

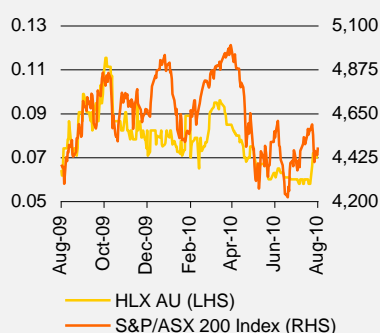
Helix Resources Limited

(Ticker: ASX - HLX)

August 25, 2010

RB MILESTONE GROUP 
A MILESTONE TO NEW HEIGHTS

Price (AUD):	A\$0.07
Target Price (AUD)	A\$0.95
Beta:	1.35
Price/Book Ratio:	0.50
Debt/Equity Ratio:	0.00
Listed Exchange:	ASX



Recent News

08/17/2010 – Helix Scoping Study reports Positive Results for Yalleen Iron Ore Project

06/10/2010- Yalleen Iron Ore JV - Independent engineering firm appointed to undertake transport and logistics assessment

05/06/2010- Positive drilling results - Canbelego JV - NSW

04/29/2010- Sale of unmarketable parcels

03/30/2010- Commencement of RC drilling program at the Canbelego Project EL6105

02/23/2010- Distribution in-specie of Gascoyne resources shares

Shares in Issue

131.944M

Market Cap

(A\$) 9.24M

52 Week High: A\$0.124

52 Week Low: A\$0.058

Capable Growth Opportunity

Helix Resources Limited (“Helix” or “Company”) is an Australia based mineral exploration company established in 1986 with the strategic focus of acquiring large tenement holdings in prospective exploration regions of Australia. The Company is focused on advancing the, Yalleen Iron Ore JV Project located in Western Australia (WA) towards development as well as drill test its NSW copper and Gold targets. The Yalleen Iron Ore Project is joint ventured with API Management Pty Ltd (50% Aquila Resources, 50% AMCI) and forms part of their West Pilbara Iron Ore Project [WPIOP] which comprises multiple JV’s. The Company also has several other mining projects including its NSW Canbelego copper JV and Restdown & Muriel Tank gold JV; Lake Everard (Incl. Tunkillia) Project, Gawler Craton Uranium Project and Olary Project in SA and Booyeema Nickel Project in WA.

We have valued the Company based on present value of future cash flows from its advanced stage project, Yalleen Iron Ore project, starting 2014 and a mine life of about 12 years (current estimate). Given that the Company is in exploration stage a discount rate of 18.7% has been applied for the above project to arrive at a fair value of \$0.95 for the stock.

Investment Takeaways

- **Good potential for its most advanced Yalleen Iron Ore Project and Tunkillia Gold Project:** Helix sees strong potential in its advanced stage Yalleen Iron Ore Project. Yalleen has an inferred and indicated resource estimate of 84.3Mt channel iron ore with exploration upside. The Company also has exposure to 0.8 million oz of gold at the Tunkillia JV in South Australia
- **Key mining properties owned by the Company:** A majority of the projects operated by the Company are owned or controlled by the Company. Additionally, the joint venture agreement for Yalleen where current development activities are taking place, allows for Helix to sell to API its 30% interest at fair value at JV decision to mine, which the Company considers feasible to take place in second half of 2011. Similarly, the Tunkillia project, where company has a 47% interest, could be sold at a decision to mine
- **Lack of upcoming Greenfield exploration:** The capacities of operating mines have gradually declined over the last two decades. About 75% of the discovered ore has already been mined. A dearth of promising new regions for gold exploration and production is causing a fall in the number of new projects. With rising demand and lack of adequate supply, the future prospect of the Company looks bright
- **Gold has successfully withstood the impact of recession:** During the current recession gold prices have moved higher as investors preferred and opted for the yellow metal as a safe haven investment. Sustained concerns over the global economy have continued to fuel gold’s appeal as a safe haven and as a hedge against dollar/inflation
- **Strong acquisition strategy and operational synergies:** The Company is targeting both copper and gold/base metal models consistent with the known deposits in the rich mining belts of Australia. The Company has broad expertise in bringing interested companies on board to further assist in achieving its desired goals through potential operational synergies

Company Overview

Helix is a mineral exploration company established in 1986 and focused on acquiring and developing assets within the bulk commodities, base metals and precious metals sectors in Australia.

The Helix strategy is to:

