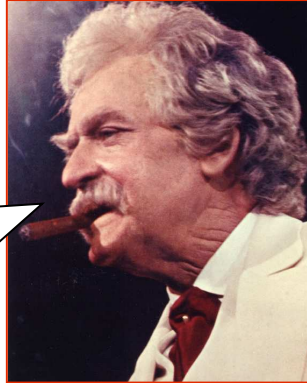


# Horseshoe Metals blazes rediscovery trail

August, 2013

**To paraphrase the great American writer Mark Twain,**

‘the reports of the demise of the Australian junior exploration sector have been greatly overstated’



**There may be some substance to the tales of woe and misfortune perpetuated by the mainstream media in order to sell tomorrow's fish and chip wrappers, however, there are also plenty of good companies going around with equally good stories to tell.**

Perth-based copper-focused Horseshoe Metals (ASX: HOR) announced Resource statements on its two Western Australian projects earlier this year.

The Horseshoe Lights copper-gold project is located 75 kilometres from Sandfire Resources' (ASX: SFR) DeGrussa copper-gold mine, while the Kumarina copper project lies in the Peak Hill Mineral Field.

The maiden Mineral Resource estimation for the Kumarina project was completed on the Rinaldi prospect and came in at 835,000 tonnes at 1.3 per cent copper for 10,600 tonnes of contained copper, using a cut-off grade of 0.5 per cent copper.

The new total Measured, Indicated and Inferred Mineral Resource estimation for Horseshoe Lights is 12.85 million tonnes at 1 per cent copper and 0.1 grams per tonne gold for 128,600 tonnes of copper and 36,000 ounces of gold using a cut-off grade of 0.5 per cent copper.

This delivered a 40 per cent increase in copper metal content over the company's 2011 Mineral Resource estimation.

Importantly, more than 30 per cent of the new Horseshoe Lights Resource estimate is now in the Measured and Indicated categories.

Combining the two Mineral Resources gives the company an overall copper metal inventory of 148,000 tonnes copper.

“Horseshoe Lights surprised us as the Resource estimate came out higher than what we were expecting, which is good because we always try to temper our expectations, so when the numbers came out we were very pleased,” Horseshoe Metals managing director Neil Marston told *The Resources Roadhouse*.

“It is shaping up really well and there are some obvious targets emerging for us to drill test in the next phase.”



It has carried out limited drilling on the southeast shear zone, which has yet to encounter mineralisation; however Marston said that was mainly due to the fact it has yet to be fully tested.

“We do want to conduct additional exploration there as we have had some interesting indications in that area,” Marston said.

“The geology looks right but has never been drill tested. Our geophysics in that area also shows it to be very interesting and worth a good look.”

Horseshoe Metals aim for the project is to bring it to development and although it is yet to conduct a mining study the company has been encouraged by the results of the recent Resource Estimate.

“We expect we need to add a few more tonnes to the model to make it fly,” Marston explained.

“Where we hope to achieve those tonnes is from an area that has never been adequately drill tested, which is most likely due to its location in the footwall.

“That is on the east side of the pit, where we haven’t done any drilling at all.”

Limited historic drilling carried out into the footwall zone during the 90s, when the mine was still operating, hit mineralisation on the east side of the pit, at depth.

“The mineralisation daylights on the east wall and channel sampling conducted back then achieved results showing four per cent copper,” Marston said.

“We want to get in there with a specialised drill rig as it is an area we consider could quickly add tonnes and provide more clarity as to what we have there.”

Even during the heady days of the boom, when companies would run out and drill based primarily on a hunch, Horseshoe Metals was far more circumspect on how and where it spent its exploration dollars.

Different times call for different strategies and provide different opportunities and in the past 12 months, apart from the drilling it has completed, Horseshoe has also entered every piece of historical information it could find into a data base.

The exercise has resulted in some uncanny match ups with soil sampling taken in the 1960s and other drilling that basically confirms the existence of a copper anomaly on the eastern side of the open pit.

It has also identified enough targets on the eastern side to justify a measured program of drilling to ascertain whether there are any indications that warrant further investigation.

The company is also reviewing drilling pulps from the 80s and 90s, amongst which it has located a program of RAB drilling conducted a few hundred metres south of the pit.

“We did have collar locations but no assay results, but now we have located boxes of the pulps on site,” Marston said.

“Our geologist has commenced XRF analyses of those pulps, which won’t be definitive but the XRF is a great exploration tool that should provide an indicator as to the worth of the historic drilling pulps. “There is quite a bit of work for us to do at Horseshoe Lights before we get to the point where we get into detailed feasibility studies, but it is a project we consider merits perseverance over the next 12 months.”



A chance discovery of three abandoned mine shafts on the Kumarina project has provided extra incentive for the company to step up its activities there.

The shafts were discovered during a recent soil sampling program and have sparked Horseshoe’s curiosity due to similarities to the scale of work carried out on old workings found at Rinaldi.

From what Horseshoe Metals has seen so far it is obvious the prospectors who dug these shafts put in some effort to do so.

The shafts go to around 10 to 15 metres in depth with two situated close together and the third along strike some 340 metres away.

Horseshoe recently ran its XRF machine over rock samples at the finds, with some encouraging readings of copper in veins.

The company believes this indicates that the former prospectors were obviously digging for good reason.

"When we look at where the shafts lie, we see they are situated along a definite structure, two on the eastern side into the footwall contact, and the other on the western side into the hanging wall contact." Marston said.

"The exciting aspect of the structure is that it is an interpreted dolerite intrusive that shows up very clearly on the magnetic surveys."

The company retrieved chalcocite and malachite samples from around the workings, which are very similar to what is found around the workings of the Kumarina copper mine.

There is also some evidence of copper running through the walls of the shafts, which demonstrate the prospectors were working on a vein system.

"There has never been any drilling here. Not a drill hole in sight," Marston said.

"So we intend designing a drilling program, and gain clearance for drilling as part of our heritage survey work coming up in September."

### **Horseshoe Metals Limited (ASX: HOR)**

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#### **MAJOR SHAREHOLDERS**

Investmet Limited (and associates)	17.90%
Wyllie Group Pty Limited	4.77%
Azure Capital Investments Pty Ltd	4.27%

#### **SHARES ON ISSUE**

83.8 million

#### **MARKET CAPITALISATION**

\$6.6 million (at 1/8/13)

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Cheers

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