



HORSESHOE METALS
LIMITED

ASX/MEDIA ANNOUNCEMENT

22 SEPTEMBER 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: \$0.027

Market Capitalisation:
\$4.6 Million

HORSESHOE METALS TO RAISE UP TO \$1.45M

- Horseshoe Metals have launched a Capital Raise to raise up to \$1.45 Million.
- Capital Raise will include:
 - Placement to raise up to \$500,000 via the issue of up to 20M shares @ 2.5c per share plus up to 20m free attaching unlisted options.
 - 1 for 5 Non-Renounceable Rights Issue to existing shareholders on same terms as Placement to raise up to \$948,000.
- The free unlisted options will be split into 2 tranches. For every 2 new shares issued, holders to receive:
 - 1 unlisted option exercisable at 3.5c, expiring 30 April 2016, and
 - 1 unlisted option exercisable at 4.5c, expiring 30 September 2016.
- Conversion of options has potential to provide the Company an additional \$2.31 Million in funds.
- Funds raised to be used in ongoing exploration and development at the Company's Horseshoe Lights Project and for working capital purposes.

Horseshoe Metals Ltd (ASX:HOR) ("Horseshoe" or "the Company") is pleased to announce a Capital Raise to raise up to \$1.45 million, to fund ongoing exploration and development at its 100% owned Horseshoe Lights Copper-Gold Project ("Horseshoe Lights Project") in the Gascoyne region of Western Australia.

The Capital Raise will be undertaken in two components, as follows:

**ASX ANNOUNCEMENT 22 SEPTEMBER 2015****1. Placement to raise up to \$500,000**

Details of the Placement are:

- Up to 20,000,000 new ordinary shares plus up to 20,000,000 free unlisted options, in two tranches, are to be placed with a number of new and existing sophisticated investors at an issue price of 2.5 cents per share, raising up to \$500,000, before expenses.
- The two tranches of free, unlisted options consist of:
 - Up to 10,000,000 options, exercisable at 3.5 cents, expiring 30 April 2016, and
 - Up to 10,000,000 options, exercisable at 4.5 cents, expiring 30 September 2016.

2. Non-renounceable Rights Issue to raise up to \$948,000

Details of the rights issue are:

- One (1) new ordinary fully paid share (“New Share”) for every five (5) shares held at the Record Date, at an issue price of 2.5 cents per New Share.
- For every two (2) New Shares issued, shareholders will receive the following options (“New Options”):
 - one (1) free unlisted option, exercisable at 3.5 cents, expiring 30 April 2016, and
 - one (1) free unlisted option, exercisable at 4.5 cents, expiring 30 September 2016.
- Approximately 37,950,440 New Shares and 37,950,440 New Options may be issued, raising up to \$948,000 million before expenses.
- The New Shares will rank pari passu with the existing issued shares of the Company.
- The issue is to be partially underwritten to the sum of \$300,000 by Mr Michael Fotios, a Director of the Company.

The Rights Issue timetable will be disclosed in the coming days when the Offer Document and associated documentation is released to the market.

Changes in Capital Structure

A summary of the Company’s Capital Structure following the capital raising (assuming full take up of the Placement and Rights Issue) is set out below:

Shares on Issue:	169,752,190
Placement Shares:	20,000,000
Sub-total (Post Placement):	189,752,190
Rights Issue (1 for 5) New Shares:	37,950,440
Total (Post Rights Issue):	227,702,630
New Options:	28,975,220 (3.5c/30 Apr 16) 28,975,220 (4.5c/30 Sep 16)



ASX ANNOUNCEMENT 22 SEPTEMBER 2015

Use of Funds

The funds raised via the Placement and Rights Issue will be used to fund on-going activities at the Company's Horseshoe Lights Project. This will include a Scoping Study for the project's Oxide Copper Project, additional resource and exploration drilling and for working capital purposes.

100% conversion of the New Options has the potential to inject up to a further \$2.31 Million into the Company as follows:

- 3.5 cent options, 30 April 2016: \$1.01 Million raised
- 4.5 cent options, 30 September 2016: \$1.30 Million raised

ENDS

For further information please contact:

Neil Marston

Managing Director

Horseshoe Metals Limited

T: +61 8 6241 1844

M: +61 427 188 768

E: nam@horseshoemetals.com.au

James Moses

Media and Investor Relations

Mandate Corporate

M: +61 420 991 574

T: +61 2 8211 0612

E: james@mandatecorporate.com.au

About Horseshoe Metals Limited

Horseshoe Metals Limited 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 Australia. (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.

