

ASX Announcement

8 October 2014

NSW EXPLORATION PROGRAM - UPDATE

BROWNS PROSPECT

- 4m composite spear sampling of maiden 700m drill program return anomalous gold in all 8 holes with the best result in the southern most hole (4m @ 2g/t Au from 64m).
- Assays have highlighted the presence of coarse gold in the composite spear samples. The presence of coarse requires 1m riffle split sampling to accurately determine gold grades.
- Target zone remains open and untested along strike and at depth

COLLERINA PROSPECT

- Auger Soil Sampling and a Ground EM Survey have now been completed at the Collerina Prospect
- Based on positive results from these programs, a drilling program is being planned in 4Q 2014.

Helix Resources Limited (ASX:HLX) is pleased to provide an update on exploration activities underway in NSW.

BROWNS GOLD PROSPECT

A maiden RC program comprising 8 holes for a total of 700m has tested approximately 250m of strike within the open-ended 1km long gold in soil anomaly (Figure 1).

Results have returned grades of up to 2 g/t Au over 4m, with all holes returning wide zones of anomalous gold (>0.1g/t Au) in 4m spear composite sampling.

The holes generally intersected the target zone between 0m and 50m, with the southern-most drill hole returning the highest result in the 4m composite spear sampling (4m @ 2g/t Au in BPRC003 from 64m).

Assay repeatability has highlighted the likely presence of coarse gold in the samples. Zones returning anomalous gold therefore require follow-up 1m riffle-spilt sampling to accurately determine gold grades.

Based on the preliminary results, the open and untested southern extension is considered a priority for future work.

COLLERINA COPPER/GOLD PROSPECT

Auger soil sampling on a 50m x 10m grid has been completed over a strike of approximately 500m, covering the gossanous trend at the Collerina Prospect. At total of 270 samples have been collected and have been received by the laboratory for assay.

In addition, a 5 line-kilometre moving loop EM survey was conducted last week over the Collerina Prospect to assist in defining possible copper-rich conductors in the bed-rock associated with the copper/gold trend. Data for this survey is currently with the geophysics contractor, with modelling and reporting expected in the coming weeks.

Based on positive results from these programs, further drilling is expected to be undertaken in the fourth quarter of 2014.

