Helix Resources Limited: Quarterly Activities Report - December 2016

31.01.2017 | ABN Newswire

Perth - Helix Resources Ltd. (ASX:HLX) is pleased to provide the Company's Quarterly Activities Report for the period ended 31 December, 2016.

Project Activities

NSW - Copper and Gold

Collerina Copper-Zinc Prospect

The Collerina Prospect is located within a regionally significant VMS prospective belt between the Tritton Mine to the North and Tottenham deposits to the south in Central NSW.

The Prospect is defined by an open-ended large base metal and gold soil anomaly and associated moving loop EM conductor and lies within a regionally significant VMS trend.

The main mineralisation at Collerina is dominated by massive pyrite and chalcopyrite in the primary zone. A strong zone of high grade copper mineralisation has been defined with individual peak values in the sulphide zone of 12% Cu, 1.5g/t Au and 4.6% Zn.

The regional project area is also highly prospective for copper (evidenced by multiple groups of additional un-tested workings to the north-west of the Project) and gold mineralisation which remains largely unexplored (refer figure 1 in the link below).

Geological modelling of drilling has highlighted a remarkable continuity of the sulphide system from the gossan at surface down dip/plunge, with localised folding and faulting causing variation in widths and distribution of mineralisation.

Activities during the Quarter

Exploration drilling at the Collerina Copper-Zinc Prospect has continued to intersect sulphide mineralisation on the extension to the main mineralised zone. Drilling on the large step-out pattern has tested a further 300m east of previous drilling bringing the total length of the system to over 1,000m and tested the system to a vertical depth of 350m.

Six of eight holes targeting the main zone position have intersected sulphide mineralisation over various widths, the remaining two missed due to hole deviation.

The Company is very encouraged at the presence of sulphide mineralisation at predictable depths within the targeted corridor. The geological controls on the main mineralised zone are now well understood with a foot-wall marker horizon consistently being intersected 10-20m below mineralisation, providing a good geological control within the Prospect. This will be used to better define the potential dip extensions beyond the areas drilled to date.

The thicknesses of sulphide mineralisation and the presence of massive pyrite continues to be variable across the trend tested.

The understanding of the geological controls is key to effective targeting with drilling of these systems and targeting at greater depths in future programs. Downhole geophysics, infill and extensional drilling will continue to be used to define the full extent of the mineralised zone at Collerina.

Tritton-style copper deposits have significant variability in mineralisation thickness from 2m to 30m thick. At Collerina there is similar variability of sulphide accumulation in the drilling to date and therefore there is confidence that with further infill and extensional drilling, zones of greater thickness and grade tenor will continue to be identified within the system.

Drilling

Two exploration diamond tails were drilled into a modelled off-hole EM conductor position below previous drilling at Collerina. Both holes have intersected highly altered sediments and volcanoclastics with varying amounts of disseminated and veinlet-style pyrite and chalcopyrite that is present throughout both diamond tails. The amounts of sulphide present are not considered sufficient to give the modelled EM response and therefore further down hole EM is planned to identify the source of the anomaly.

Two broad-spaced RC exploration holes were also drilled into the northern EM anomaly and have intersected a mixed package of meta-sediments to a depth of 190m. The holes drilled have not identified a source for the EM response. The eastern-most hole (CORC044) has been selected for DHEM to assess if a definable EM plate can be modelled off-hole at this location for future drill testing.

Future Activities

The Eastern and Western extensions of the surface gossan and associated soil anomaly remain poorly tested by drilling. DHEM targeting primary zones down dip of the oxide copper results in the limited shallow holes in these areas is being assessed to assist in planning further drilling. DHEM will be targeting repeats or parallel "shoots" similar to the main mineralised zone targeted to date for further drill testing (refer figure 2 in the link below).

Large Regional Geophysics Survey Commenced

Helix commissioned a VTEM-Max helicopter-borne geophysical survey to cover the entire 25km Collerina Project VMS prospective trend. The survey commenced in late December 2016 and was completed in mid-January 2017.

