

**ASX Announcement**  
**2 September 2021**

## **STRATEGIC TENEMENT ACQUISITION**

### ***HELIX FURTHER CONSOLIDATES COBAR FOOTPRINT***

- Helix enters binding Offer Letter with Alpha HPA Ltd (ASX: A4N) to:
  - Acquire a new tenement prospective for copper/base metals (early-stage exploration) adjacent to its Collierina tenements hosting the CZ Mineral Resource<sup>1</sup>;
  - Reduce Helix's royalty impost by 0.5% NSR on its prospective and existing mineral resources from the former Alpha HPA joint venture tenements;
  - Remove exposure to Alpha HPA's deemed 49% JV interest for base metals in the former joint venture tenements; and
  - Acquire a largely Inferred nickel-cobalt Mineral Resource (JORC 2012)<sup>2</sup> with encouraging preliminary metallurgical work and several nickel-cobalt prospects.
- Transaction consideration comprising:
  - Issue to Alpha HPA of 20 million Helix shares following shareholder approval, with the shares subject to voluntary escrow; and
  - Alpha HPA retaining a 1.0% NSR Royalty on all metals from the former joint venture and newly acquired tenements.
- Nickel-cobalt assets from both the Alpha HPA tenement and existing Helix tenements to be transferred into a wholly owned subsidiary to provide flexibility for future funding options.
- Shift towards more nickel-intensive battery chemistries is expected to drive increasing demand for nickel-sulphate and cobalt in EV market.

Helix Resources Limited (**ASX: HLX**) ("Helix" or "the Company") is pleased to announce it has entered into a binding agreement with Alpha HPA Ltd (ASX: A4N) to further consolidate its position in the Cobar region of New South Wales via the acquisition of prospective copper tenure, removal of pre-existing Joint Venture restraints and acquisition of a new nickel-cobalt Mineral Resource.

Under the terms of the binding Offer Letter, Helix will acquire EL8703 from Alpha HPA's 100%-owned subsidiary Solindo Pty Ltd ("Solindo"). The Company considers the tenement prospective for 'Collierina type' copper/base metal deposits as well as nickel-cobalt mineralisation (see Figure 1).

The transaction also extinguishes all 'deemed' joint venture rights as well as reduces and standardises the Royalty impost with Alpha HPA to retain a 1.0% NSR Royalty on all metals from the tenements reduced from a 1.5% NSR.

Helix views the acquisition as a strategic opportunity with EL8703 neighbouring EL8768 (former JV tenement) which holds Helix's CZ Deposit among other advanced targets. Under the transaction with Alpha HPA, the tenement title for EL8768 (currently in the name of Solindo) will be transferred to Helix.

The final element of the transaction is the acquisition by Helix of 100% of the nickel-cobalt Mineral Resource at Homeville and all nickel-cobalt rights previously held by Alpha HPA which applied to Helix's existing tenements

<sup>1</sup> Refer Appendix 1.

<sup>2</sup> Refer ASX Report 28 September 2018 from Alpha HPA, formerly Collierina Cobalt Ltd.  
Corporate Office  
78 Churchill Avenue  
Subiaco WA 6008  
[www.helixresources.com.au](http://www.helixresources.com.au)



and EL8703. Homeville has an Indicated and Inferred Mineral Resource of 17.9Mt grading at 0.89% nickel and 0.06% cobalt<sup>3</sup> (see below and Figure 1).

The Company envisages transferring the nickel-cobalt assets and rights into a 100% owned subsidiary to provide flexibility on future funding options such as attracting external investment. After preliminary exploration work and a metallurgical and development review, a broader investment strategy regarding these assets will be finalised.

