

DRILL ASSAYS CONFIRM IRON ORE POTENTIAL AT OLARY PROJECT – SOUTH AUSTRALIA

Highlights

- Results from 1st regional 11 hole RC drill program (~1500m) on Olary Project testing the magnetite rich Braemar Iron Formation provides confidence a large iron ore system is present
- Better drill results include:
 - 124m @ 31% Fe from Surface to EOH in OLRC004
 - 140m @ 30% Fe from 4m in OLRC005
- Potential access to the Broken Hill-Port Pirie railway network that transects the Helix tenements

Minerals exploration company **Helix Resources** (“Helix” or “the Company”) (ASX:HLX) is pleased to announce that its maiden eleven hole reverse circulation drill program on the Olary Project in NE South Australia provides confidence that a large iron ore system is present.

Helix’s Managing Director, Greg Wheeler, commented that, “These initial results are very positive and have only randomly tested around 11km of strike length, a small percentage of the prospective horizons. We will conduct further metallurgical work including Davis Tube Recovery and petrological studies, and seek Mines Department approval for a 5,000m to 10,000m RC and diamond drill [DD] program to assist in identifying the full extent of the system as a precursor to Resource estimation.”

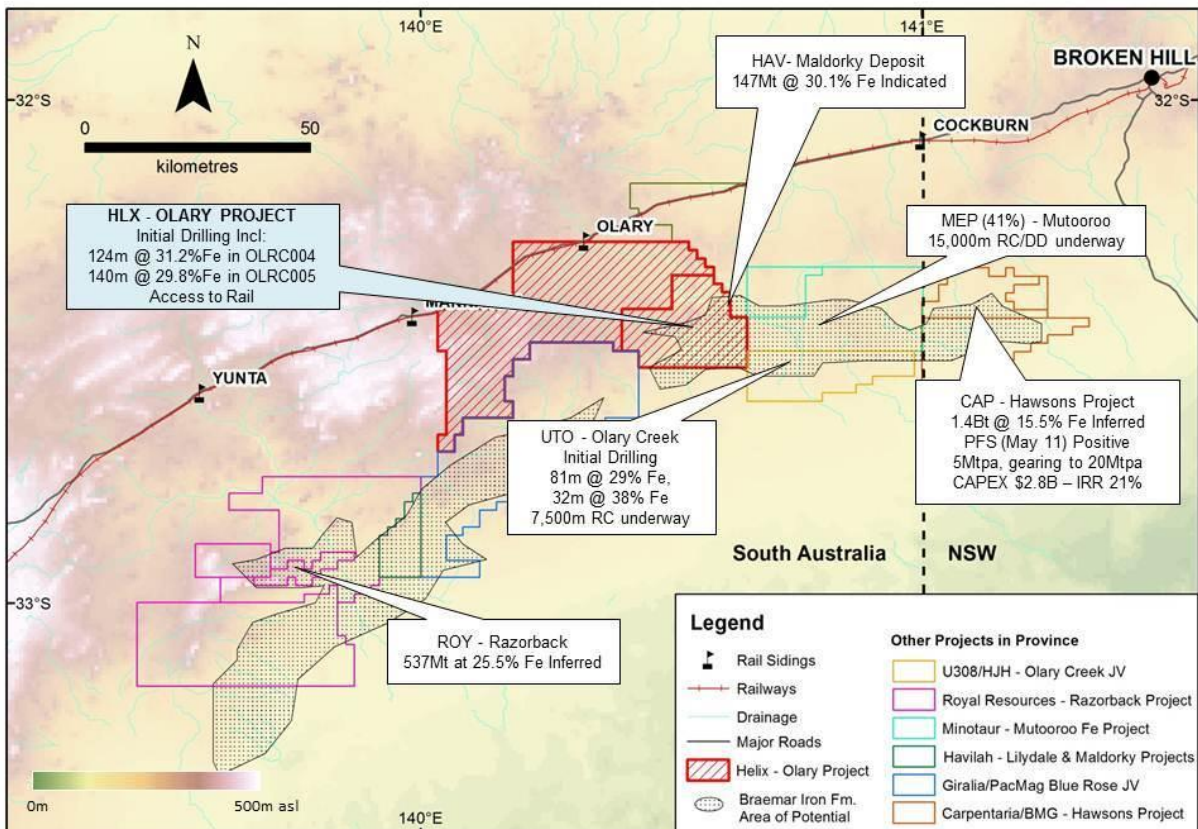


Figure 1: Olary Project location map with other Projects in the region



OLARY IRON PROJECT - SOUTH AUSTRALIA EL3956 and EL4022 (100% HLX)