Copper-rich deposits in this region are known to form in clusters. Previous detailed aeromagnetics and mapping by Helix has identified a series of priority regional targets along the trend, however the high rainfall over the winter period in 2016 delayed proposed regional soil programs aimed at assessing those targets.

The VTEM-Max survey will fast-track the regional program identifying late-time EM conductors which will be followed-up with detailed close-spaced surface geochemistry sampling. Where coincident EM and geochemical anomalies are identified, first-pass drilling will test for associated copper mineralisation.

The cost for this survey has been kept to a minimum by joining with several other Companies in the region to give the overall survey an economy of scale that has reduced both the mobilisation cost and line kilometre rate for each Company.

If the VTEM-Max system proves successful in defining prospects with potentially economic copper mineralization within this survey, the Company will consider expanding the coverage. Future surveys may include some or all of the remaining 60km of prospective VMS trend within Helix's tenement portfolio in this region.

Cobar Gold Project

The Company controls over 300km2 of gold prospective ground in the Cobar District (refer figure 4 in the link below). The projects host numerous historic gold shafts and pits mined in the early 1900's.

The potential for high-grade gold deposits on the Cobar Gold Projects is good with the nearby Mt Boppy Gold Mine an example of the systems present in the area.

Activities during the Quarter

High-grade gold results have been returned from drilling in gold-bearing structures at the Boundary, Good Friday and battery Prospects. Intercepts have been returned from shallow depths and include:

- Boundary Prospect : HRDD002: 45m @ 3.4g/t Au from 46m, incl. 5m @ 9.3g/t Au from 51m and 11.4m @ 5.1g/t Au from 71m2.

- Good Friday Prospect: HRDD003: 28.8m @ 3.0g/t Au from 29m incl. 8m @ 4.9g/t Au from 31m and 7.8m @ 4.0g/t Au from 50m to EOH2.

- Battery Tank Prospect: HRAC018 returned 43m @ 2.3g/t Au from surface to end of hole with the bottom of the intercept returning 11m @ 5.1 g/t Au from 32m finishing in high-grade gold mineralisation.

Good Friday Prospect:

HRDD003 at the Good Friday Prospect ended in gold mineralisation, returning 5.3g/t Au over 0.8m to EOH

at a depth of 57.8m. The high-grade gold bearing structures at both Prospects remain open in several directions.

This program was the first diamond drilling undertaken by Helix at the Cobar Gold Project and was carried out to better understand the controlling structures of the high grade gold in the goldfield. The structural information from this program will assist in further targeting of the structures at these Prospects as well as targeting other similar structures in the numerous untested Prospects throughout the goldfield.

Assay results from this diamond drilling program are comparable to the nearby historic Mt Boppy Gold Mine, where high-grade gold was mined from a 300m long orebody with historical production of approximately 500,000 ounces of gold.

Boundary Prospect:

Diamond drilling at the Boundary Prospect was targeting a high-grade gold structure below a gold-in-soil anomaly previously defined by Helix with auger soil sampling. Follow-up broad spaced RC drilling had returned 70m @ 1.1g/t Au, including 15m @ 2.3g/t Au from 55m2. However, the orientation of the gold mineralisation at the Prospect was not well understood.

Diamond hole HRDD002 was drilled nearby and has intersected significant high-grade gold in quartz veins and silica-rich breccias within a package of highly altered and deformed sediments. The hole has returned a very encouraging 45m @ 3.4g/t Au from 46m including two outstanding high-grade zones of 5m @ 9.3g/t Au from 51m and 11.4m @ 5.1g/t Au from 71m2.

The gold tenor in this diamond hole is much higher than the previous RC drilling, which suggests the diamond hole is likely to have directly intersected the main high-grade gold structure. Structural modelling is underway to allow planning for further drilling to follow-up the high-grade intersections and further examine the untested potential along strike, up dip and down dip.

In addition to this Prospect scale potential, the return of such high-grade gold results under a greenfield goldin-soil anomaly like that of the Boundary Prospect provides significant scope for additional new discoveries in this area.

