



HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

11 APRIL 2013

ASX Code:

HOR

Management

Mr Jeremy Shervington

Non-Executive Chairman

Mr Neil Marston

Managing Director

Mr Michael Fotios

Non-Executive Director

Mr Stuart Hall

Non-Executive Director

Mr Damian Delaney

Company Secretary

Issued Capital

Shares: 75.9 Million

Options: 22.0 Million

**Share Price:
\$0.16**

**Market Capitalisation:
\$12.1 Million**

**Cash at Bank
(31 March 2013)**

\$0.6 Million

DEEP DIAMOND DRILLING COMMENCES AT HORSESHOE LIGHTS

Horseshoe Metals Limited (ASX:HOR) (“Horseshoe” or “the Company”) is pleased to advise that diamond drilling has commenced on its 100% owned Horseshoe Lights Copper/Gold Project (“Horseshoe Lights Project”), located in the Peak Hill Mineral Field of Western Australia (see Figure 1).

This drilling programme will:

1. test for high grade copper/gold zones down dip of the Main Zone beneath the existing open pit; and
2. test a high priority volcanogenic-hosted massive sulphide (VHMS) exploration target located SE of the existing open pit.

Two diamond drill holes will be drilled to test for high grade copper/gold in a target zone down dip of the Main Zone, and will be collared on the west side of the existing open pit (*see 5 April 2013 ASX announcement*).

These two drill holes are testing a zone approximately 100m down dip of historical copper intersections. As such they have the potential to significantly increase the Company’s copper inventory and to greatly enhance our understanding of the deposit at depth.

The high priority VHMS target beneath Chert Hill will be tested, initially with one 500 metre diamond drill hole (*see 5 April 2013 ASX announcement*).

The Company intends to prepare each diamond drill hole to allow follow-up Down Hole Electromagnetic (DHEM) surveys to be undertaken.

The Company is pleased to have commenced drilling these high priority exploration targets at the Horseshoe Lights Project and anticipates releasing a steady flow of announcements over the coming weeks as this drilling programme progresses.

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 300km² 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.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the old open pit of the Horseshoe Lights copper-gold mine which operated intermittently between 1946 and 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 25 -30% copper. The Horseshoe Lights ore body is interpreted as a deformed VHMS 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 Cu-Au 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. Previous operators of the mine drilled approximately 800 RC and 70 diamond drill-holes, many of which do not exceed 100m in depth and, in the case of some of the sterilisation holes drilled in the 1980's, did not assay for copper.

Prior to the commencement of drilling by Horseshoe in 2010, the project had no exploration since the 1990's and Horseshoe believes that systematic drilling, combined with the application of modern geophysical methods, can upgrade the known resources and may lead to new discoveries in the mine area.

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 3km 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.

Competent Persons Statement

The information in the report to which this statement is attached that relates to Exploration Results is based on information compiled by Mr Geoff Willetts, BSc. (Hons) MSc. who is a Member of the Australian Institute of Geoscientists. Geoff Willetts is employed full-time 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 2004 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.



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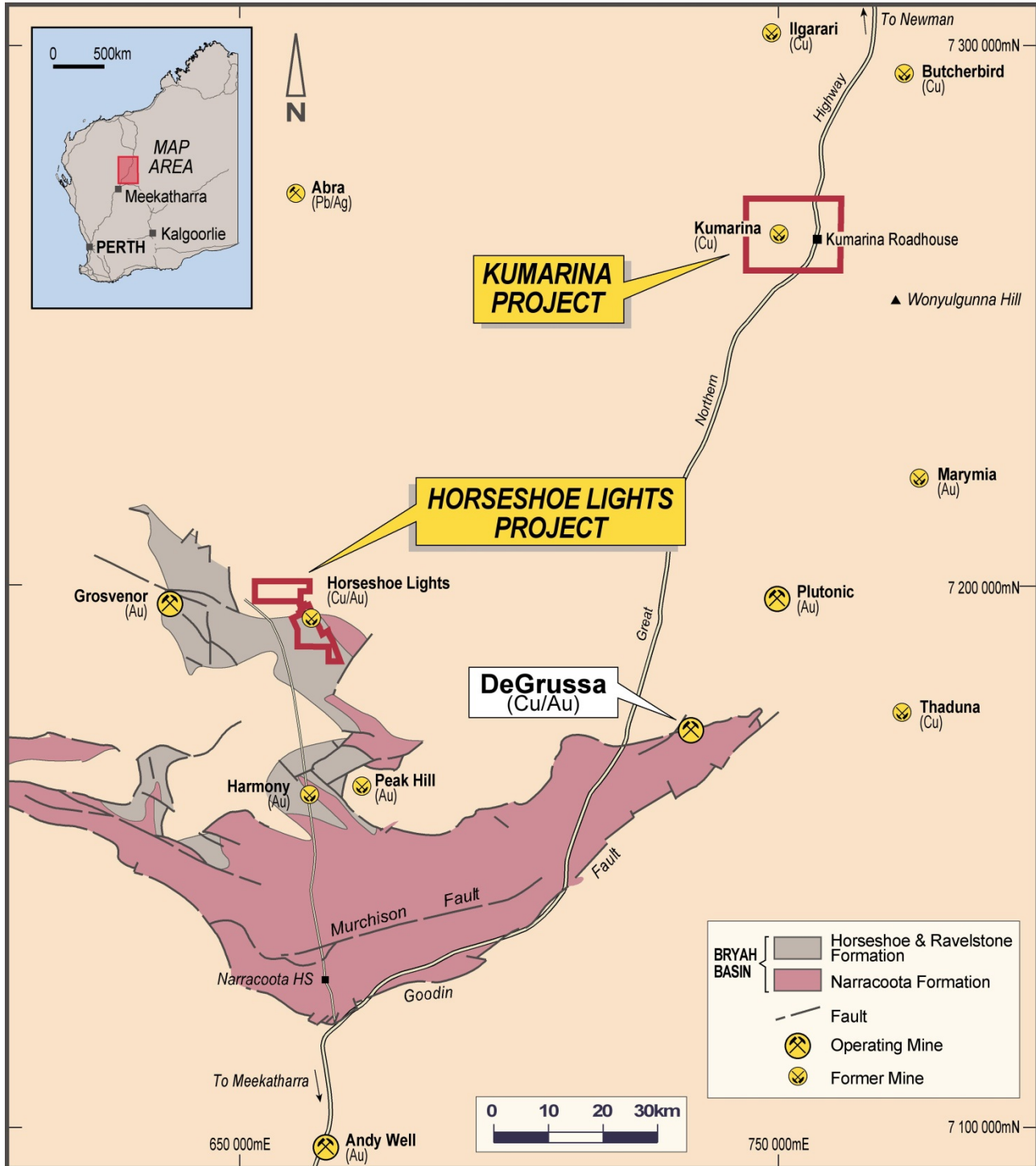


Figure 1 - Projects Location Plan