
Helio Resource Corp. **(HRC-TSXV)**

Extracted from the December 2009-2 Issue

Drilling is continuing on Helio's SMP gold project in the Lupa Goldfield of southwest Tanzania. Drilling has outlined substantial areas of gold mineralization and recent geophysical work has identified other prospective areas.

Eleven target zones have been drilled to date along 20 kilometers of a regional shear zone and associated cross-structures. All of those zones have intersected gold mineralisation over significant widths with potentially economic grades. Two areas – Kenge and Porcupine – have been systematically drill tested, yielding positive results. The company is working toward an initial resource estimate for those areas and intends to conduct systematic drilling at the other targets.

Other targets, identified from gold-in-soil anomalies and evidence of artisanal mining extend the mineralized corridor to 35 kilometers on the Helio property. The company recently completed a high-resolution helicopter-borne magnetic-radiometric survey over the area between the Porcupine and Gap areas. The survey results, together with structural reinterpretation of the drill results, shows that Porcupine is controlled by the intersection of north-east-southwest and east-west fault zones. The higher-grade mineralization appears to be controlled by the east-west structure, which has been traced for 4.5 kilometres. The survey also identified three major structural intersections which are prime targets.

The geophysical results are very significant as the structural interpretation will help to locate areas that are the most likely to carry higher gold values. The company intends to continue to delineate the gold zones at Porcupine Main Zone as well as the area along trend to the Gap

Zone. Over the coming months, the results will be compiled into a resource estimate. Other areas with known gold occurrences will also be delineated. In addition, exploration will continue with the intent of identifying further gold zones.

By now it is clear that Helio has identified a very substantial gold district. They have systematically outlined a couple of the multiple targets and are getting a better understanding of the geological controls to the gold deposits. It appears highly likely that the area of Helio's property hosts a multi-million ounce gold resource. Metallurgical testing of samples from one of the zones has shown that the gold can be readily recovered using standard techniques. The grades and the thickness of the zone, which is near surface, point to favourable parameters for open pit mining.

Helio also has projects in Namibia, with joint venture partners advancing work in that country. The company also intends to bring in partners for three other Tanzania gold projects in order to focus on SMP.

The International Finance Corporation (IFC), an organization that funds projects to help foster economic growth in developing nations, has agreed to invest in Helio by way of a private placement that would see IFC own 15% of the shares of the company. The placement will be at the 15-day weighted average price and, subject to certain conditions, is expected to be completed on or before January 20. The financing will include a half warrant, which will be priced at 50% above the market price.

(Continued on page 2)



Based on the current price, the deal would net the company about \$4 million.

adds gold ounces in an extensive and well-mineralized district-scale project.

That financing, together with \$3 million of cash on hand, provides ample financing to continue the aggressive exploration program. The company is close to an initial resource estimate, with a reasonable level of certainty that further work will expand on the initial figures. Investor interest has faded as the company has evolved from the discovery phase to systematically working toward building a resource. Investors with some patience stand to be well rewarded as the company methodically

Price December 22, 2009: C\$0.51
Shares Outstanding: 66 million
Shares Fully Diluted: 87 million
Market Cap: C\$33.6 million
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Last updated December 2009-1

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