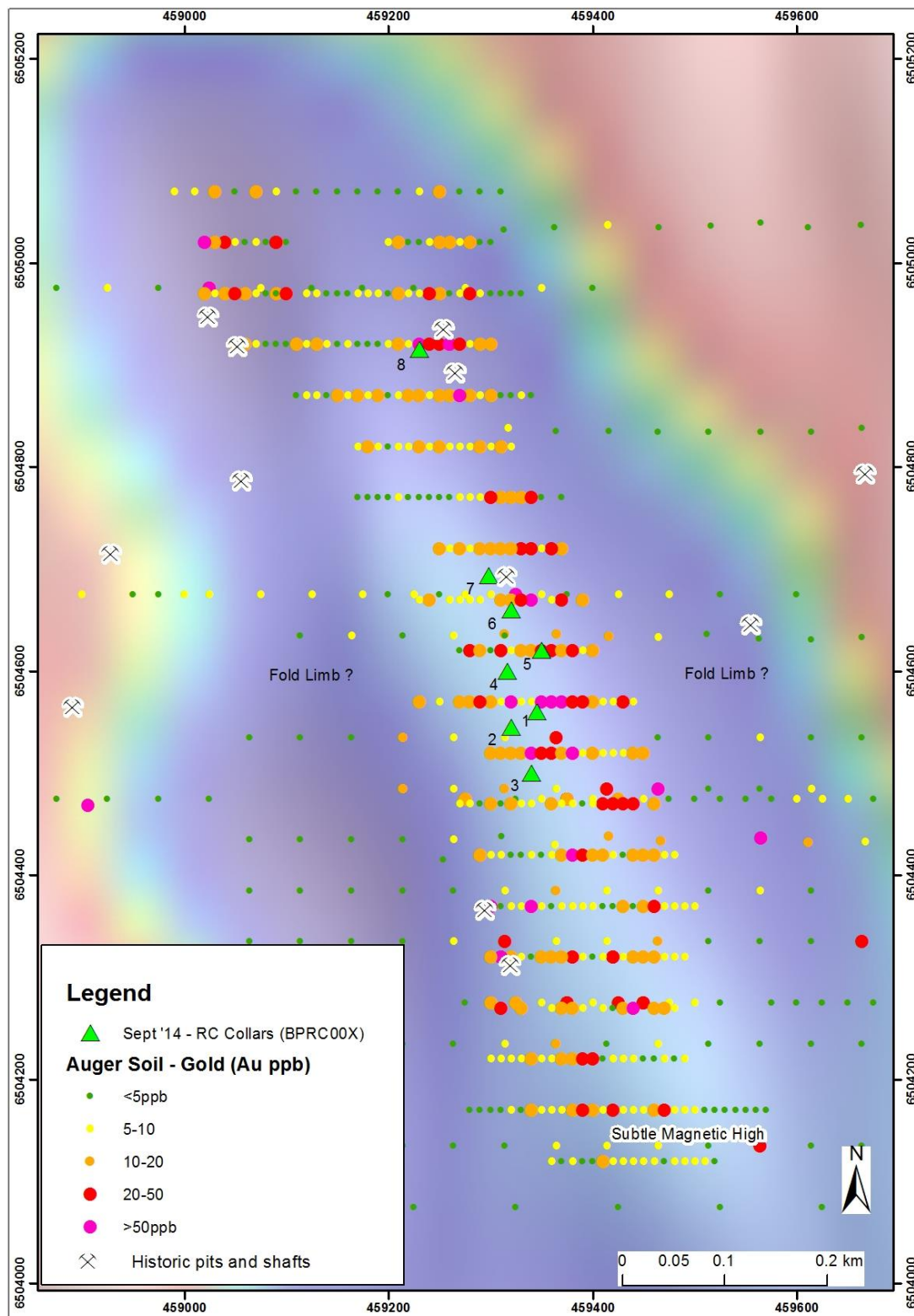


Figure 1: Drill hole collar locations on gold-in-soil auger results and regional magnetics

Table 1: RC Collar details - Brown's Gold Prospect

Project	Site_ID	Easting	Northing	Dip	Azi	TotalDepth	HoleType
EL6739	BPRC001	459345	6504560	-60	60	80	RC
EL6739	BPRC002	459320	6504545	-60	60	80	RC
EL6739	BPRC003	459340	6504500	-60	60	100	RC
EL6739	BPRC004	459316	6504600	-60	60	80	RC
EL6739	BPRC005	459350	6504620	-60	60	80	RC
EL6739	BPRC006	459320	6504660	-60	60	80	RC
EL6739	BPRC007	459298	6504693	-60	60	120	RC
EL6739	BPRC008	459230	6504915	-60	60	80	RC

Table 2: Browns Prospect 4m Composite Spear Sample Gold Results

Site_ID	Easting	Northing	Results
BPRC001	459345	6504560	12m @ 0.1g/t Au from 0m
BPRC002	459320	6504545	36m @ 0.2g/t Au from 0m 12m @ 0.2 g/t Au from 68m to EOH
BPRC003	459340	6504500	24m @ 0.1g/t Au from 0m 4m @ 2g/t Au from 64m
BPRC004	459316	6504600	8m @ 0.3g/t Au from 28m
BPRC005	459350	6504620	8m @ 0.1g/t Au from 0m
BPRC006	459320	6504660	28m @ 0.1 g/t Au from 16m
BPRC007	459298	6504693	36m @ 0.1g/t Au from 12m
BPRC008	459230	6504915	24m @ 0.1g/t from 0m

Intersections based on 4m composite spear sampling, assayed using fire assay technique.

- ENDS -

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Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M Wilson who is a full time employee of Helix Resources Limited and a Member of The Australasian Institute of Mining and Metallurgy. Mr M Wilson 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'. Mr M Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Details of the assumptions underlying any Resource estimations are contained in previous ASX releases or at www.helix.net.au

