HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

9 MARCH 2015

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: $0.035

Market Capitalisation: $5.95 Million

Cash at Bank (31 December 2014)

$0.4 Million

HORSESHOE METALS UPDATES MINERAL RESOURCE ESTIMATE FOR HORSESHOE LIGHTS M15 STOCKPILES

SUMMARY

- **Horseshoe Metals has updated the Mineral Resource Estimate for the Horseshoe Lights Project M15 stockpiles**
- **The Inferred Mineral Resource Estimate is:**
  - **243,400t @ 1.10% Cu, 0.17g/t Au and 4.7g/t Ag for 2,650 tonnes Cu, 1,300 oz Au and 36,700 oz Ag.**
- **The M15 surface stockpiles consist of unprocessed sub-grade ore from historical mining operations.**
- **The new Mineral Resource Estimate was calculated as part of a programme to assess the viability of a low-cost tailings and surface stockpiles retreatment project.**
- **Gravity separation testwork programme on flotation tailings underway with testwork results expected in March 2015.**

Horseshoe Metals Limited (**ASX:HOR**) (**"Horseshoe" or "the Company"**) is pleased to announce an updated estimate of Mineral Resources in the M15 surface stockpiles at its 100% owned Horseshoe Lights Copper/Gold Project ("**Horseshoe Lights Project"**), in the Gascoyne region of Western Australia (see Figure 1).

The M15 surface stockpiles consist of unprocessed sub-grade ore from historical mining operations located within the Horseshoe Lights project area (see Figure 2).

The updated Inferred Mineral Resource Estimate of the M15 stockpiles is **243,400t @ 1.10% Cu, 0.17g/t Au and 4.7g/t Ag for 2,650 tonnes Cu, 1,300 oz Au and 36,700 oz Ag** (using a cut-off grade of 0% Cu).

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Horseshoe is focused on assessing the potential viability of a low cost tailings and surface stockpiles retreatment project using gravity separation and other techniques, and the new estimate was calculated as part of this process.

A similar Inferred Mineral Resource Estimate update was recently completed on the flotation tailings which contain **1.42Mt @ 0.48% Cu, 0.34g/t Au and 6.5g/t Ag for 6,800 tonnes Cu, 15,300 oz Au and 294,800 oz Ag** (*refer to ASX announcement dated 26 February 2015 for full details*).

M15 Stockpiles - Mineral Resource Estimate

A 2013 estimate for the M15 stockpiles was 244,000 tonnes @ 0.8% Cu for 1,900 tonnes Cu which was based on limited historical records (*refer to ASX announcement dated 5 June 2013*).

The latest M15 stockpiles Mineral Resource Estimate is based upon additional historical information including a total of 32 Reverse Circulation (RC) holes drilled in two programmes in 1992 and 1993. Holes were generally drilled on a 20m x 20m grid and sampled every metre down hole (see Figures 3 - 5). Due to the historic nature of the drilling data the Mineral Resource Estimate has been classified as Inferred.

Details of the updated Mineral Resource Estimate are shown in Table 1 below whilst the specific estimation parameters are set out in Appendix 1. This estimate meets the reporting requirements of the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

TABLE 1
HORSESHOE LIGHTS PROJECT
M15 STOCKPILES - MINERAL RESOURCE ESTIMATE
(0% Cu cut-off grade)
as at 31 December 2014

Category	Tonnage (t)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (oz)
Inferred	**243,400**	**1.10**	**0.17**	**4.7**	**2,650**	**1,300**	**36,700**

Future Activities

A preliminary gravity testwork programme is presently underway on the flotation tailings. Testwork results are expected to be available later in March 2015.

Should the above tests be successful the Company intends to undertake additional sampling and test work with larger sample sizes of the tailings as well as samples from the M15 stockpiles to further assess the potential viability of the tailings and stockpiles retreatment project.

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 approximately 500km^2 in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australia. The Company's projects are the Horseshoe Lights Project and the Kumarina Project (see Figure 1).

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 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, 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 estimated total Measured, Indicated and Inferred Mineral Resource 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).

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.

A Mineral Resource Estimate for the Rinaldi 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 estimated total Measured, Indicated and Inferred Mineral Resource is **835,000 tonnes @ 1.3% Cu** for **10,600 tonnes Cu** (using a cut-off grade of 0.5% Cu).