#### Helix's Managing Director, Mike Rosenstreich commented:

*"This is an exciting opportunity for Helix, further demonstrating our commitment to the Cobar district and seeking to maximise shareholder value. The benefits of the exploration acquisition, the tenement rationalisation and removal/reduction of Royalty and JV rights ensures a more streamlined Collierina project. It also includes a non-core nickel-cobalt acquisition which, given current metal prices, appears to be very favourable. By gaining exposure to an existing nickel-cobalt resource and prospects on the doorstep of our existing project suite, this provides us with an interesting opportunity, still very much in the 'new energy or battery materials', which we consider value accretive for Helix shareholders, which under this transaction would include Alpha HPA. In the interim much of our planned early-stage exploration such as shallow auger sampling is the same whether we are chasing copper or nickel-cobalt."*

#### Copper – Base Metals Potential

EL8703 hosts approximately 6km of strike of prospective (precious and base metal) stratigraphy adjoining the Honeybugle Intrusion to the northeast. This trend is under variable shallow cover (up to 20 metres thick), which has masked the bedrock in its entirety. EL8703 has potential to be highly prospective with no definitive previous exploration work completed on the tenement.

Potential exists for sub-parallel Collierina-style mineral systems, through to intrusion related, and possibly skarn-type precious and base metal mineralisation (if the appropriate sediments are present). Previous work is limited to 29 shallow vertical aircore and slimline RC drillholes targeting nickel laterite. The information from this drilling regarding depth to basement and geological/geochemical vectors to potential zones of interest are useful in evaluating the precious and base metal prospectivity.

#### Homeville Nickel-Cobalt Mineral Resource

The nickel-cobalt assets comprise a Mineral Resource estimated in 2018 by Optiro Pty Ltd and classified and reported in accordance with the guidelines of the JORC Code (2012). This Mineral Resources is reported above a 0.7% nickel cut-off grade and is summarised in Table 1 below. The 2018 Mineral Resources was publicly reported by Alpha HPA (formerly Collierina Cobalt Limited) on 28 September 2018 (Collierina Project Mineral Resources Estimate, ASX announcement).

**Table 1: Homeville Nickel-Cobalt Mineral Resources (Alpha HPA (formerly Collierina Cobalt, 2018)**

Category	Cut-off grade (Ni%)	Tonnes (Mt)	Ni %	Co %	Fe %	Al %
Indicated	0.7	2.2	0.98	0.04	19	2.8
Inferred	0.7	15.7	0.88	0.06	23	3.7
<b>Total</b>		<b>17.9</b>	<b>0.89</b>	<b>0.06</b>	<b>22</b>	<b>3.6</b>

Metallurgical testwork undertaken in 2015 to 2017<sup>4</sup> examined atmospheric counter-current acid leaching, achieving >90% nickel and cobalt recoveries to produce nickel cathode and a cobalt-carbonate. The Company considers that there is potential to increase the existing Mineral Resource as indicated by the trend of the

<sup>3</sup> Refer ASX Report 28 September 2018 from Alpha HPA, formerly Collierina Cobalt Ltd.

<sup>4</sup> Refer ASX Report 5 October 2017 and 29 November 2017 from Alpha HPA, formerly Collierina Cobalt Ltd and report from 14 July 2015 from Alpha HPA (formerly Auger Resources Ltd).



ultramafic host rocks and soil geochemistry on both Helix's existing tenements and the tenement being acquired from Alpha HPA.

### **Consideration**

Total consideration comprises:

- Issue to Alpha HPA of 20 million Helix shares following shareholder approval which are subject to voluntary escrow of up to 18 months.
- Alpha HPA retaining a 1.0% NSR Royalty on all metals from the tenements.

### **Proposed Work Program**

On completion of the transaction, work on the new assets for the following 6-12 months would comprise:

- Data compilation and preparation of an Information Memorandum for investors;
- High-level review and possible update of the scoping study for nickel-cobalt assets;
- Regional surface/auger sampling – looking for base metals and nickel-cobalt related anomalous trends;
- Compilation and purchase of regional geophysical data;
- Follow-up drilling; and
- Selected metallurgical testwork.