JORC Code – Table 1

Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> The Browns Prospect drilling used a commercial contractor for Reverse Circulation (RC) drilling. A total of 8 holes were drilled for 700m (refer Table 1 in body of announcement). Holes were orientated to the Grid East (060°), and were drilled at dips of 60°. The drill hole locations were located by handheld GPS. No down hole surveys were conducted during drilling, however it is expected holes returning economic grades will be surveyed using a down-hole gyro system at a future date. RC drilling was used to obtain 1m samples over the entire hole length with 4m composite spear samples collected (~3kg) and sent to a commercial laboratory, pulverized to produce a representative charge with gold and base metals assayed.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> RC Drilling was the method chosen for all holes drilled. A 140mm face sampling hammer was used. Depths ranged from 80m to 120m.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> RC sample weight and recoveries are observed during the drilling and any sample under-sized or over-sized was noted the geological logs. RC samples were checked by the geologist for volume, moisture content, possible contamination and recoveries. Any issues are discussed with the drilling contractor.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All RC chip samples have a representative grab sample placed in 1m intervals in chip trays and geologically logged. Logging of RC samples recorded lithology, alteration, degree of oxidation, fabric and colour. All RC 1m intervals are stored in plastic chip trays, labeled with interval and hole number. All holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> The preparation of RC samples follows industry practice. This involves oven drying, coarse crushing (core-only), pulverization of total sample using LM5 mills until 85% passes 75 micron. Field QA_QC involved field duplicates of RC samples to test repeatability as well as field standards and the laboratories standard QA_QC procedures. The sample sizes are considered appropriate to the grain size of the material being sampled. Repeatability of gold assays suggests the presence of coarse gold. 1m Riffle split sampling with screen fire assaying of material returning >2g/t Au results is to be conducted.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> All assays were conducted at accredited assay laboratory. The analytical technique used for Gold was a fire assay from a 30g charge with an ICP- AES finish and for base metals, a mixed acid digest with a ICP-AES & MS detection. Laboratory QA/QC samples involving the use of blanks, duplicates, standards (certified reference materials), replicates as part of in-house procedures. Standard, repeat and duplicate assays for drilling suggest the presence of coarse gold.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) 	<ul style="list-style-type: none"> Results have been verified by Company management. Geological data was collected using handwritten log sheets which detailed geology (weathering, structure, alteration, mineralisation), sampling quality and intervals, sample numbers, QA/QC and survey data. This data, together with the assay data received from the

Criteria	JORC Code explanation	Commentary
	<p>protocols.</p> <ul style="list-style-type: none"> Discuss any adjustment to assay data. 	laboratory and subsequent survey data were entered into a secure Access databases and verified.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> The drill collar positions were picked-up using GPS. Grid system is GDA94 Zone 55. Surface RL data collected using GPS. Topography around the drilled area is a slight slope grading from Grid south to weak drainage north of the main drilled area. Variation in topography is less than 2m across the drilled area.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drill holes at the Browns Prospect were targeting various geological and geochemical targets. This was the maiden drilling program for the Project and therefore the amount of drilling is insufficient to establish a JORC compliant resource. First-pass sampling involved 4m composite sampling. Intersections of mineralisation exceeding 0.1g/t Au will be re-sampled with a riffle splitter at 1m intervals.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Inclined RC drilling has been completed within the mineralised zones with good correlation observed between data sets. No orientation based sampling bias has been identified in the data to date.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of Custody is managed by the Company. RC Samples were collected onsite generally in bags containing 5-10 samples. The bags are securely tied and freighted directly to the laboratory in secure cages with appropriate documentation listing sample numbers and analytical methods requested.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No additional QA/QC has been conducted for the 2014 drilling to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
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Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Browns Prospect is located on EL6739 (Muriel Tank Project), which forms part of the Isokind JV Projects. Helix Resources Limited via its 100% owned subsidiary Oxley Exploration Pty Ltd, holds a 70% right to the tenement and is manager of the Joint Venture. The tenement is in good standing, with a renewal due in March 2015. There are no known impediments to operating in this area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No modern exploration has occurred on the Browns Prospect outside the work completed by the JV participants. Historic shafts and pits are present in the area, which date back to mining activities in the early 1900's.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The prospect is considered to be a shear/ quartz vein hydrothermal gold system, typical of the Cobar-style, hosted in a package of turbidite sediments within the Girilambone basin
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer to table 2 in the body of the text No information was excluded from the results listed
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should 	<ul style="list-style-type: none"> A cut-off grade of 0.1g/t Au was used with 4m of internal dilution No metal equivalent results were reported.

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	<p><i>be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The program was designed to intersect the target zone perpendicular to the strike of the soil anomaly. Drilling was conducted to test the width of the gold in soil anomalism and on two lines, holes were drilled top to tail to provide an understanding of the dip of the host rocks and mineralisation. Result are reported as down hole length, with true width not definitive at this early stage.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Refer to body of announcement figure 1
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Refer to Table 2 for all results exceeding 4m @ 0.1g/t Au
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> Previously reported activities on the Browns Prospect included soil auger sampling, mapping and rockchip sampling, aeromagnetic interpretation. Refer to ASX announcements on www.helix.net.au for details
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Based on the maiden drill results, 1m riffle split sampling is required and will consider further drilling to assess the potential of the prospect.