

## ASX/MEDIA ANNOUNCEMENT

31 JULY 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: 169.7 Million

Share Price: \$0.022

Market Capitalisation:  
\$3.7 Million

Cash at Bank  
(30 June 2015)

\$0.01 Million



## HORSESHOE METALS LIMITED

### QUARTERLY REPORT PERIOD ENDED 30 JUNE 2015

### SUMMARY

#### Horseshoe Lights Copper-Gold Project

##### **- Drilling**

- Resource drilling commenced in May and is ongoing - 3,790m in 34 holes completed to date.
- Drilling designed to add copper tonnes and grade to existing Mineral Resource block model.
- Results will contribute to an updated Mineral Resource Estimate in H2, 2015.

##### **- Surface Material Re-Treatment (SMART) Project**

- Results of initial tailings gravity separation testwork highly positive – next phase initiated.

#### Kumarina Copper Project

- High resolution aeromagnetic survey completed over 215km<sup>2</sup> exploration licence E52/2930.

#### Corporate

- \$1.0 Million Loan and Convertible Note Agreement secured with director and major shareholder, Michael Fotios.

#### Upcoming Activity

- Further assay results from drilling at Horseshoe Lights Project.
- SMART Project update.
- Exploration drilling at the Saturn, Titan and Tethys Prospects.
- Mineral Resource Estimate update for Horseshoe Lights Project following the completion of latest resource drilling.

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## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### OVERVIEW

Horseshoe Metals Limited (ASX: HOR) ("Horseshoe" or "the Company"), through its wholly owned subsidiary, Murchison Copper Mines Pty Ltd, holds a 100% interest in the Horseshoe Lights and Kumarina Projects located in the Peak Hill Mineral Field, north of Meekatharra in Western Australia (see Figure 2). Appendix 1 contains the summary of mining tenement interests of the Company.

### EXPLORATION AND EVALUATION

**Horseshoe Lights Copper/Gold Project (HOR: 100%)** (GRR: 3% NSR Royalty – refer to Appendix 1)

The Horseshoe Lights Project covers an area of approximately 60 km<sup>2</sup> including the closed Horseshoe Lights copper-gold mine, which is located 75km west of Sandfire Resources NL's (ASX:SFR) DeGrussa copper-gold mine (see Figure 2).

#### Reverse Circulation (RC) Drilling

RC drilling commenced in early May 2015 and to date 3,790 metres of drilling in 34 holes has been completed (see Figure 1).

The current drilling programme aims to add copper tonnes and grade to the existing mineral resource block model with a particular focus on those areas within and adjacent to the optimised pit shell from the 2014 Scoping Study (refer to ASX announcement dated 19 December 2014), where drill hole density is low or largely based upon historical drill holes.

Copper mineralisation in the North-West Stringer Zone occurs in broad zones transitioning from shallow oxide mineralisation to sulphide mineralisation at depth. Four drill holes assayed to date (RC1103-1106) all intersected mineralisation, with the best intervals recorded in RC1104 being:

- **24 metres (34-58m) @ 1.2% Cu** including **1m (43-44m) @ 3.2% Cu;**
- **15 metres (86-101m) @ 1.6% Cu**, including **2m (89-91m) @ 8.2% Cu** and
- **12 metres (121-133m) @ 2.4% Cu**, including **3m (127-130m) @ 6.7% Cu and 0.3 g/t Au**

Further to the east in the Motters Zone fourteen drill holes (RC1010-RC1023) all intersected oxide copper mineralisation, often from surface, with the best interval recorded in RC1112:

- **37 metres (0-37m) @ 1.1% Cu**, including **10 metres (10-20m) @ 2.1% Cu.**

South of the Motters Zone five holes (RC1107-1108 & RC1124-1126) were drilled to test an interpreted footwall structure on the eastern side of the open pit. To date no significant copper mineralisation has been discovered east of this structure.

The highest grade interval was recorded in RC1108 (**10m @ 2.1% Cu** including **3m @ 4.5% Cu**) which is approximately 80 metres above a 2013 drill hole (RC1101) which recorded **32 metres @ 1.8% Cu** including **2m @ 5.5% Cu**. This mineralised structure remains open at depth below RC1101.