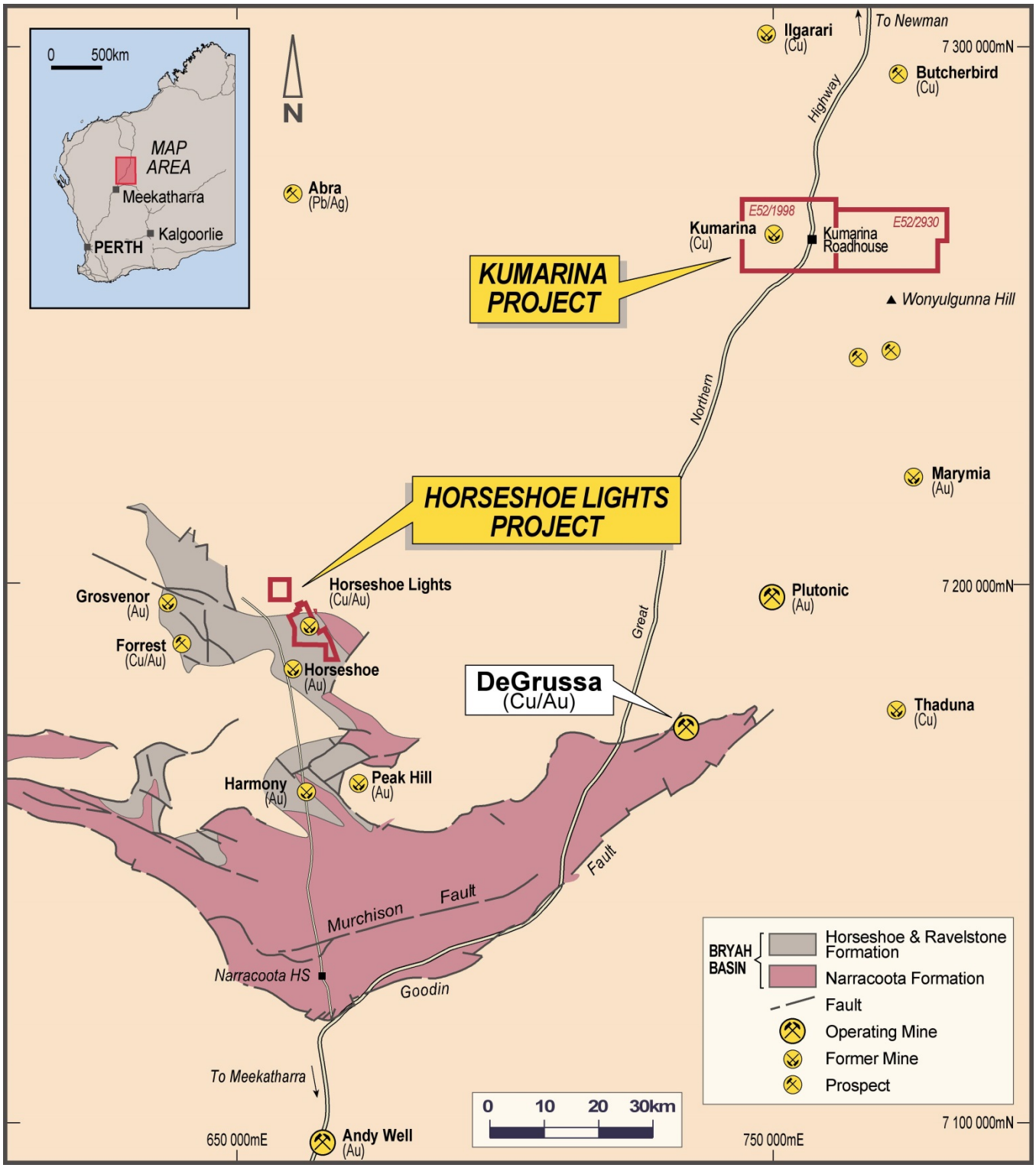

Figure 1 - Projects Location Plan