Also at the Boundary Prospect, a small three hole slim-line RC program was conducted to assist in defining the geometry of the gold mineralisation present.

Drilling has confirmed an approximate E-W strike and a sub-vertical dip to the gold mineralisation. Hole HRRC101 returned 20m @ 1g/t from 72m to EOH, including 4m @ 3.2g/t Au from 92m to EOH and Hole HRRC103 returning 48m @ 0.6g/t from surface including 20m @ 1.2g/t Au Note: All sampling was 4m composite spear sampling, with more accurate riffle split 1m samples to be collected.

The information from this small program will now allow for more comprehensive drill testing, with RC and diamond drilling targeting the full extent of gold mineralisation at Boundary. The Boundary Prospect remains an open, gold in soil anomaly with at least 300m of strike to be tested.

Battery Tank Prospect:

Aircore drilling commenced at the Battery Tank Prospect near Cobar in NSW. The 20 hole program, for approximately 1,000m, tested a large 500m x 500m gold-in-soil anomaly associated with a series of historic pits and trenches scattered throughout the Prospect area.

Wet weather during winter had delayed the program at Battery Tank, however with improved ground conditions and a clearer understanding of the high-grade gold structures, work commenced in December 2016. HRAC018 returned 43m @ 2.3g/t Au from surface to end of hole with the bottom of the intercept returning 11m @ 5.1 g/t Au from 32m finishing in high-grade gold mineralisation.

The discovery hole at the Battery Tank Prospect was drilled to blade refusal, with significant quartz and siliceous alteration noted throughout the hole, increasing in abundance at the bottom of the hole.

Several other holes have returned highly encouraging thick zones of lower-order gold mineralisation in the wide-spaced aircore drilling to blade refusal (hard rock). It should be expected that additional gold mineralisation will be intersected at depth at many of these locations, given the strong relationship between the presence of hard quartz veins and high-grade gold.

Four prospects Battery Tank, Boundary, Good Friday and Sunrise have now all returned wide high-grade gold results, suggesting a significant gold system is present in the goldfield.

Ongoing Activities

Drilling programs are currently being designed and prepared for the Cobar Gold Project as part of a broader exploration program for the 2017 field season. These gold results are a welcome addition to the ongoing focus on both copper and gold in this highly prospective district. A review of other regional prospect/targets is also underway targeting similar structures within the broader goldfield.

Chile

No field work was completed during quarter. The Company has received approaches by third parties under Confidentiality Agreements that are interested in the assets and Helix will keep the market informed of any material developments to these discussions.

Joshua Project

The drilling to date has identified the presence of at least three porphyry events including: Andesitic, Dacitic and Dioritic porphyry events, associated with the copper mineralisation at the Joshua Project.

The main Joshua porphyry target is at least 3 kilometres by 1 kilometre comprising a large copper in soil anomaly coincident with a large IP anomaly, continuing to a depth in excess of 500m from surface. The main Joshua porphyry target comprises Target 1, the Carmelita Mine zone and Target 4.

The Joshua Project is located in Region IV Chile, 40km East of Ovalle, at low altitude (less than 1,700m), nearby to infrastructure. Four porphyry targets have so far been identified in a regionally significant northwest structural corridor within the total project area of 100km2.

No fieldwork was completed on this or the other Chile assets during the quarter.

To view the quarterly report, please visit:
http://abnnewswire.net/lnk/YLNYY638

About Helix Resources Limited:

Helix Resources Ltd. (ASX:HLX) is a successful minerals exploration company focused on the identification, acquisition and development of projects in prospective jurisdictions with established infrastructure.

The Company's main focus is the exciting Collerina Copper-Zinc and Cobar Gold Projects both located in Central NSW. The Company's key objective for 2017 is to advance these discoveries.

Helix's Board and Management team are focused on creating opportunities to increase shareholder value from the quality assets in the Company's project portfolio.

Contact:

Mick Wilson Managing Director
mick.wilson@helix.net.au
T: +61-8-9321-2644

Helix Resources Ltd.
F: +61-8-9321-3909
www.helix.net.au