The full details of assay results from drill holes RC1103-1126 are shown in Table 1. (refer to ASX announcements dated 27 May 2015, 5 June 2015, 22 June 2015 and 27 July 2015 for further details).



QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

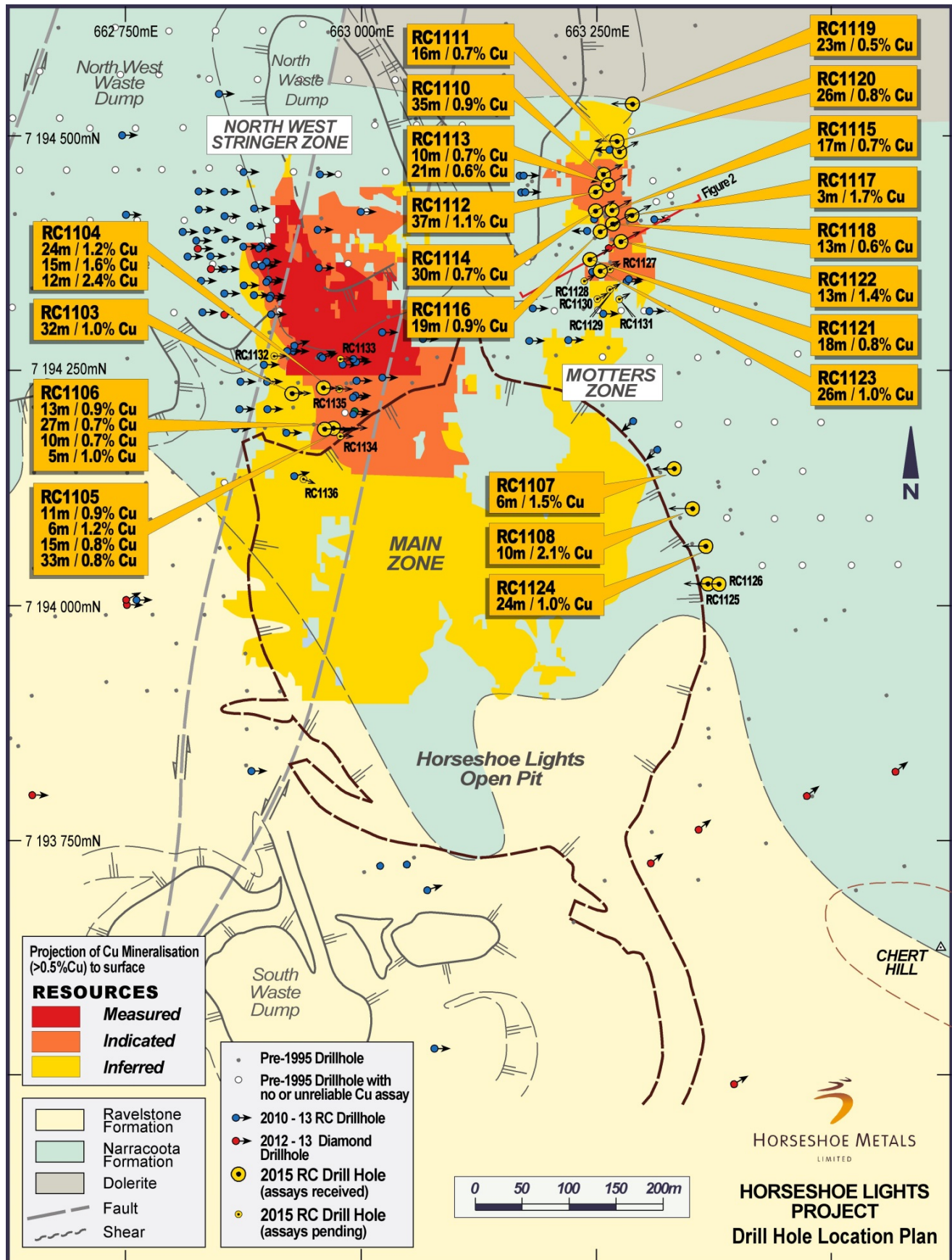


Figure 1 - Horseshoe Lights Project Drilling Results

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

The drilling results recorded to date provide greater certainty to the robustness of the existing mineral resource block model. Importantly, copper mineralisation outside the existing resource model has been intersected, highlighting further resource expansion potential when the mineral resource is re-estimated later this year to include these drilling results.