The bulk of the initial work (as outlined in the first two bullet points above) are to be undertaken by Helix as part of the input to secure a third-party investment partner.

Regional work (bullet points 3 and 4 above) overlaps significantly with work which Helix would undertake as part of its base metal exploration.

### **Cobalt and Nickel Outlook**

The outlook for all battery metals is bullish driven by electric vehicles (EV's) and renewable power generation and storage. Independent commentators, such as CRU<sup>5</sup>, estimate that EV's alone will drive 80%, 65% and 43% of the demand growth for lithium, cobalt and nickel respectively.

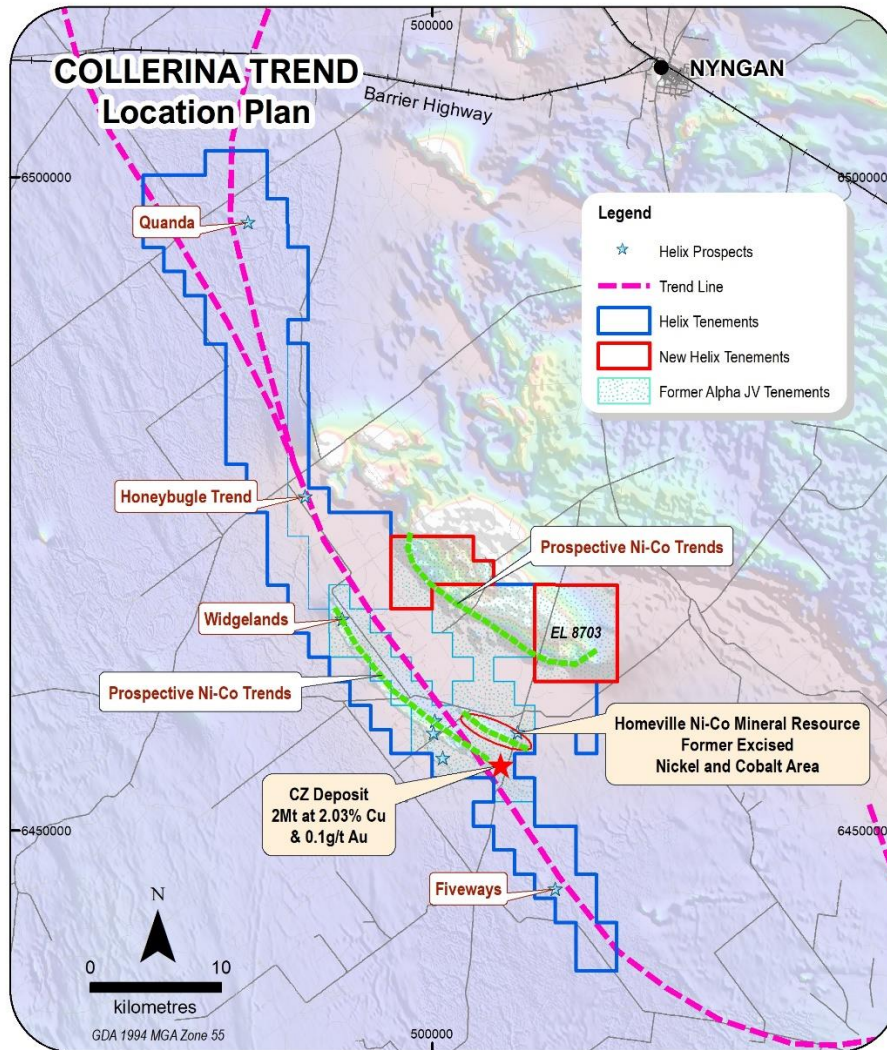
CRU has forecast a 3% supply deficit for lithium and a 12% supply deficit for cobalt, by 2025. This is supported by a high degree of latent lithium production capacity compared to a weak cobalt project pipeline that is still heavily dependent on the DRC for supply.