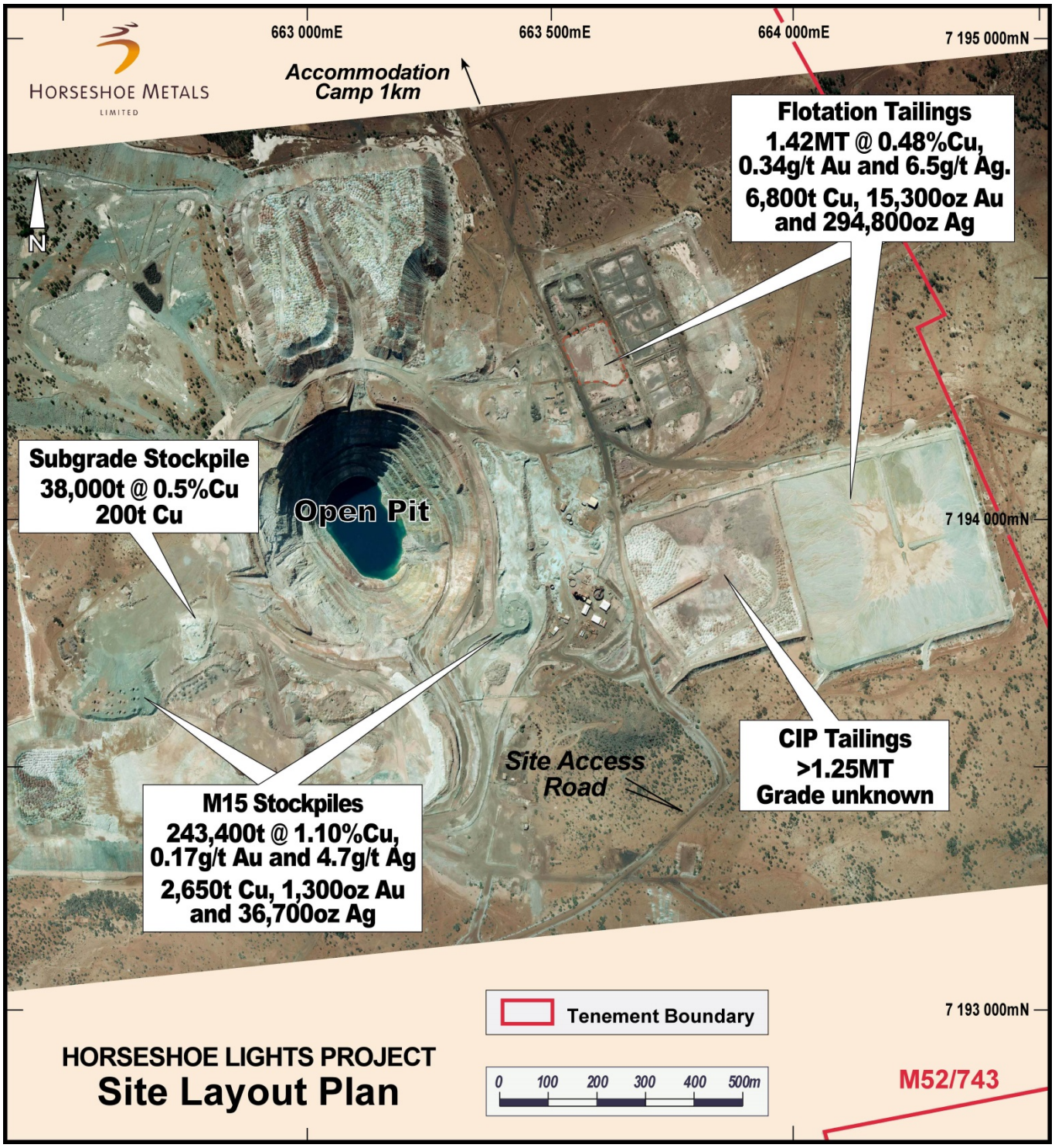

Figure 2 – Site Layout Plan

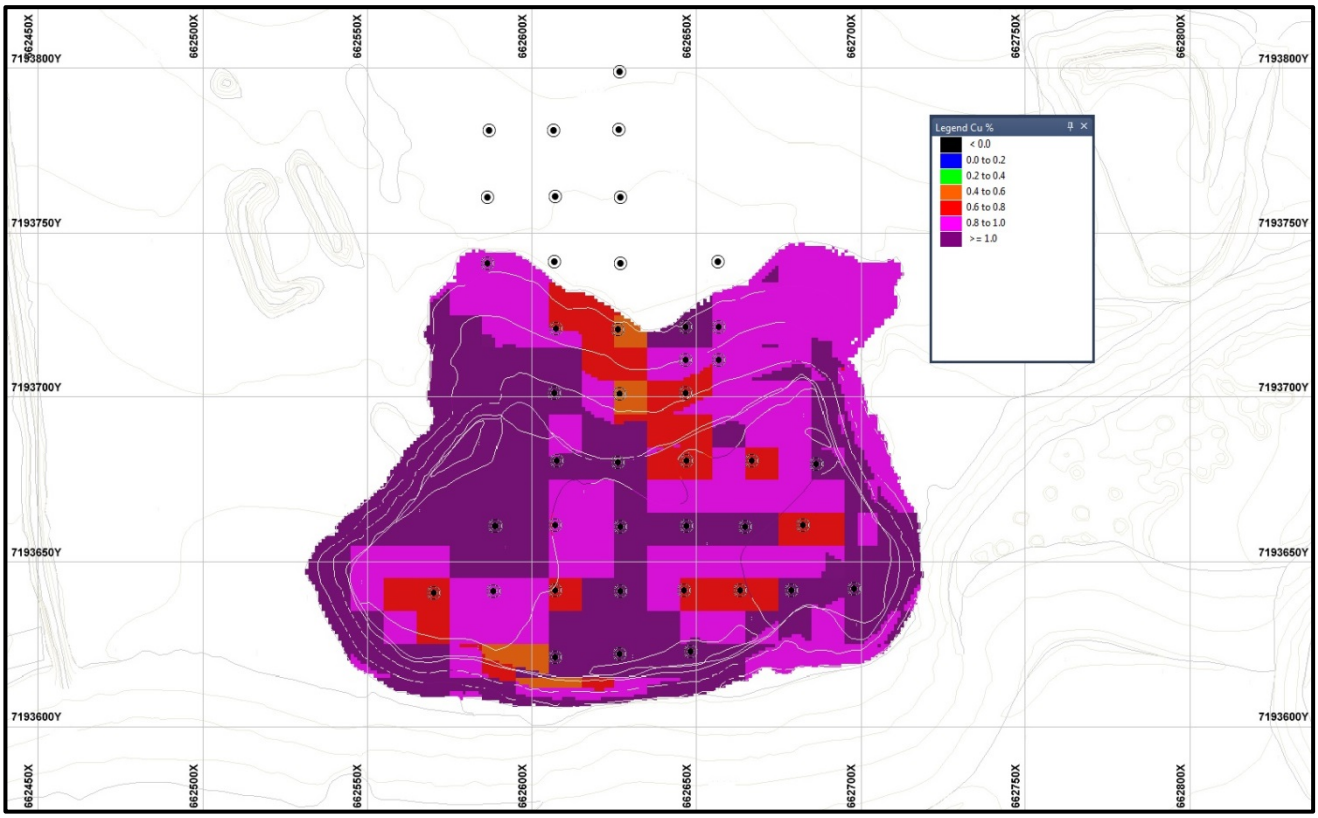

Figure 3 – M15 (West) Stockpile - Copper Block Model with drill hole locations shown.

