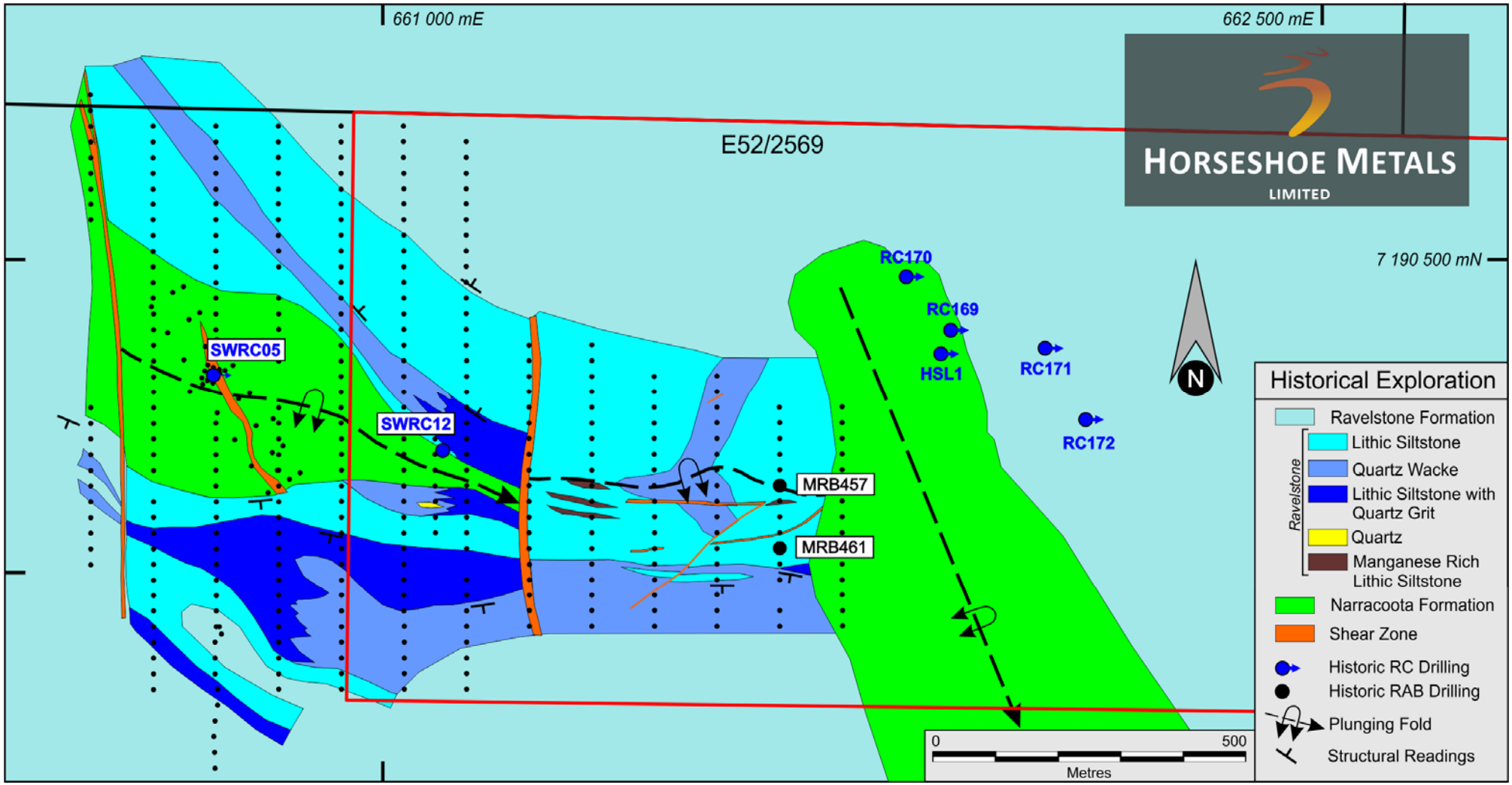

Figure 2 – E52/2569 – Historical Exploration over Geology

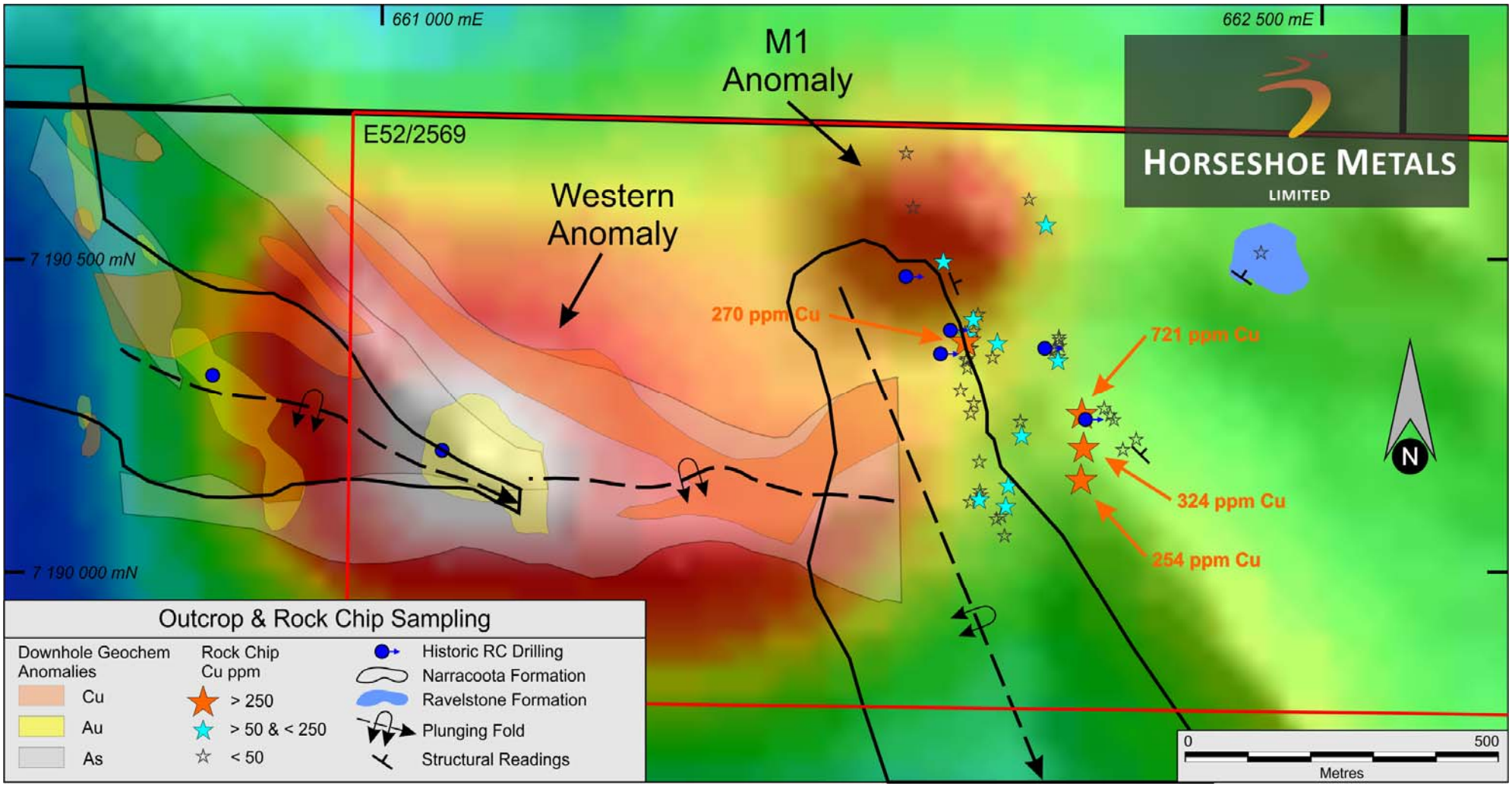

Figure 3 – E52/2569 – Outcrop and Rock Chip Sampling over Aeromagnetics

Table 1 - JORC Code Reporting Criteria

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC-Code Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Rock chip samples (approx. 1-3kg) are grab samples collected from specific geological features of interest, including veins and lithological units thought to have potential for mineralisation.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples collected were of a sufficient size to be considered representation of the overall rock being tested
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Industry standard practice was used for element analysis whereby a 1-3kg rock chip sample was used to obtain a 40g charge for aqua regia digest.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	No drilling undertaken as part of this programme
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling undertaken as part of this programme
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling undertaken as part of this programme
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No drilling undertaken as part of this programme
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	A brief description of each rock chip sample was recorded at the time of sampling and transferred to the database. Additionally each rock chip was photographed for future reference.

Criteria	JORC-Code Explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	No logging undertaken.
	The total length and percentage of the relevant intersections logged.	No logging undertaken.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No drilling undertaken as part of this programme
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	No drilling undertaken as part of this programme