The Company is presently awaiting assay results on holes drilled at the Motters Zone (RC1127 – RC1131) and the North West Stringer Zone (RC1132 – RC1136).

### **Heritage Survey at Exploration Targets**

A heritage survey to clear drill sites at the nearby Saturn, Titan and Tethys Prospects (*refer to ASX announcement dated 12 December 2014*) was successfully completed in July 2015 ahead of an initial round of drilling at these high priority exploration target areas.

### **Surface Material Re-Treatment (SMART) Project**

The SMART project was initiated following an internal review of previously reported results from an auger drilling programme carried out on the copper and gold tailings at the Horseshoe Lights mine in 2010.

A selection of sample material from the auger drill programme was used in a series of laboratory gravity tests. The testwork had the sole objective of demonstrating whether it was possible to separate copper and gold concentrates by using gravity separation equipment. The amount of separation achieved was encouraging and warrants further testing.

Given the testwork results the SMART Project is progressing through the next phase. Investigations presently underway consist of:

- identifying process flow-sheet options ahead of follow-up sampling and testwork, and
- engaging with equipment suppliers to discuss equipment suitability.

Further information on the progress of the SMART Project will be announced as it becomes available.

### **Kumarina Copper Project (HOR: 100%)**

The Kumarina Project consists of two exploration licences and one mining lease covering approximately 433km<sup>2</sup>. The project is located 95km north of Sandfire Resources NL's DeGrussa copper-gold mine, in the Gascoyne region of Western Australia (see Figure 2).

### **Aeromagnetic Survey**

During the quarter, the Company completed a 215km<sup>2</sup> low level aeromagnetic survey over E52/2930. The survey was completed at 50 metre line spacings and now provides the Company with high resolution aeromagnetic information for the Company's entire tenement holding at Kumarina.

The Company expects the interpretive work on this new aeromagnetic data to be completed in the September quarter.

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### CORPORATE

Subsequent to the end of the quarter the Company announced that a \$1.0 Million Loan and Convertible Note Agreement had been signed with the Company's director and major shareholder, Michael Fotios (*refer to ASX announcement dated 27 July 2015*).

### SUMMARY

The June quarter has seen the successful completion of a round of gravity tests of tailings samples as part of the SMART Project, leading to the project advancing to the next phase. RC drilling which commenced at the Horseshoe Lights Mine in May 2015 is well advanced and will contribute to a more robust revised mineral resource estimate later this year. A heritage survey has cleared the way to access exploration targets for initial drilling.

### ENDS

**For further information please contact:**

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QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

**TABLE 1**  
**HORSESHOE LIGHTS PROJECT**  
**RC DRILLING PROGRAMME**  
**SIGNIFICANT COPPER INTERSECTIONS**  
(0.25% Cu cut-off)

