



**HORSESHOE
METALS
LIMITED**

ASX ANNOUNCEMENT

6th August 2021

Horseshoe Lights Exploration Activities Update

- **Auger Drilling of historic Gold Vat Leach material at underway**
- **First 60 holes of Auger programme completed**
- **300 samples delivered to laboratory for gold analysis**
- **Initial results from these holes expected mid-August**
- **RC Drilling to commence at Horseshoe mid-August**

Horseshoe Metals Limited (ASX: HOR) (Company) is pleased to announce an exploration update in relation to exploration activities at its Horseshoe Lights project in the Bryah Basin, Western Australia (Figure 1).

Horseshoe Lights Copper-Gold Project, WA

The Company has recently commenced exploration activities at Horseshoe Lights with a programme of shallow augering to assess the gold and copper grades of various surface stockpile materials left over from historic episodes of gold and copper mining activities.

This includes previously unassessed vat leach gold-bearing material from early 1980's open pit mining activities prior to Barrack Mines gold production via open pit and CIP processing during the 1980's. The material used to construct the walls of the vats, gold tailings and copper flotation dams will also be auger sampled.

Part of the larger gold vat leach section has anecdotally been excavated and filled with the initial production of copper flotation tailings, which is the same material forming the flotation tailings resource (refer Table 1). This initial volume has not been assessed, nor the potential for gold-bearing material remaining underneath the copper flotation tailings.

The eastern series of gold leach vats consists of three large lined ponds, with surface material demarcating four individual cells per pond. The Company has commenced activities in this area, drilling five holes per cell, to establish remnant gold concentrations and to assist in determining the geometry and volume of material above the liner (refer Figure 2). Depths of holes encountered in the centre of the ponds typically range from 4m to 5m.

Liner material, interpreted to be the base of the vats, was noted in 58 of 60 holes completed, allowing relatively accurate determination of depth of the remnant gold-bearing material. Gravelly material was typically encountered in the last 0.5-1m of the vats drilled, typical of the construction of such ponds at the time, allowing fluid flow and recovery of pregnant liquor.

Where possible, up to 1m of sub-drill was entertained to assess possible gold grades of the constructing material, which generally only occurred on the western side of the eastern vats, which are built up against larger, deeper cells.

BOARD OF DIRECTORS

Mr Craig Hall
Non-Executive Director

Mr Alan Still
Non-Executive Director

Ms Kate Stoney
*Non-Executive Director,
Company Secretary*

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Three hundred samples from this initial exercise have been collected and transported to Perth for analysis for gold by fire assay, and the Company has an understanding with the laboratory to expediate these and additional samples from this programme. The Company expects to release results from this initial work by mid-August.

The Company is also planning to commence Phase 1 RC Drilling at Motters, north of the current pit, in mid-August, working with a drilling contractor currently completing programmes for other clients nearby in the Murchison. An initially proposed RC programme has been modified slightly to improve drill site access, and more accurately test copper mineralisation after further assessment of the zones being targeted.

Background

As background, the ASX has outlined certain conditions to be met by the Company prior to reinstatement to official quotation, subject to compliance by 17 May 2021 with those conditions' precedent, as set out in the Company's release dated 10th March 2021.

In part, the ASX required the Company satisfy the requirements of Listing Rule 12.1 by:

- a) completion of its Phase 1 exploration program comprising surface sampling, auger/air core drilling, RC drilling, camp refurbishment and geological mapping at the Horseshoe Lights Project, and geological mapping & geochemistry and RC drilling at the Glenloth Project; and
- b) announcement of the results of the Phase 1 exploration program and confirmation it is proceeding with Phase 2.

While the Company was very active in achieving outcomes within the timeframe available, the Company is requesting an extension to the date of the 17th May 2021 as certain outcomes could not be achieved due to procedural requirements with various stakeholders and government departments.

The Company will update shareholders on the revised expected reinstatement to quotation date as soon as it has confirmation.

The Board of Directors of HOR has authorised this announcement to be given to the ASX.