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Samples ranging from 300g - ≤3kg are crushed to nominal topsize of ~2mm using a jaw crusher and then pulverised using LM2, LM5 or Mixer Mill pulverisers to 95% passing 75µm. After pulverising a 40g charge sample is taken directly from the pulveriser bowl and submitted to the laboratory for analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Laboratory QAQC methods include insertion of blanks and undertaking check samples for significant assay results.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates were collected during this program.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered industry standard for base metal mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All samples were submitted to Nagrom laboratories. The Copper and Gold assays were derived using a mixed acid digest of nitric and hydrochloric acids on 0.2g of sample. The copper and gold assay were derived using an aqua regia technique where 40g of prepared sample is digested using nitric and hydrochloric acid and analysed using ICP Optical Emission Spectrophotometry. These methods are considered adequate and effective for this style of mineralisation.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No handheld XRF analysis was used to determine rockchip selection in this program.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Nagrom conduct their own internal laboratory quality control standards (blanks, standards and duplicates) as well as repeats for any anomalous results.

Criteria	JORC-Code Explanation	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	None undertaken in this programme
	The use of twinned holes.	None undertaken in this programme
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All sample data is captured in the field electronically using established templates and verified in Perth office before upload into database.
	Discuss any adjustment to assay data.	No adjustments undertaken.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	All rock chip sample points located with handheld Garmin GPS, with accuracy of about 5m. This is considered appropriate at this early stage of exploration.
	Specification of the grid system used.	Grid system coordinates - GDA94 MGA Zone 50.
	Quality and adequacy of topographic control.	Topographic control was created from known survey stations and air photography in strict accordance with Mines Regulation Act 1946 by the authorised mine surveyor.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Rock chip sample spacing is not applicable in this instance as sample locations are random.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Sampling information will not be used for resource estimation work.