The shift towards more nickel-intensive battery chemistries is expected to drive increasing demand for nickel-sulphate. A possible "improvement" in the scoping study parameters would be to produce a nickel sulphate rather than nickel cathode or for a 'low-capex' route, a higher quality mixed sulphide with nickel and cobalt. These 'new energy' market drivers were absent at the time of the 2015 scoping study. Helix will seek expert support to assess new process optimisation opportunities since the time of the original work.

These observations are driving interest from investors – especially out of the USA, UK and Europe looking for exposure to cobalt (and nickel) sourced sustainably from Tier 1 jurisdictions. Helix plans to tap into to this sentiment to attract outside investment into the SPV.

---

<sup>5</sup> Refer CRU Public Report 25 August 2021 'Quarterly Cobalt Market Update' and CRU Presentation 23 June 2021 'The electric vehicle transition – which metals should get your attention?'



**Figure 1: Tenement Location Map** – showing Helix tenements (blue), the Alpha HPA tenements to be acquired (red). Note: Homeville Deposit magenta dashed line (prospective ultramafic trend), all overlay onto regional aeromagnetic image.

## COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results for the Cobar projects is based on information generated and compiled by Mr Gordon Barnes and Mr Mike Rosenstreich who are both employees and shareholders of the Company. Mr Barnes is a Member of the Australian Institute of Geoscientists and Mr Rosenstreich is a Fellow of the Australasian Institute of Mining and Metallurgy. They both have sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to each qualify as Competent Person(s) as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Barnes and Mr Rosenstreich have consented to the inclusion of this information in the form and context in which it appears in this report.

The Mineral Resource estimate for the Homeville deposit has been compiled by Kahan Cervoj B. App. Sci (Geology), MAIG MAusIMM. Mr Cervoj is an employee of Mineral Industry Consultants, Optiro Pty Ltd and 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 Cervoj consents to the inclusion in this report of the matters based on his information in the form and context in which it appears



This ASX release was authorised by the Board of Directors of Helix Resources Ltd.



**ABN: 27 009 138 738**  
**ASX: HLX**



**Contact Details:**

Helix Resources Limited  
78 Churchill Avenue,  
SUBIACO, WA, 6008

PO Box 825  
West Perth, WA, 6872

Email: [helix@helixresources.com.au](mailto:helix@helixresources.com.au)

Web: [www.helixresources.com.au](http://www.helixresources.com.au)

Tel: +61 (0)8 9321 2644



**Board of Directors:**

Peter Lester      Non-Executive Chairman  
Tim Kennedy      Non-Executive Director  
Jason Macdonald   Non-Executive Director  
Mike Rosenstreich Managing Director

**Company Secretary**

Ben Donovan



**Investor Contact:**

Mike Rosenstreich

Tel: +61 (0)8 9321 2644

Email: [helix@helixresources.com.au](mailto:helix@helixresources.com.au)

**Media Contact:**

David Tasker

Chapter One Advisers

Email: [dtasker@chapteroneadvisors.com.au](mailto:dtasker@chapteroneadvisors.com.au)