The Olary Region is an emerging iron ore province in the ENE of South Australia. A number of companies have reported encouraging drilling results from various prospects scattered in a belt south of the Barrier Highway from the township of Yunta to the New South Wales border and beyond (refer Figure 1). The iron occurrences are all associated with the folded and deformed Braemar Iron Formation.

Helix undertook its maiden eleven (11) hole RC program for 1500m in June/July 2011 to test the potential for the project to host magnetite Fe mineralisation associated with the Braemar Iron Formation. Drilling was conducted on wide spacings along a small portion of the magnetic anomalies in the north-east of the project area. The drilling confirmed the magnetic response in the detailed aeromagnetics correlates well with iron content, and whilst the drilling was a “first pass” to test the concept, the results suggest there is potential for thick intersections of magnetite rich material on the Olary Project.

Helix is in the process of carrying out a series of metallurgical and petrological studies to gain a better understanding of the mineral species, possible recoveries (DTR's) and characteristics of the iron ore intersected as well as using magnetic susceptibility readings collected and the assay results from the drilling to model the detailed aeromagnetics and determine priority drill targets on the project.

Table 1: Drilling information- Significant XRF Iron results from RC drilling (>4m @ 20%Fe)

HOLE ID	EAST(MGA-Zn54)	NORTH (MGA-Zn54)	RL(m)	AZI (grid)	DIP	HOLE DEPTH(m)	Depth From	RESULT	COMMENTS
OLRC001	462500	6412370	248	20	-60	120	64m	12m @ 33.2% Fe	
						and	96m	12m @ 33.2% Fe	
OLRC002	464000	6414000	231	0	-90	120	12m	8m @ 20.8% Fe	
						and	104m	16m @ 41.6% Fe	to End of Hole
OLRC003	463720	6413490	248	180	-60	150	52m	36m @ 33.2% Fe	
OLRC004	463365	6414230	247.5	0	-90	124	0m	124m @ 31.2% Fe	to End of Hole
OLRC005	463152	6414373	256	180	-60	150	4m	140m @ 29.8% Fe	
OLRC006	462880	6413800	247	350	-60	120	84m	24m @ 34.7% Fe	
OLRC007	460205	6415765	255.5	210	-60	150	108m	20m @ 34.8% Fe	
OLRC008	461765	6414995	275.5	210	-60	150	-	NSR	Target not reached
OLRC009	460170	6414420	254	185	-60	150	0m	20m @ 30.3% Fe	
						and	56m	60m @ 23.4% Fe	
						Incl.	88m	24m @ 31.8% Fe	
OLRC010	460950	6414290	249	0	-60	150	68m	12m @ 31.5% Fe	
						and	104m	48m @26.0% Fe	to End of Hole
						Incl.	116m	20m @ 31.2% Fe	
OLRC011	461400	6414000	256.5	0	-60	150	16m	20m @ 20.6% Fe	
						and	120	12m @ 35.0% Fe	
Total Drilled						1,534m			

Assays are 4m Spear samples, Samples were sent to Ultratrace Perth for crushing, splitting and fusion XRF analysis, reporting Fe as a percentage. Intercepts are reported from 4m composites with grades >15% Fe, no internal dilution to give total intercept results of >20% Fe.

Geology and Mineralisation

Braemar ironstone facies occurs as a stratigraphic package of magnetite-rich ironstone and is located in the Nackara Arc region of the Adelaide Geosyncline. The rock has been described as 'Rapitan'-type BIF (A style associated with glacial sequences). This lithology provides an excellent response and contrast in aeromagnetic surveys due to the magnetite content in the Braemar Fm and the lack of magnetic minerals in the surrounding lithologies and overburden (refer Figure 2).