	Whether sample compositing has been applied.	No compositing has been applied
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Rock chip samples are from visually altered and mineralised material, sampling method is biased to the detected of mineralisation and provides no indication of the potential average grade of the sampled structures.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No drilling undertaken as part of this programme
Sample security	*The measures taken to ensure sample security.*	Prior to submission all samples are stored on-site under supervision of the senior geologist. Sample submission forms are sent to Nagrom laboratories as an electronic copy. Samples are transported to Nagrom laboratories by Horseshoe Metals personnel. Delivered samples are reconciled with the batch submission form prior to the commencement of any sample preparation.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been performed to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC-Code Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Saturn Project comprises one Exploration Licence (E52/2569) covering an area of approximately 3.15 km^2. The tenement is located approximately 3km south from Horseshoe Lights Mine. Current registered holder of the tenement is Elysium Resources Ltd. Elysium Resources Ltd has 100% interest in the tenements. Horseshoe has a two year option to purchase (to 28 Oct 2016) with an exercise price of $100,000 payable in cash or by Horseshoe shares (based on 10 day VWAP price from date of exercise notice). Horseshoe is to drill test two target anomalies 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. Horseshoe may exercise the Option at any time within the Option Period after the Minimum Drilling Commitment. There are no native title agreements currently in place on Exploration Licence E52/2569. There are no historical or environmentally significant sites on Exploration License E52/2569
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Exploration Licence E52/2569 is in good standing and the Company is unaware of any impediments to it obtaining a licence to operate in the area.