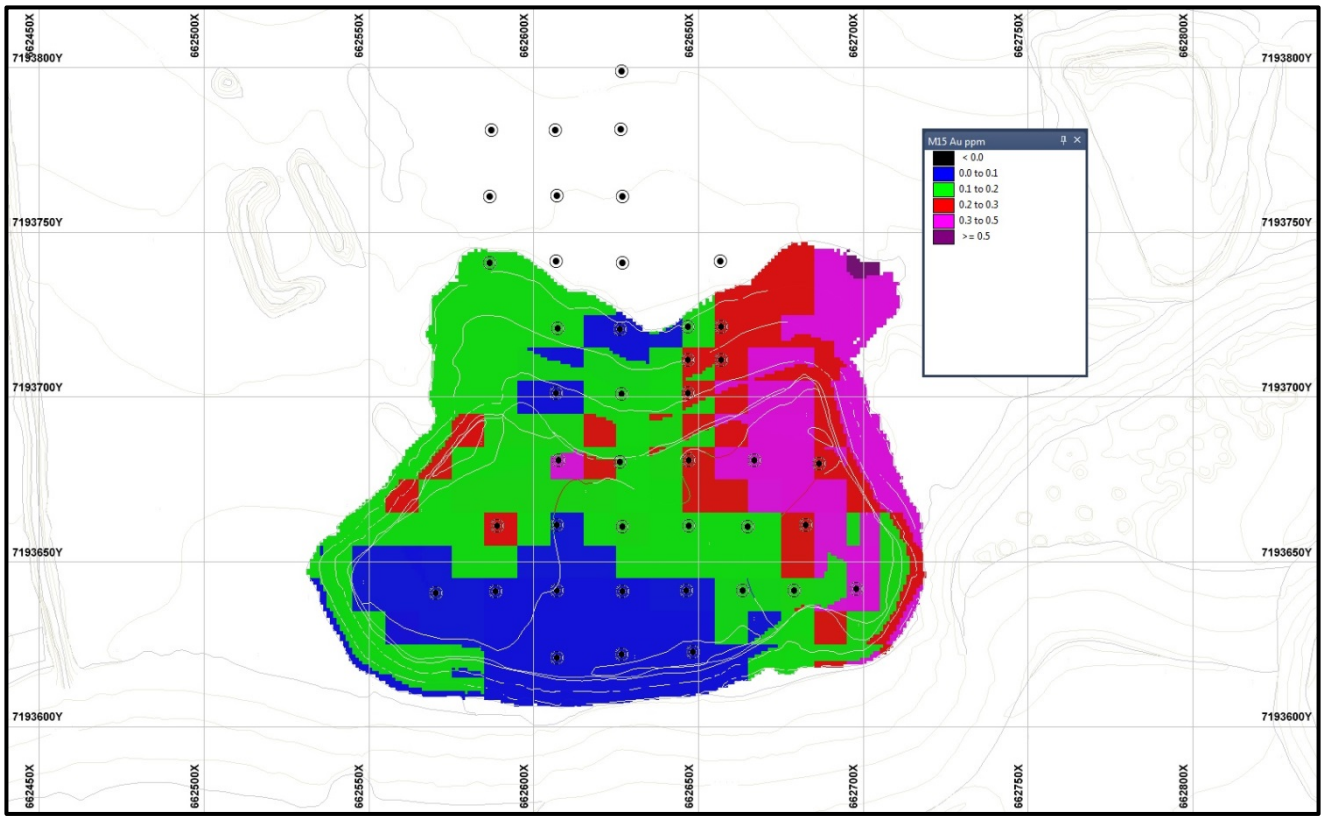

Figure 4 – M15 (West) Stockpile - Gold Block Model with drill hole locations shown.