Table 1 below summarises the total Mineral Resources for the project as at 31 December 2014.



ASX ANNOUNCEMENT 22 SEPTEMBER 2015

TABLE 1
HORSESHOE LIGHTS PROJECT
SUMMARY OF MINERAL RESOURCES
AS AT 31 DECEMBER 2014

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

Competent Persons Statement

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. 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. Mr. Pertel is an employee of CSA Global Pty Ltd at the time. 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. 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. Geoff Willetts was an employee of Horseshoe Metals Limited at the time. 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.



ASX ANNOUNCEMENT 22 SEPTEMBER 2015

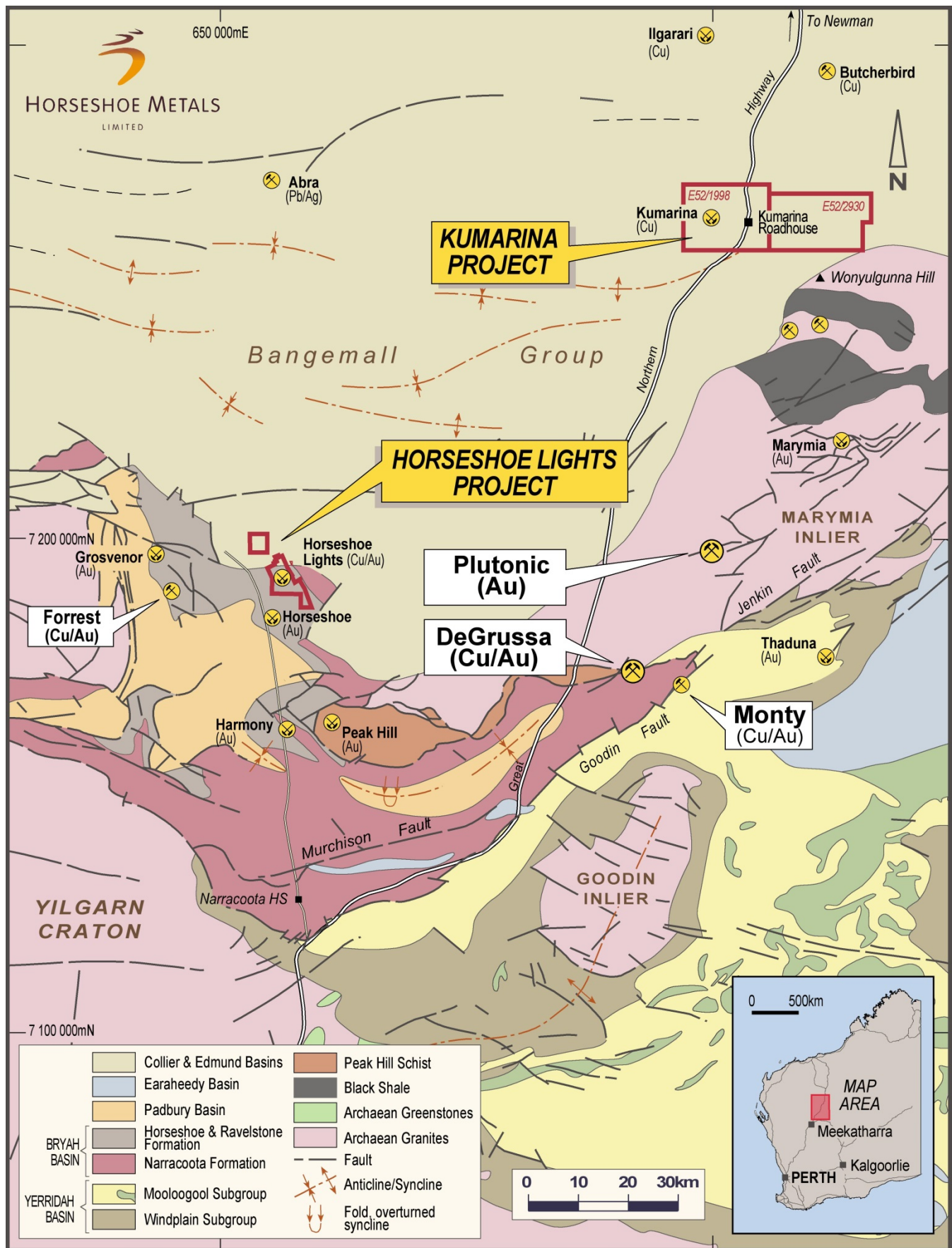


Figure 1 - Projects Location Plan