Enquiries

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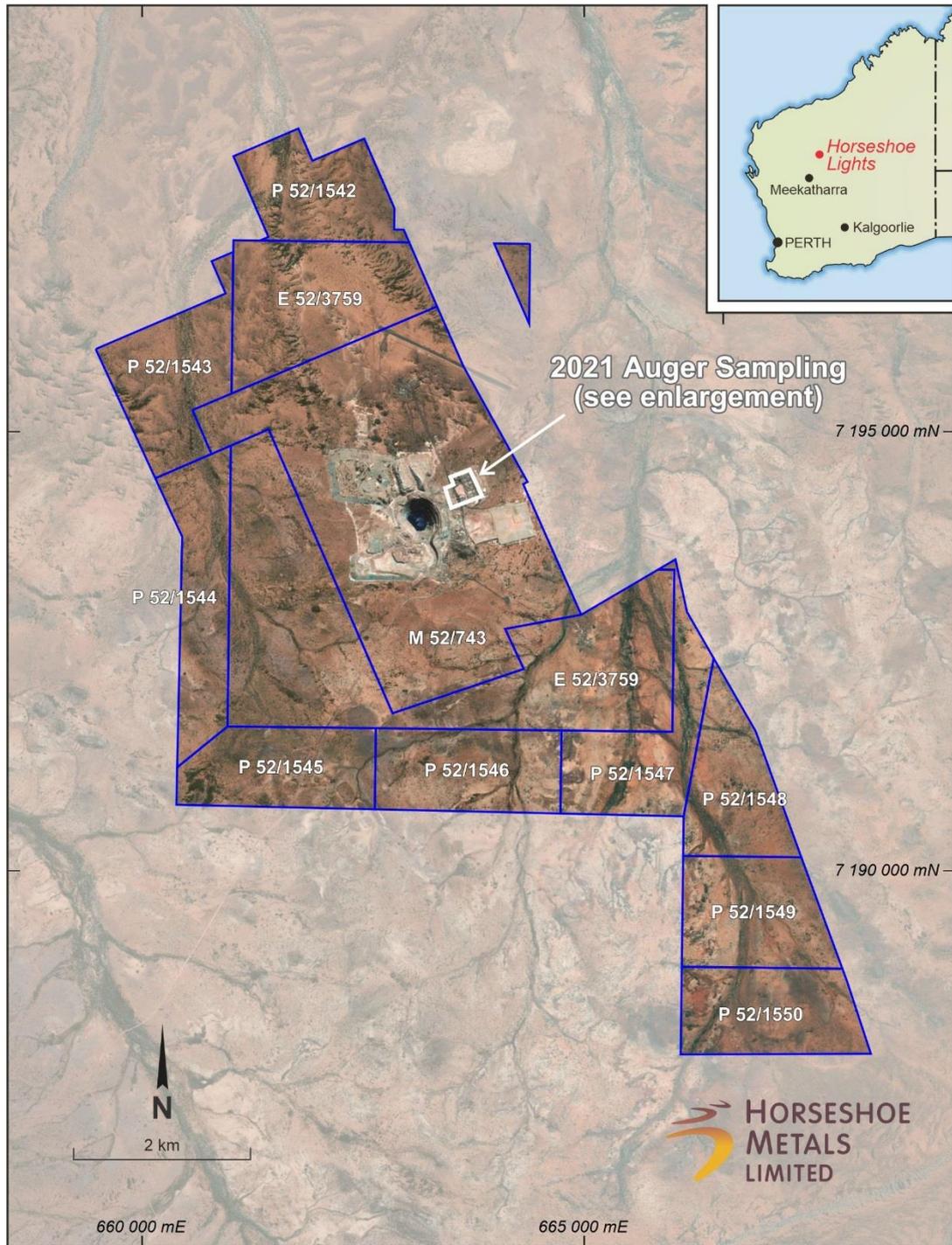


Figure 1: Horseshoe Lights Project tenure and location, with Figure 2 inset. Tenements E52/3759, P52-1442-50, and part of M52/743 are subject to a farm-in agreement with Kopore Metals Limited (refer ASX release 28th January 2021 –“Horseshoe West Copper/Gold Farm-in and JV Agreement”)