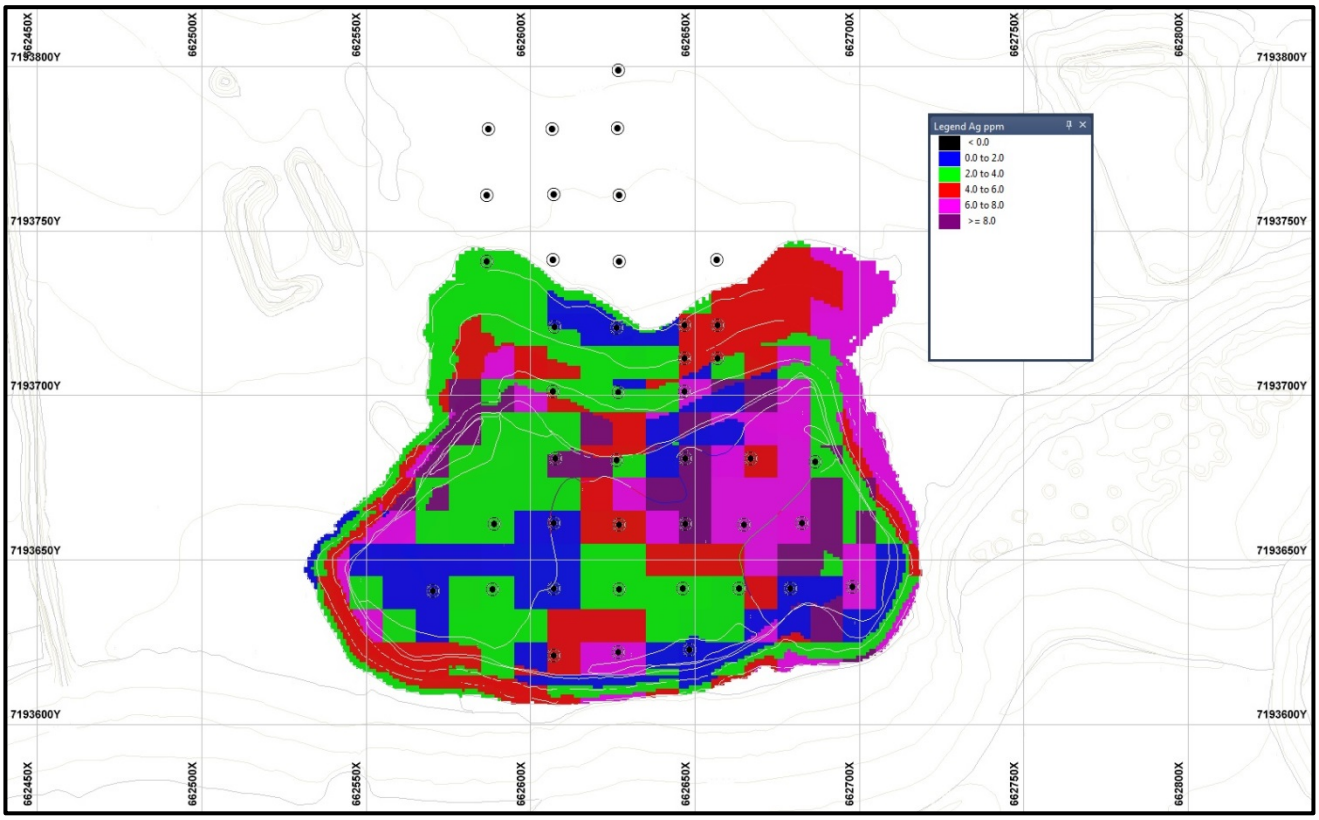

Figure 5 – M15 (West) Stockpile - Silver Block Model with drill hole locations shown.

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APPENDIX 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.*	2 sampling programs undertaken by Wallis Drilling Pty Ltd in 1992 and 1993 initially collected 400 single metre samples from 42 RC holes covering most of the area and depth profile of the M15 stockpile. 281 single metre samples taken from the remaining part of M15 (West) stockpile have been used in this Mineral Resource Estimate from 32 RC drill holes. Samples consisted of coarse sub-grade copper ore taken from the Horseshoe Lights pit during mining. At the time of mining (1988 – 1994) material grading 0.5 – 1.5% Cu was placed on the M15 stockpiles. Industry standard sampling procedures during this period of mining were employed for the collection of samples.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Industry standard measures were employed during this program and monitored by Sabminco NL mining personnel.
	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.	Reverse Circulation drilling was used to produce 1m samples from which approximately 3kg was dried and pulverised to produce a 200g pulp for wet chemical copper assay and aqua regia gold assay analysis.
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.).*	The drilling program was completed using reverse circulation technique. No bit size and type information is recorded for this program.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drill sample recovery information is recorded for this program.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drill sample recovery information is recorded but industry standard practices would have been employed for this program.
	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 sample loss is recorded.

Criteria	JORC-Code Explanation	Commentary
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.*	Only basic logging was completed on the single metre RC samples due to non in-situ and disturbed nature of sample. The logging recorded colour and material type. However, the origin of the sub-grade ore material is known and was mined from parts of the 400mRL pit. This level of the pit consisted of weathered but competent chlorite schist bearing disseminated and stringer mineralisation of chalcocite and various copper oxides.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	The logging was qualitative.
	The total length and percentage of the relevant intersections logged.	The entire length of each drill hole was logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core collected during this program.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Single metre samples were riffle split and dry sampled.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	No sample preparation information is recorded but industry standard practices would have been employed for this program.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No quality control (QC) procedures are recorded but industry standard practices would have been employed for this program.
	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 are recorded for this program.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Samples sizes are considered appropriate for this style of sampling.
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 processed and assayed at the on-site mine laboratory in 1993 using the following techniques: • assayed for gold using AAS detection limit of 0.01ppm, • assayed for copper and silver using traditional AAS wet chemistry technique with a detection limit of 10ppm Cu and 1ppm Ag. These methods were deemed appropriate for run of mine material at the time and were considered partial.
	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 such instruments were used in this analysis.