Hole	Northing (m)	Easting (m)	Planned Azimuth (degrees)	Planned Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Cu % (average)	Au g/t (average)
RC1103	7194228	662928	90°	-60°	159	83	86	3	0.5	
						<b>90</b>	<b>122</b>	<b>32*</b>	<b>1.0</b>	
	<i>including</i>					<b>96</b>	<b>102</b>	<b>6</b>	<b>2.1</b>	
						136	137	1	0.8	
						143	144	1	0.5	
						148	154	6	0.5	
RC1104	7194234	662961	90°	-60°	165	8	16	8^	0.8	
						<b>34</b>	<b>58</b>	<b>24*</b>	<b>1.2</b>	
	<i>including</i>					<b>43</b>	<b>44</b>	<b>1</b>	<b>3.2</b>	
						75	77	2	1.2	
						81	84	3	0.9	
						<b>86</b>	<b>101</b>	<b>15*</b>	<b>1.6</b>	
	<i>including</i>					<b>89</b>	<b>91</b>	<b>2</b>	<b>8.2</b>	
						105	114	9	0.8	
						<b>121</b>	<b>133</b>	<b>12</b>	<b>2.4</b>	
	<i>including</i>					<b>127</b>	<b>130</b>	<b>3</b>	<b>6.7</b>	<b>0.3</b>
						134	138	4	0.5	
						<b>140</b>	<b>146</b>	<b>6</b>	<b>1.2</b>	
	<i>including</i>					<b>140</b>	<b>141</b>	<b>1</b>	<b>3.1</b>	
						148	151	3	0.4	
RC1105	7194191	662971	80°	-60°	165	6	8	2	0.3	
						<b>36</b>	<b>47</b>	<b>11<sup>#</sup></b>	<b>0.9</b>	
	<i>including</i>					<b>41</b>	<b>42</b>	<b>1</b>	<b>2.2</b>	
						<b>48</b>	<b>54</b>	<b>6</b>	<b>1.2</b>	
	<i>including</i>					<b>49</b>	<b>50</b>	<b>1</b>	<b>4.2</b>	
						<b>56</b>	<b>71</b>	<b>15*</b>	<b>0.8</b>	
						73	76	3	0.5	
						81	82	1	0.5	
						<b>86</b>	<b>119</b>	<b>33</b>	<b>0.8</b>	
	<i>including</i>					<b>91</b>	<b>94</b>	<b>3</b>	<b>2.3</b>	
						125	126	1	0.4	
						134	135	1	0.4	
						140	142	2	0.4	
						145	146	1	0.8	
						152	156	4*	0.7	
						159	163	4*	0.6	
RC1106	7194190	662962	90°	-65°	165	42	43	1	0.6	
						<b>50</b>	<b>63</b>	<b>13*</b>	<b>0.7</b>	
						65	66	1	0.3	
						<b>68</b>	<b>95</b>	<b>27<sup>@</sup></b>	<b>0.7</b>	
	<i>including</i>					<b>80</b>	<b>81</b>	<b>1</b>	<b>2.0</b>	
	<i>and</i>					<b>83</b>	<b>84</b>	<b>1</b>	<b>2.4</b>	
						97	98	1	0.3	
						101	102	1	0.8	
						<b>116</b>	<b>126</b>	<b>10<sup>#</sup></b>	<b>0.7</b>	
	<i>including</i>					<b>124</b>	<b>125</b>	<b>1</b>	<b>2.0</b>	



QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

**TABLE 1 (Continued)**  
**HORSESHOE LIGHTS PROJECT**  
**RC DRILLING PROGRAMME**  
**SIGNIFICANT COPPER INTERSECTIONS**  
(0.25% Cu cut-off)