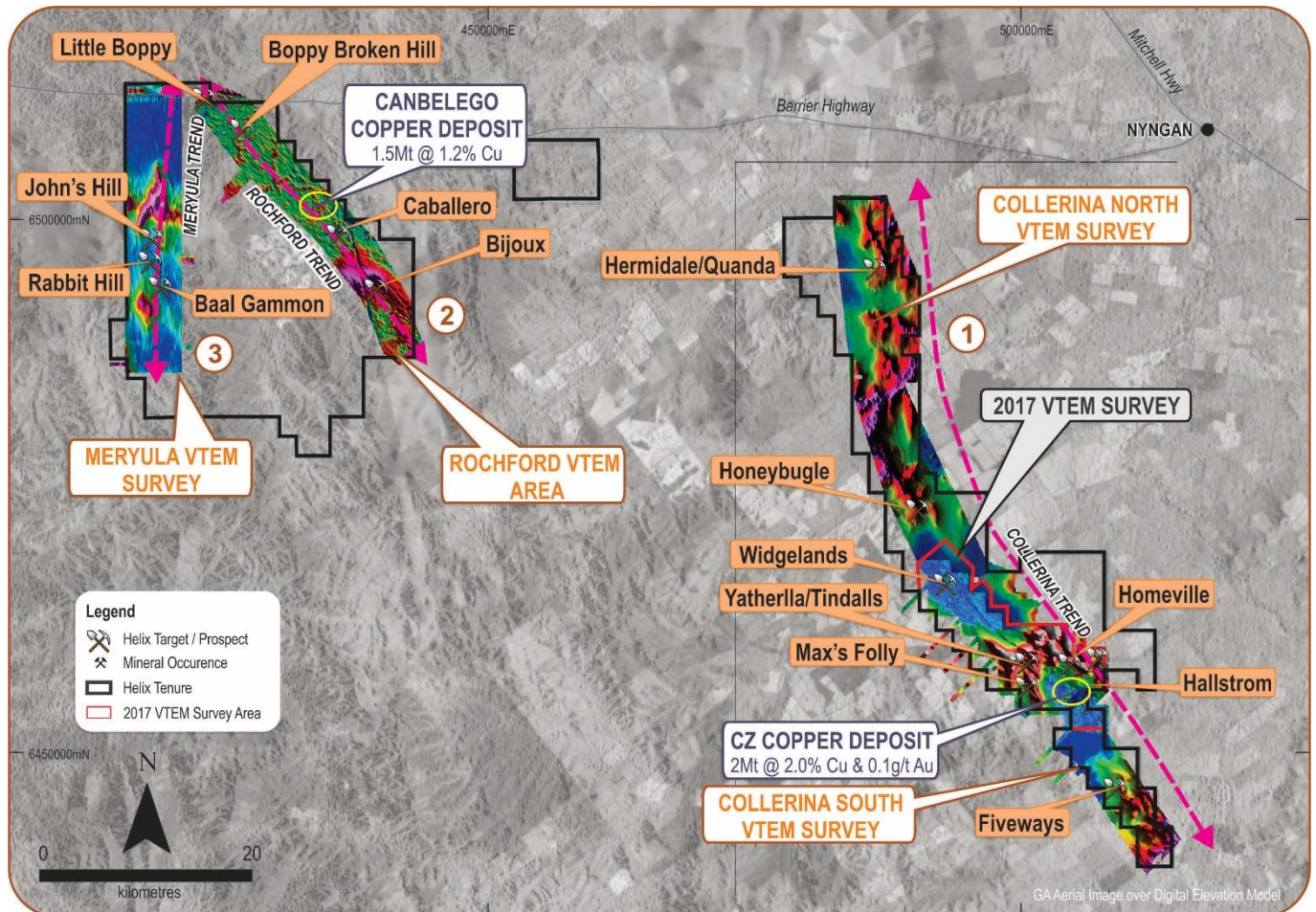
Tel: 0433 112 936



## APPENDIX 1: MINERAL RESOURCE – OVERVIEW

### Introduction

Helix holds ~1,500km<sup>2</sup> of tenure in the highly mineralised Cobar Basin, within central NSW, Australia. The Company has recently divided the prospective copper ground into three regional trends referred to as Collerina, Richford and Meryula as shown in the figure above. The Company has two copper Mineral Resources; Central Zone and Canbelego located on the Collerina and Rochford Trends respectively (refer Tables 2 & 3 below).



### Central Zone (CZ) Copper Deposit - Context

The CZ Mineral Resource is a high-grade copper discovery made by Helix in late 2016 along the Collerina Trend.

In June 2019, Helix announced a maiden Mineral Resource estimate for the CZ deposit of 2.02 Mt at 2.03% Cu and 0.1g/t Au for 40kt copper and 9.4koz gold (Indicated and Inferred) (refer Table 2). Almost 60% of that resource tonnage has been classified as Indicated, with the remainder classified as Inferred (by contained copper).