Criteria	JORC-Code Explanation	Commentary
	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.	No quality control (QC) procedures are recorded but industry standard practices would have been employed for this program.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No verification procedures are recorded for this program.
	The use of twinned holes.	No twinned holes were undertaken during this programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All collar location and assay are collected from Horseshoe Lights mine hardcopy data recorded during the period of this program.
	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.*	Collar locations were surveyed and recorded by licensed mine surveyors. No downhole surveys were completed due to the limited depth of these holes.
	Specification of the grid system used.	Collar locations were initially recorded in the local mine grid and have subsequently been translated to 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.*	Resource drilling in this program generally used a maximum of approx. 20m spacing but four drill holes are spaced 10m apart.
	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.	The data spacing is considered acceptable for this assessment and inferred status.
	Whether sample compositing has been applied.	No sample composites have been used in this Mineral Resource estimate.
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.*	Drilling in this program is vertical
	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.	Drilling orientation and sample bias relationship is not relevant in this instance.
Sample security	*The measures taken to ensure sample security.*	No sample security information is recorded but samples were analysed at the mine laboratory on site.
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 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC-Code Explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	All location and assay data has been recorded directly from mine records.
	Data validation procedures used.	Validation of the drill hole data import by Micromine 2013 software include checks for overlapping intervals, missing and incorrectly recorded assay data and missing collars.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The site is regularly visited by Geoff Willetts, Senior Geologist for Horseshoe Metals. All assay and location data used in this resource estimate has been validated.
	If no site visits have been undertaken indicate why this is the case.	Not applicable.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	A geological interpretation is not applicable in this instance due to the nature of the processed material under consideration.
	Nature of the data used and of any assumptions made.	RC drilling generally on a 20m spacing and single metre sampling is used to create this Mineral Resource Estimate.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	The effect of alternative interpretations is negligible or not appropriate in this instance due to the nature of the processed material under consideration.
	The use of geology in guiding and controlling Mineral Resource estimation.	No geological factors are used in this resource due to the nature of the processed material under consideration.
	The factors affecting continuity both of grade and geology.	The effect of geological or grade factors is not appropriate in this instance due to the nature of the processed material under consideration.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The M15 (West) stockpile is an irregular shape but is approximately 130mE x 90mN and an average of 9.5mRL from surface.

Criteria	JORC-Code Explanation	Commentary
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The grade estimation technique employed for this estimate is inverse distance squared using Micromine 2013 software. This technique was considered adequate for the relatively homogenous material being estimated. A single Domain solid is created for the entire M15 (West) stockpile based on mine survey pick-ups from 1993. Original 1m samples from each hole were used in the Mineral Resource estimation. Statistical evaluation of the sample data revealed that top cutting of grades was unnecessary. Variography was not applied to the data. The block model size was 10mX, 10mY and 2mZ. Sub-blocking to 1mX, 1mY and 0.2mZ was applied for better volume representation. Grade interpolation was carried out using IDW^2 for the single domain using the uniquely coded 1m downhole data. Grade interpolation was completed in 2 runs using a flat lying circular search ellipse. The search radii were 40m and 80m respectively with 5m vertical extent for the first and second estimation runs. Minimum samples were 8 for the first run and 4 for the second. Grade estimation was into the parent blocks.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	The mineral resource estimate agrees with mine production data calculated during the mining period.
	The assumptions made regarding recovery of by-products.	Potential by-products are: - a pyrite rich concentrate which may be able to be sold to acid producers, and - a mercury (which occurs in the form of cinnabar) concentrate which may also be recoverable and saleable.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	No formal deleterious material assessment was made during the mineral resource estimation. 99 (out of 281) single metre samples were assayed for mercury with an average grade of 4.65g/t Hg being recorded.

Criteria	JORC-Code Explanation	Commentary
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	The block model was constructed using a 10m x 10m x 2mRL parent block size, with sub-celling to 1mE x 1mN x 0.2mRL for domain volume resolution. The parent cell size was chosen on the basis of the drill spacing and is approximately half the drill spacing. The sub-celling size was chosen to maintain the resolution at the edges of the tailings cells. The sub-cells were optimised in the models where possible to form larger cells. The first run used a search radius of 40m and included a minimum of 8 samples and a maximum of 20. A maximum of 4 samples per hole was applied, ensuring that samples from more than one hole were used in the estimation of a given block. A second run was applied using a search radius of 80m but with a reduced minimum sample count to ensure blocks un-estimated during the first run were filled.
	Any assumptions behind modelling of selective mining units.	No selective mining units were assumed in this estimate.
	Any assumptions about correlation between variables.	No strong correlations were found between the grade variables.
	Description of how the geological interpretation was used to control the resource estimates.	No geological interpretation is used to control the resource estimate in this instance due to the mined nature of the material being calculated.
	Discussion of basis for using or not using grade cutting or capping.	No grade cutting or top cuts were deemed necessary in this instance due to the mined nature of the material being calculated. Statistical evaluation of the composite data showed top cutting to be unnecessary.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Validation of the block model consisted of comparison of the block model volume to the wireframe volume. Grade estimates were validated by comparison of mean estimated grades with mean grades of the composite data. Visual validation was completed by comparing block model grades with composite grades in a section by section basis. No reconciliation data is available at this early stage of the project.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages are estimated on a dry basis.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	No Cut off grades were used in this mineral resource estimate.