Criteria	JORC-Code Explanation	Commentary
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	In 1980, Broken Hill Pty Co Ltd investigated the area for Cu-Pb-Zn sulphides. Geological mapping and surface geochemistry was carried out. One percussion hole was drilled into an anomalous chert bed, intercepting 3m at 420ppm Cu between 42 and 45m. In 1986, Barrack Exploration Pty Ltd drilled a total of four RC holes (RC169-172) each completed to 63m depth. Anomalous values (>0.1 g/t Au) were obtained in three of these holes, however Cu was not assayed for. During the same year detailed geological mapping was carried out following regional photogeological mapping over the entire lease area. (Unpublished Report). During 1988 and 1989 Barrack Exploration Pty Ltd carried out regional exploration around the Horseshoe Lights Mine area which covered the Saturn Project. Work included Landsat and aeromagnetic studies, geological mapping and interpretation and a soil survey. During 1993 Sabminco NL drilled one vertical 60m RC hole (SWRC 12) into the Saturn West anomaly area and intersected anomalous gold including 1m @ 0.7 ppm Au. The hole was not assayed for Cu below 40m depth. During 1994, Sabminco NL carried out ground magnetic and Transient Electromagnetic surveys, identifying a deep magnetic source within the SE part of the survey area. RAB drilling was completed along NS traverses originally on a 25m x 200m grid. Certain areas were later infilled on a 25m x 100m grid. A total of 181 RAB holes for 9,093 metres were drilled on what is now E52/2569. Anomalous gold and two strong linear arsenic anomalies were identified. No significant mineralisation was located. In 1988, Plutonic Operations Ltd carried out surface geochemistry to validate a previously defined Cu soil anomaly. They also completed a moving loop electromagnetic survey conducted over 19.7km line, testing for possible conductive responses that could be related to the Cu mineralisation. Only weak responses were defined. In August 2010, United Orogen Ltd (now Elysium Resources Ltd) completed an XTEM Electromagnetic Airborne Geophysical Survey (EM and magnetics to test for deep seated sulphide conductors. An initial interpretation of the XTEM EM concluded that no massive sulphide conductors were detected at depth within the survey area.

Criteria	JORC-Code Explanation	Commentary
		In 2013, Elysium Resources Ltd contracted Alterrex Pty Ltd to review all past and present geophysics. A number of magnetic and conductive targets were identified by modelling data from the XTEM survey. Anomalies M1, M3, C1 and the western anomaly were recommended for follow up.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geology of the tenement area is dominated by early Proterozoic rocks of the Ravelstone Formation which locally comprise interbedded pelites and psammites, lithic and manganese rich siltstones, medium to coarse grained quartz greywackes and haematitic/pyritic chert lenses. A narrow fault bounded northwest striking zone of underlying Narracoota Volcanics, consisting of mafic to ultramafic basalts with minor argillised felsic volcanics, crops out in the lower western area of the tenement. Pyritic cherts at the contact between the two units are reported to be locally associated with Au anomalism. An NNW trending antiform of Narracoota Volcanics and Ravelstone Formation pelites and psammites has been mapped in the western half of E52/2569, while in the east the greywackes form a synform. Local faulting has been noted to run parallel to the antiform in a NNW direction, while a more obvious NE-SW crosscutting fault offsets the stratigraphy in the north. Several prominent east-west trending quartz blows crop out on the western half of the tenement with most of the area largely overlain by a mantle of colluviums and relic lateritic sheet wash.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.*	No drilling undertaken as part of this programme
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No drilling undertaken as part of this programme

Criteria	JORC-Code Explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No data aggregation applied
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	No data aggregation applied
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No data aggregation applied
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Not relevant to rock chip sampling.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to diagrams in body of text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	See Tables 2 - 4 for summary of significant exploration results.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	In the company's opinion historical and new exploration results has been adequately presented in this report.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Planning for future exploration and drilling has not yet been finalised.

Criteria	JORC-Code Explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to diagrams in body of text.

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 an employee of 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.