Other than results contained in this ASX release, Helix confirms that it is not aware of any new information or data that materially affects the Mineral Resource information included in Helix ASX release dated 11 June 2019, *Interim Maiden Resource at Collerina Copper Project*. All material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.

**Table 2: Central Zone Mineral Resource Estimate (June 2019) (0.5% Cu cut-off)**

Classification	Type	Tonnes	Cu	Au	Cu	Au
		Mt	%	g/t	t	oz
Indicated	Oxide / Transitional	0.17	1.1	0.0	1,900	200
Inferred	Oxide / Transitional	0.46	0.6	0.0	2,700	100
<b>Total</b>	<b>Oxide / Transitional</b>	<b>0.63</b>	<b>0.7</b>	<b>0.0</b>	<b>4,600</b>	<b>300</b>
Indicated	Fresh	0.83	2.6	0.2	21,800	6,600
Inferred	Fresh	0.57	2.5	0.1	14,100	2,500
<b>Total</b>	<b>Fresh</b>	<b>1.40</b>	<b>2.6</b>	<b>0.2</b>	<b>35,800</b>	<b>9,100</b>
Indicated	Oxide / Transitional	0.17	1.1	0.0	1,900	200
Indicated	Fresh	0.83	2.6	0.2	21,800	6,600
Inferred	Oxide / Transitional	0.46	0.6	0.0	2,700	100
Inferred	Fresh	0.57	2.5	0.1	14,100	2,500
<b>Total</b>	<b>Combined</b>	<b>2.02</b>	<b>2.0</b>	<b>0.1</b>	<b>40,400</b>	<b>9,400</b>

### Canbelego Copper Deposit - Context

The Canbelego Deposit is located 45km south-east of Cobar and 5km south of the historic Mt Boppy Mine along the Rochford Copper Trend. Historic production from the Canbelego Copper mine was reported (1920) to be ~10,000t of hand-picked ore grading 5% Cu with mining stopped at the water table at ~80 metres.

Canbelego is located on EL6105 which is a joint venture with local copper producer Aeris Resources (ASX: AIS). Helix holds 70% and is the Manager and AIS is a contributing, 30% partner.

Structural remobilisation is considered an important control on high-grade copper in these mineralised systems, termed CSA Mine-style base metal deposits. Copper mineralisation is developed as structurally controlled, sub-vertically plunging, semi-massive to massive sulphide shoots.

A Mineral Resource compliant with the 2004 JORC Code of 1.5Mt @ 1.2% Cu (oxide, transition and fresh), 100% Inferred was reported in October 2010 as presented in Table 3. This Mineral Resource estimate is based on a total of 39 holes for 8,080 metres of RC and diamond drill core. Untested DHEM Conductors remain below the mine workings. No significant work has been undertaken at Canbelego since 2013. The recent VTEM work announced by Helix 23 March 2021 has refocused attention to this area.

Other than results contained in this ASX release, Helix confirms that it is not aware of any new information or data that materially affects the Mineral Resource information included in Helix ASX release dated 1 October 2010 *Initial Copper Resources for Canbelego and Exploration Update*. All material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.

**Table 3: Canbelego\* (October 2010) (0.5% Cu cut-off)**

Classification	Type	Tonnes	Copper	Gold	Contained Copper	Contained Gold
		Mt	%	g/t	t	Oz
Inferred	Oxide/Transition/Fresh	1.50	1.2	N/A	18,000	N/A
<b>Total</b>	<b>Combined</b>	<b>1.50</b>	<b>1.2</b>	<b>N/A</b>	<b>18,000</b>	<b>N/A</b>

(Rounding discrepancies may occur in summary tables)

\* JORC 2004 Compliant Resource: For full details regarding estimation methodologies please refer ASX announcement on 1 October 2010 – reported as 100% of deposit