Hole	Northing (m)	Easting (m)	Planned Azimuth (degrees)	Planned Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Cu % (average)	Au g/t (average)
RC1106 (Cont.)						132	135	3*	0.4	
						148	149	1	0.5	
						<b>154</b>	<b>159</b>	<b>5</b>	<b>1.0</b>	
<i>including</i>						<b>157</b>	<b>158</b>	<b>1</b>	<b>2.6</b>	
RC1107	7194148	663332	270°	-35°	129	56	60	4	0.4	
						70	72	2	0.9	
						<b>95</b>	<b>101</b>	<b>6</b>	<b>1.5</b>	
<i>including</i>						<b>96</b>	<b>99</b>	<b>3</b>	<b>2.4</b>	
						104	106	2	0.8	
						<b>109</b>	<b>121</b>	<b>12<sup>#</sup></b>	<b>0.6</b>	
						125	126	1	0.3	
RC1108	7194106	663351	270°	-40°	164	111	114	3*	0.4	
						117	121	4	0.4	
						<b>126</b>	<b>136</b>	<b>10</b>	<b>2.1</b>	
<i>including</i>						<b>126</b>	<b>129</b>	<b>3</b>	<b>4.5</b>	
RC1109	7193705	663870	60°	-50°	165	No Significant Results				
RC1110	7194459	663258	60°	-70°	41	<b>0</b>	<b>35</b>	<b>35</b>	<b>0.9</b>	
RC1111	7194482	663275	60°	-65°	23	<b>0</b>	<b>16</b>	<b>16*</b>	<b>0.7</b>	
RC1112	7194440	663249	60°	-60°	53	<b>0</b>	<b>37</b>	<b>37*</b>	<b>1.1</b>	
<i>including</i>						<b>10</b>	<b>20</b>	<b>10</b>	<b>2.1</b>	
						42	43	1	0.5	
						45	47	2	0.5	
RC1113	7194447	663263	60°	-55°	50	0	10	10	0.7	
<i>including</i>						<b>5</b>	<b>7</b>	<b>2</b>	<b>1.7</b>	
						13	34	21	0.6	
RC1114	7194418	663250	60°	-70°	71	15	45	30	0.7	
						63	65	2	0.5	
RC1115	7194424	663262	60°	-50°	71	<b>0</b>	<b>17</b>	<b>17<sup>#</sup></b>	<b>0.7</b>	
<i>including</i>						<b>5</b>	<b>6</b>	<b>1</b>	<b>2.3</b>	
<i>and</i>						<b>12</b>	<b>14</b>	<b>2</b>	<b>1.3</b>	
						40	44	4	0.4	
RC1116	7194398	663255	60°	-60°	86	<b>21</b>	<b>40</b>	<b>19*</b>	<b>0.9</b>	
<i>including</i>						<b>32</b>	<b>34</b>	<b>2</b>	<b>3.4</b>	
						49	53	4	0.5	
						56	57	1	0.7	
RC1117	7194415	663289	60°	-60°	72	1	4	3	0.3	
						<b>11</b>	<b>12</b>	<b>1</b>	<b>2.8</b>	<b>0.2</b>
						<b>14</b>	<b>17</b>	<b>3</b>	<b>1.7</b>	
<i>including</i>						<b>14</b>	<b>15</b>	<b>1</b>	<b>4.4</b>	<b>0.2</b>
RC1118	7194405	663268	60°	-60°	78	8	12	4	1.4	
<i>including</i>						<b>10</b>	<b>11</b>	<b>1</b>	<b>3.4</b>	
						15	20	5	0.8	
<i>including</i>						<b>16</b>	<b>17</b>	<b>1</b>	<b>2.0</b>	
						22	23	1	0.3	
						<b>32</b>	<b>45</b>	<b>13</b>	<b>0.6</b>	
RC1119	7194398	663255	270°	-15°	36	4	27	23	0.5	

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

**TABLE 1 (Continued)**  
**HORSESHOE LIGHTS PROJECT**  
**RC DRILLING PROGRAMME**  
**SIGNIFICANT COPPER INTERSECTIONS**  
(0.25% Cu cut-off)

Hole	Northing (m)	Easting (m)	Planned Azimuth (degrees)	Planned Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Cu % (average)	Au g/t (average)
RC1120	7194491	663273	270°	-50°	30	0	26	26	0.8	
	<i>including</i>					0	2	2	1.4	
	<i>and</i>					13	22	9	1.2	
RC1121	7194367	663244	60°	-60°	105	24	25	1	0.6	
						28	34	6	0.5	
	<i>including</i>					29	30	1	1.2	
						39	49	10*	0.4	
						51	69	18*	0.8	
	<i>including</i>					62	64	2	3.1	0.1
						86	92	6	0.7	
	<i>including</i>					88	89	1	1.4	0.1
						100	102	2	0.5	
RC1122	7194387	663277	60°	-60°	93	14	27	13	1.4	
	<i>including</i>					15	19	4	2.8	0.1
						31	58	27 <sup>+</sup>	0.5	
	<i>including</i>					34	35	1	2.1	
RC1123	7194355	663255	60°	-60°	117	29	30	1	0.7	
						32	34	2	0.4	
						35	36	1	0.4	
						37	63	26*	1.0	
	<i>including</i>					50	52	2	6.1	
RC1124	7194068	663371	270°	-35°	168	136	160	24*	1.0	
	<i>including</i>					149	151	2	2.4	
						162	166	4	0.4	
RC1125	7194031	663379	270°	-35°	99	No Significant Results				
RC1126	7194029	663380	270°	-40°	170	No Significant Results				

Notes: \* includes 1 x 1m interval grading <0.25% Cu  
# includes 2 x 1m interval grading <0.25% Cu  
@ includes 3 x 1m interval grading <0.25% Cu  
+ includes 4 x 1m interval grading <0.25% Cu  
^ includes 1m interval missing (no sample recovered)

Insufficient information available to determine true width.



## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### 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 Australia. The Company's projects are the Horseshoe Lights Project and the Kumarina 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 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.

Table 2 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 31 December 2014.

<b>TABLE 2</b> <b>HORSESHOE LIGHTS PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>AS AT 31 DECEMBER 2014</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".

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### About the Kumarina Project

The copper deposits at the Kumarina Project were discovered in 1913 and worked intermittently until 1973. The workings extend over nearly 5km as a series of pits, shafts and shallow open cuts. At the main Kumarina Copper Mine, the workings are entirely underground with drives from the main shaft extending for some 200m in the upper levels and for about 100m in the lower levels at a depth of 49m below surface.

Incomplete records post-1960s make it difficult to estimate the total copper production from the workings. However, indications are that the Kumarina Copper mine was the second largest producer in the Bangemall Basin group of copper mines. Recorded production to the late 1960s is 481t of copper ore at a high-grade of 37.0% Cu and 2,340t at a grade of 17.51% Cu.

An initial Mineral Resource Estimate for the Rinaldi deposit was completed by the Company in 2013 (*see 30 June 2013 Quarterly Report announced on 31 July 2013*).

The total Measured, Indicated and Inferred Mineral Resource Estimate as at 31 December 2014 is shown in Table 3 below.

<b>TABLE 3</b> <b>KUMARINA PROJECT</b> <b>SUMMARY OF MINERAL RESOURCES</b> <b>AS AT 31 DECEMBER 2014</b>				
Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
<b>Rinaldi Prospect</b> (0.5% Cu cut-off)	<i>Measured</i>	<i>415,000</i>	<i>1.46</i>	<i>6,100</i>
	<i>Indicated</i>	<i>307,000</i>	<i>1.16</i>	<i>3,500</i>
	<i>Inferred</i>	<i>114,000</i>	<i>0.9</i>	<i>1,000</i>
	<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"

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

<b>APPENDIX 1</b> <b>Summary of Mining Tenement Interests</b> <b>as at 30 June 2015</b>					
Location	Tenement	Interest At Beginning Of Quarter (%)	Interests relinquished, reduced or lapsed (%)	Interests acquired or increased (%)	Interest At End Of Quarter (%)
Horseshoe Lights	M52/743	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	P52/1203	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	P52/1204	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	P52/1205	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	P52/1206	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	P52/1207	100%	-	-	100%
Horseshoe Lights	P52/1208	100%	-	-	100%
Horseshoe Lights	P52/1209	100%	-	-	100%
Horseshoe Lights	P52/1210	100%	-	-	100%
Horseshoe Lights	P52/1211	100%	-	-	100%
Horseshoe Lights	E52/2042	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	L52/42	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	L52/43	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	L52/44	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	L52/45	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	L52/66	100% <sup>1</sup>	-	-	100% <sup>1</sup>
Horseshoe Lights	E52/2569	0% <sup>2</sup>	-	-	0% <sup>2</sup>
Horseshoe Lights	M52/600	0% <sup>3</sup>	-	-	0% <sup>3</sup>
Kumarina	M52/27	100%	-	-	100%
Kumarina	E52/1998	100%	-	-	100%
Kumarina	E52/2930	100%	-	-	100%

Notes:

1. Horseshoe Gold Mine Pty Ltd (a wholly owned subsidiary of Grange Resources Limited) retains a 3% net smelter return royalty in respect to all production derived from some of the Horseshoe Lights tenements being M52/743, P52/1203 – 1206, E52/2042 (portion only) L52/42 – 45 and L52/66.
2. Horseshoe Metals Limited has a two year option-to-purchase agreement with Elysium Resources Limited in respect to E52/2569.
3. Horseshoe Metals Limited has entered into a two year option-to-purchase agreement with private interests in respect to M52/600.



QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

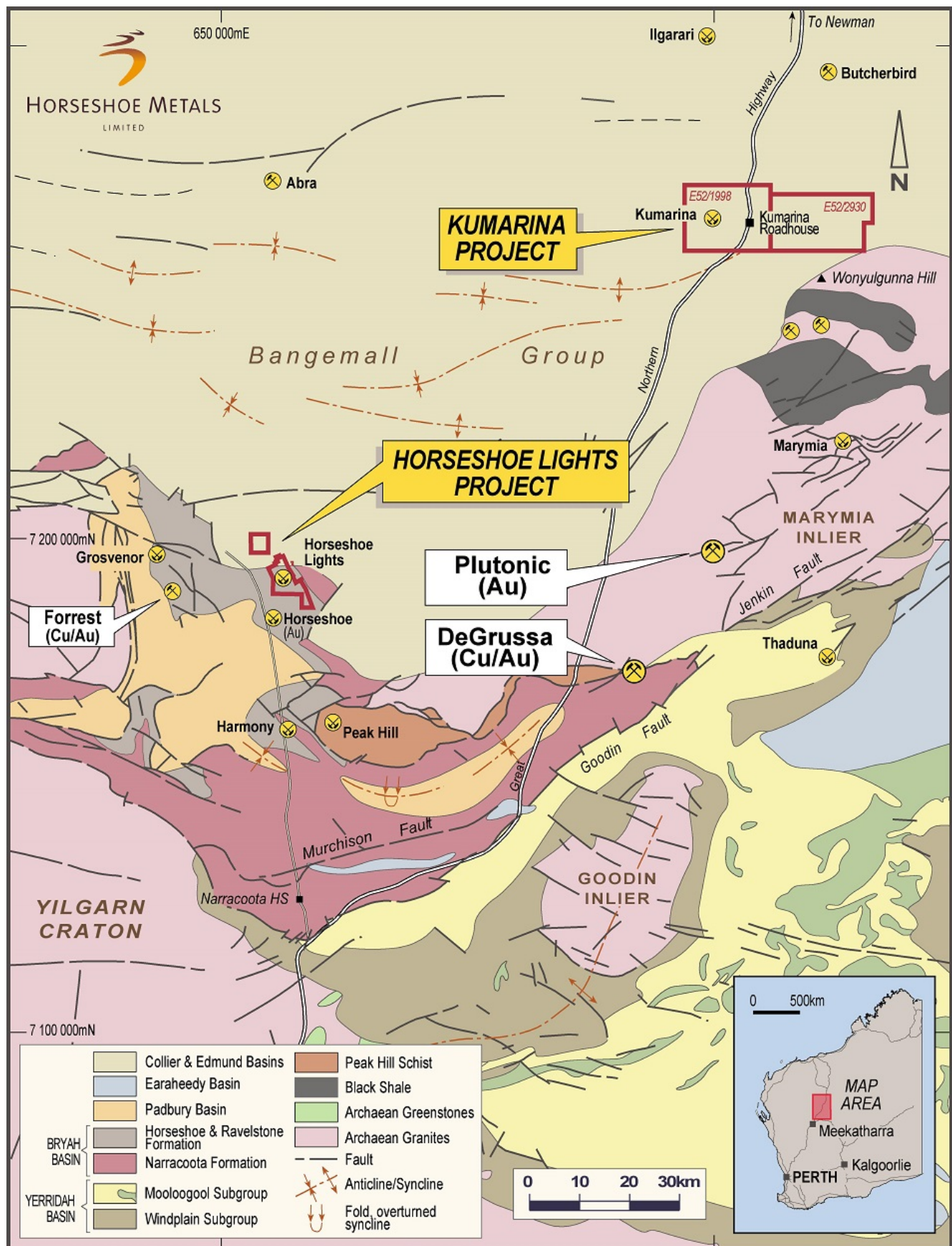


Figure 2 - Projects Location Plan

## QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### 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.

The information in this report that relates to the Horseshoe Lights Project flotation tailings and surface stockpiles Mineral Resources 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. The information was previously issued with the written consent of Mr Geoff Willetts in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that:

- (a) the form and context in which Mr Geoff Willetts' 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 26 February 2015 and 9 March 2015 ASX announcements and that all the material assumptions and technical parameters underpinning the estimates in the 26 February 2015 and 9 March 2015 ASX announcements 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.