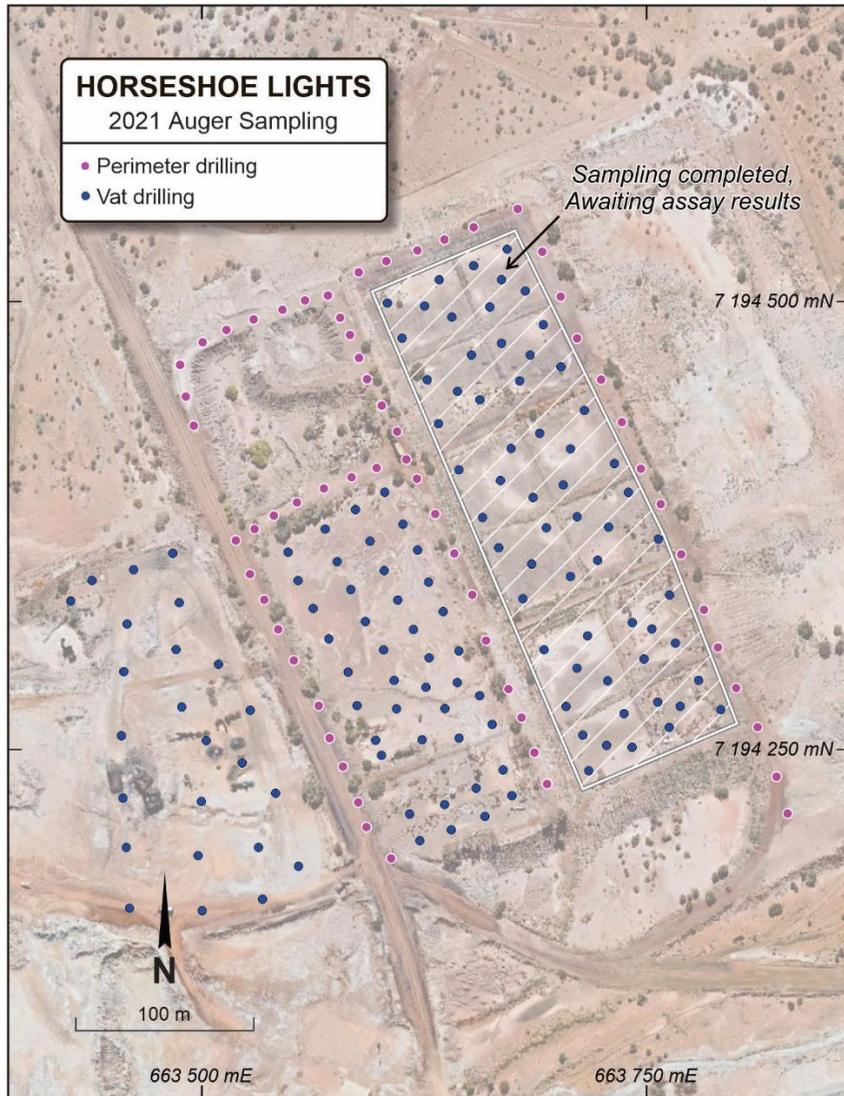


Figure 2: Location of Gold Vat Leach Auger drilling, with drilling of internal vat material denoted by blue collars, and surrounding perimeter construction material in magenta. Left image shows aerial photography, right image highlights the relief of the same area via high quality DTM. The white hatched area denotes work completed and awaiting assay results.



Figure 3: Auger drilling in progress on original Horseshoe Lights gold vat

About Horseshoe Metals Limited

Horseshoe Metals Limited (ASX:HOR) is a copper and gold-focused Company with a package of tenements covering approximately 500km² in the highly prospective Peak Hill Mineral Field, located north of Meekatharra in Western Australian and mineral interests in South Australia. The Company manages the Horseshoe Lights Project and the Kumarina Project in Western Australia, and the Glenloth Gold Project in South Australia.

About the Horseshoe Lights Project

The Horseshoe Lights Project includes the historic 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.

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 1 below summarises the total Mineral Resources for the Horseshoe Lights Project as at 30 June 2021.

TABLE 1
HORSESHOE LIGHTS PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 June 2021

Location	Category	Tonnes (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (tonnes)	Au metal (oz)	Ag metal (k oz)	
In-situ Deposit (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	
	Total	12.85	1.00	0.1	1.9	128,600	36,000	793.4	
Flotation Tailings	Inferred	1.421	0.48	0.34	6.5	6,800	15,300	294.8	
M15 Stockpiles	Inferred	0.243	1.10	0.17	4.7	2,650	1,300	36.7	
Note: At 0% Cu cut-off grade unless otherwise stated						TOTAL	138,050	52,600	1,124.9

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".

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 30 June 2021 is shown in Table 2 below.

TABLE 2
KUMARINA PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 30 June 2021

Location	Category	Tonnes (t)	Cu (%)	Cu metal (tonnes)
Rinaldi Prospect (0.5% Cu cut-off)	<i>Measured</i>	415,000	1.46	6,100
	<i>Indicated</i>	307,000	1.16	3,500
	<i>Inferred</i>	114,000	0.9	1,000
	Total	835,000	1.3	10,600

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"

Forward Looking Statements

Horseshoe Metals Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Horseshoe Metals Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward-looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Competent Persons Statement

The information in this report that relates to the Exploration Results and Mineral Resources at the Horseshoe Lights and Kumarina Projects is based on information reviewed by Mr Craig Hall, who is a member of the Australian Institute of Geoscientists. Mr Hall is a contractor to Horseshoe Metals Limited and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. Mr Hall consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to the Horseshoe Lights Project In-situ Mineral Resources is based on information originally compiled by Mr Dmitry Pertel, an employee of CSA Global Pty Ltd, and reviewed by Mr Hall. This information was originally issued in the Company's ASX announcement "40% increase in Copper Resource at Horseshoe Lights Copper/Gold Project", released to the ASX on 5 June 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

The information in this report that relates to the Horseshoe Lights Project surface stockpile Mineral Resources is based on information compiled by a previous employee of Horseshoe Metals Limited, and reviewed by Mr Hall. The information was previously issued in announcements released to the ASX on 26 February 2015 and 9 March 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.

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, an independent consultant to Horseshoe Metals Limited and a then full-time employee and Director of H&S Consultants Pty Ltd (formerly Hellman & Schofield Pty Ltd), and reviewed by Mr Hall. The information was originally issued in the Company's ASX announcement "Horseshoe releases Maiden Mineral Resource Estimate for Kumarina", released to the ASX on 4 March 2013, and first disclosed under the JORC Code 2004. This information was subsequently disclosed under the JORC Code 2012 in the Company's ASX release "Quarterly Report Period Ended 30 June 2013", released on 31 July 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the findings are presented have not materially modified from the original market announcements.