

YALLEEN IRON ORE JV - UPDATE

CORPORATE DETAILS

Directors

Greg J Wheeler
FCA; SF Fin; GAICD
Executive Chairman

Michael Wilson
B Ec; B Sc (Hons); MAusMM
Executive Technical Director

Gordon Dunbar
B Sc (Hons); M Sc; FAusIMM; FAIG
Non-executive Director

John den Dryver
B E (Mining); M Sc; FAusIMM
Non-executive Director

Assets

Cash \$3.6 Million

Yalleen Iron Ore JV (30%)
84.3Mt @ 57.2% Fe

Tunkillia Gold JV (48%)
800,000 oz Au

Company Information:

ASX Codes HLX/HLXOA

Shares FPO 131.9M

Options – Listed 53M
(5 cents expiring 31/05/2011)

Options – Unlisted 17.6M
(53 cents expiring 31/10/2011)

Share Price 7 cents

Market Capitalisation \$10 Million

Contact Details:

Telephone: +61 8 9321 2644

Facsimilie: +61 8 9321 3909

Email: helix@helix.net.au

Web: www.helix.net.au

Development Studies

- Independent engineering firm appointed to undertake transport and logistics assessment based on production range of 5Mtpa to 8Mtpa and report mid 3Q10.
- Transport options will focus on road and rail (or light rail) to:-
 - Proposed API rail infrastructure
 - Nearest suitable point on the Rio Pannawonica rail line
- Output from the independent study to include:-
 - Concept design for required infrastructure and capital costs
 - Whole of Life operating costs
 - Financial assessment of preferred transport and logistics solution for the life of the mine
- The 2010/2011 Work Program and Budget will consider expanding on the study findings to include the assessment of mine operating costs and project approval timeline.

Background

- API is a joint venture vehicle between Aquila Resources and private group AMCI, and API holds 70% of the iron ore rights on Helix's 100% owned tenements.
- AMCI and associates own 19.9% and Aquila 5.8% of Helix.
- Definitive Feasibility Study for API West Pilbara Iron Ore Project Stage 1 due end 2Q10. Whilst not specific to the Yalleen JV (Stage 2), the information contained therein will be useful when considering Yalleen Project economics.

Yalleen Iron Ore JV Project Summary

- 600km² tenement area located in the West Pilbara region of WA, 50km SE of Pannawonica;
- Pisolitic iron mineralisation is present in buried palaeodrainage systems developed from erosion of iron rich strata in the Hamersley Range creating a series of channel deposits within the drainage systems
- API estimated a resource of 84.3 Mt @ 57.2% Fe for Kumina Creek and Robe Exit prospects 2Q09 [refer www.helix.net.au for estimation Process details].
- Exploration upside exists on identified targets to increase existing resource;
- Development scenario assessment commenced 1H10

The Helix strategy is:

- acquire large tenement holdings in prospective exploration regions
- use of leading edge exploration methodologies and techniques under the guidance of a skilled Board and Management team
- create shareholder wealth whilst managing risks



10 June 2010

For further information:

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| <p>Mr Greg Wheeler Managing Director Helix Resources Ltd Tel: + 61 8 9321 2644</p> | <p><u>Media</u> Karen Oswald Professional Public Relations Tel: +61 8 9388 0944</p> |
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About Helix Resources Limited

Helix Resources Limited was listed on the Australian Stock Exchange in 1986 and is focused on acquiring and developing assets within the bulk commodities, base metals and precious metals sectors in Australia.

The Helix strategy is:

- Acquire large tenement holdings in the prospective exploration regions
- Use of leading edge exploration methodologies and techniques under the guidance of a skilled Board and Management team
- Create shareholder wealth whilst managing risks

Helix's most significant development asset is the Yalleen Iron Ore Project joint ventured with API Management Pty Ltd (50% Aquila Resources, 50% AMCI) situated in the Robe Valley in the West Pilbara region of Western Australia. The project has an inferred and indicated resource estimate of 84.3Mt channel iron ore with exploration upside. Helix is contributing 30% of funding and recognises the benefits of a partnership with a focused, well funded project manager and JV partner to advance this project.

Helix also has exposure to 0.8 Million oz of gold at the Tunkillia JV in South Australia, being managed and funded by Minotaur Exploration.

During 2009 the Company has accumulated significant landholdings in the Cobar/Girilambone region of NSW and the Eastern succession of the Mt Isa region in QLD. Both areas are prospective for gold and copper with operating mines and nearby infrastructure. Copper and gold targets in the Cobar/Girilambone region will be the Company's main exploration focus in 2010.

Details on the JORC resource estimation process is outlined at www.helix.net.au.

Competent Persons Statements

The information in this report that relates to the Yalleen JV Mineral Resources is based on information compiled by Mr Stuart H Tuckey. Mr Tuckey is full-time employee of the API Management Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves on all other projects 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.

List of Abbreviations

M: Million

Mt: Million tonnes

Mtpa: Million tonnes per annum

Fe: iron