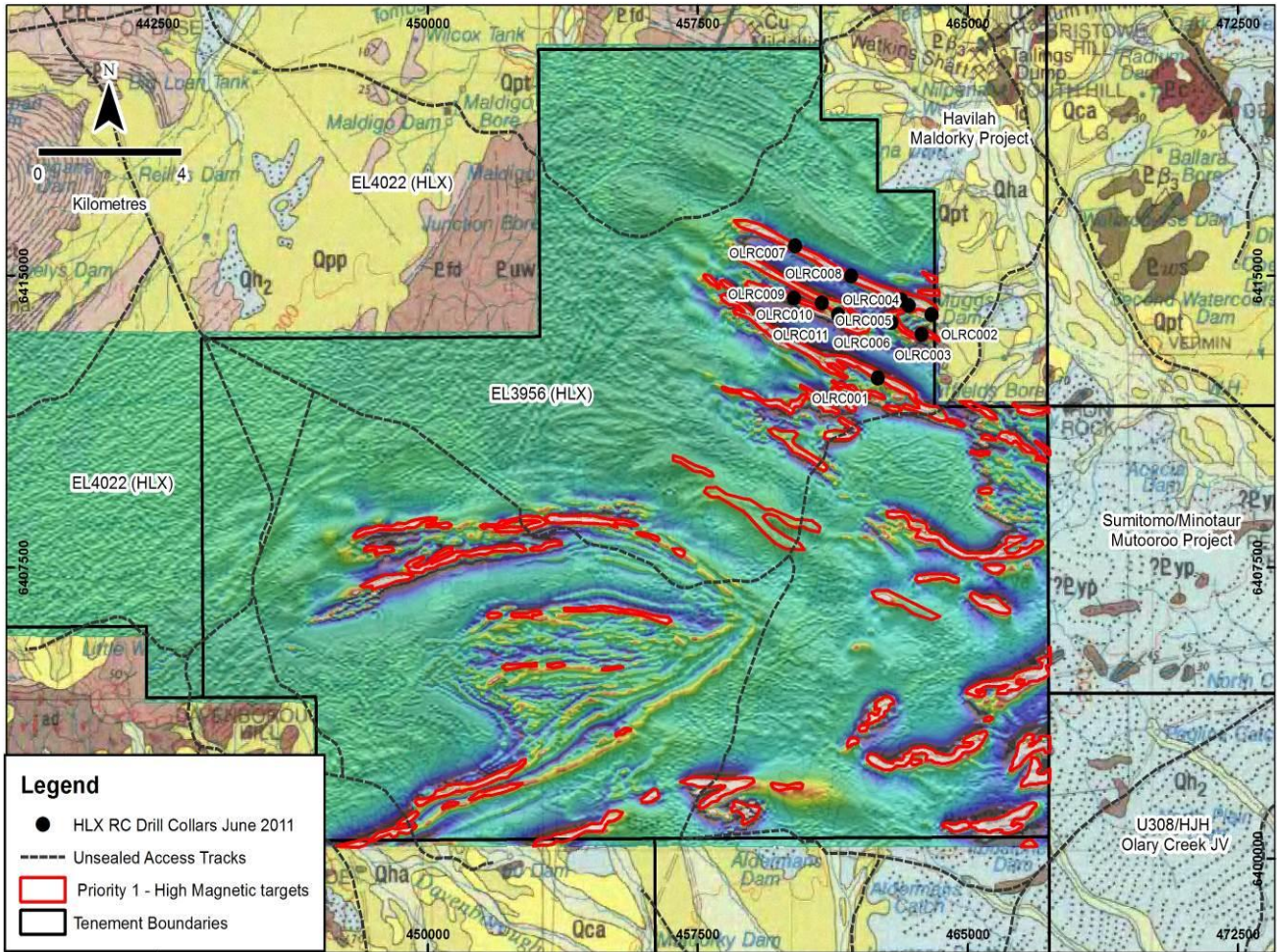


Figure 2: Location of Maiden 11 hole RC Program on detailed first vertical derivative magnetics - magnetic highs represent Priority 1 Braemar Fm targets for future drill testing

For further information

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Competent Persons Statements

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 2004 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.