Criteria	JORC-Code Explanation	Commentary
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	No formal study regarding mining methods has been conducted at this preliminary stage but it is reasonable to suggest that standard mining equipment i.e. excavator and trucks or large front end loaders could be used to free dig and transport stockpile material to the proposed processing plant.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	The M15 stockpiles are being considered for a treatment process using an initial gravity separation (after crushing and grinding) to create a saleable concentrate of copper, gold & silver. A second part of the process may involve leaching in leach tanks. The gravity separation process is intended to recover the "heavy" elements not amenable to the leaching process. These heavy elements may include coarse gold, native copper, coarse chalcocite, chalcopyrite and pyrite. The proposed leach process is intended to recover significant parts of the remaining copper. Copper, gold & silver from the M15 stockpile material has previously been recovered as a blend with higher grade material using the Horseshoe Lights flotation circuit during the mining period (1988-1994). Trials in the flotation circuit using isolated M15 material produced an estimated copper recovery of between 69-76% for oxide/sulphide and sulphide. No recovery data for gold or silver is recorded. In 1990 plant trials were apparently completed on M15 material using an enhanced controlled potential sulphidisation flotation circuit. This trial produced average copper recoveries of >80% for all material. Plant trials in 1994 using a conventional flotation circuit was not as successful with copper recoveries <50%. Several studies were conducted on the stockpiles and waste dumps during the post mining period including the M15 material. The studies included bacterial oxidation amenability testing, dump leaching using copper cementation and float tests.

Criteria	JORC-Code Explanation	Commentary
		A feasibility study by Electrometals Mining Limited in 1998 for Grange Resources NL included a summary of metallurgical testing of the M15 sub-grade stockpile and assumptions regarding copper recoveries from their own bottle roll and column leaching test work. The bottle roll tests suggest that >90% of contained copper may be acid leachable whilst the column leaching test suggested that >65% of contained copper could be recovered. The most recent study was completed by Promet Engineers Pty Ltd in April 2011 for the company. The study analysed a composite auger sample taken from the M15 (East) Stockpile in 2010. The results suggest that 73% of the contained copper is recoverable using sulphuric acid leach.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	No detailed assumptions regarding possible waste and process residue disposal options have been made at this stage. However, tailings produced from the M15 material processing will most likely be deposited into a new tailings cell, which, where possible, will be sited so as to create minimal environmental impact. Regardless of final location the intention is that the tailings produced from the M15 material processing will have a sustainable storage solution in the long term. No environmental factors or assumptions used to restrict or modify the resource estimation.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	No bulk test work has been completed by the company to date so applied bulk density values are based upon test work during the historical mining period.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	Historical mine records indicate that the applied SG was in the range of 1.8. The modelled domain tonnage for the surveyed volume agrees with the mine records estimate and confirms an SG of 1.8 which has been applied.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Calculated bulk density values applied to all material in the model.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	The Mineral Resource classification is based on the evidence from the RC drill sampling. This evidence is sufficient to imply the grade continuity. However, the historical nature of the drilling data only permits an inferred category at this stage.

Criteria	JORC-Code Explanation	Commentary
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The inferred classification has taken into account all sampling information, grid density and grade continuity. The classification level is considered appropriate for the current stage of this project.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	No audits of the Mineral Resource estimate have been undertaken at this time.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource to an Inferred classification as per the guidelines of the 2012 JORC Code. Mineral resource estimate technique deemed appropriate. Estimation result concurs with internal desktop studies.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The statement refers to global estimation of tonnes and grade.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The mineral resource estimate agrees with production data during the mining period.

ASX ANNOUNCEMENT 9 MARCH 2015

Competent Persons Statement

The information in the report to which this statement is attached that relates to the Mineral Resources of flotation tailings and surface stockpiles 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.

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, who is a member of the Australian Institute of Geoscientists. Mr Robert Spiers is an independent consultant to Horseshoe Metals Limited and a full time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd). The information was previously issued with the written consent of Mr Robert Spiers 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 Robert Spiers' 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.