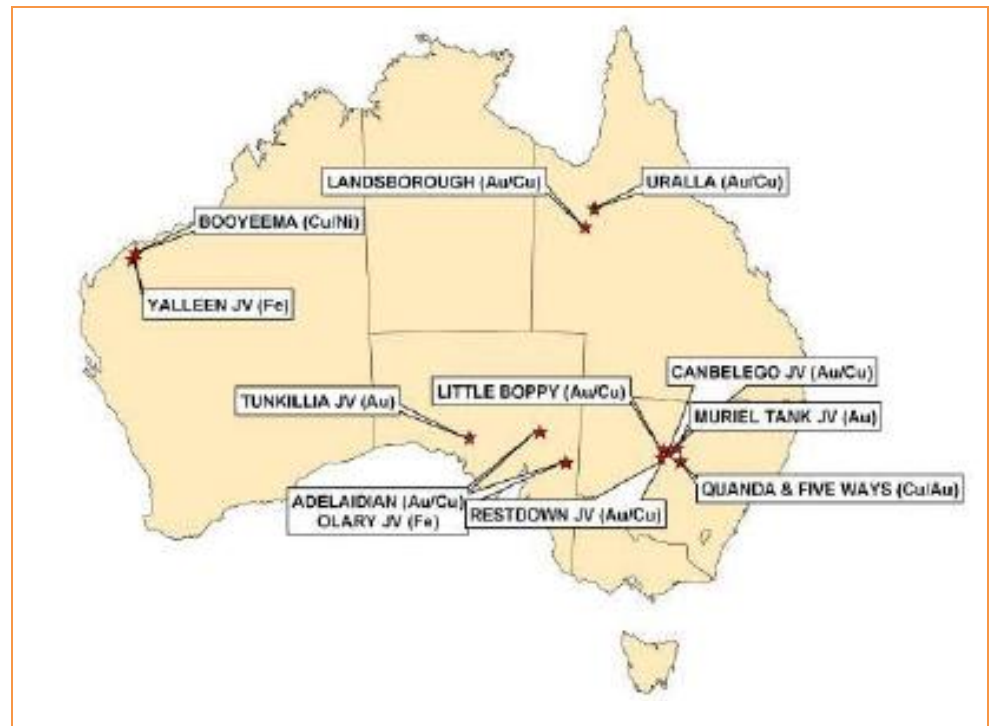
- Acquire large tenement holdings in the prospective exploration regions
- Use leading edge exploration methodologies and techniques under the guidance of a skilled Board and Management team
- Create shareholder wealth while managing risks

The Company'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 is partnering with a well funded project manager and JV partner to advance this project.

The Company also has exposure to 0.8 million oz of gold at the Tunkillia JV in South Australia.

During 2009/10, 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 mines in operation and nearby infrastructure. Copper and gold targets in the Cobar/Girilambone region have been the Company's main exploration focus in the first half of 2010.

Exhibit 1: Helix Resources- Project Location Map



Source: Company

Mineral Exploration Overview

Yalleen Iron Ore Joint Venture – Western Australia

Helix Resources Limited (30%), API (AMCI/Aquila) (70%) iron ore rights

Helix Resources Limited 100% other minerals and tenements

EL 47/1169-1171

Project Summary

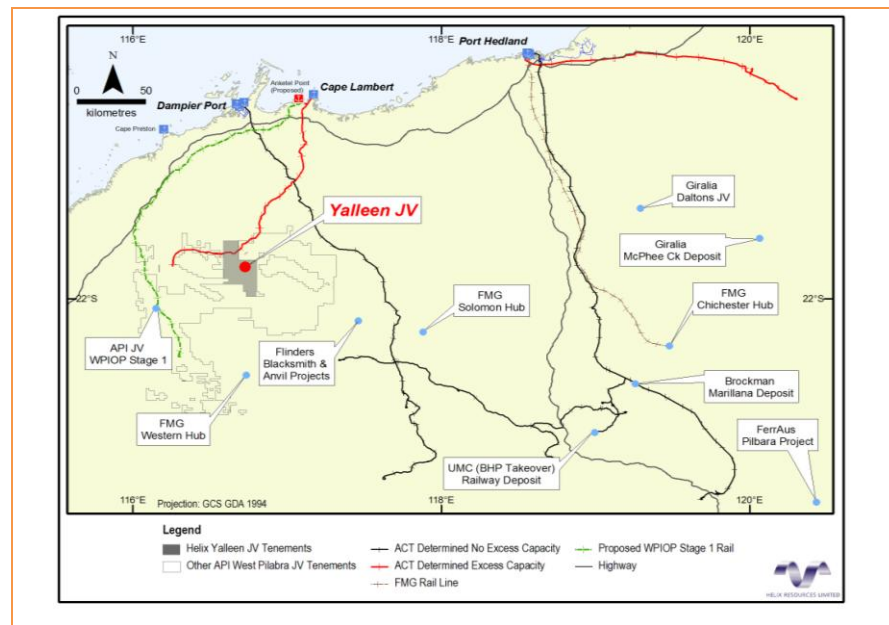
- 600km² tenement area located in the West Pilbara region of WA 50km SE of Pannawonica
- JV Manager API has estimated a channel iron deposit (CID) total resource of 84.3 million tonnes @ 57.2% Fe for Kumina Creek and Robe Exit prospects
- Exploration upside exists within the project
- Scoping study reports technical and financial viability based on 5Mtpa road haulage to access proposed API WPIOP rail infrastructure 70kms West
- Feasibility Studies have commenced including Metallurgical test-work; baseline studies covering heritage, environmental and water management issues, and infrastructure access agreements

Project Background

The Yalleen Iron Ore JV Project covers approximately 600 sq. km. of the upper reaches of the Robe River drainage system. Pisolitic iron mineralization in buried palaeodrainage systems developed erosion of iron rich strata in the Hamersley Range to create a series of channel iron deposits within the drainage basins. These deposits are variably covered by younger unconsolidated alluvial sediments. The Brockman and Marra Mamba Formations, host to many of the major iron ore deposits in the Pilbara region of WA, form the main exposures in the project area.

The Yalleen Joint Venture is managed by API Management Pty Ltd (API) for the Australian Premium Iron JV (Aquila/AMCI) and forms part of their larger West Pilbara Iron Ore Project (WPIOP) comprised of deposits in separate joint ventures with Red Hill Iron Ltd and Cullen Resources Limited and their own projects. These projects are approximately 50-70 km southwest of the Yalleen Project area.

Exhibit 2: Yalleen Iron Ore JV Location Plan



Source: Company

Yalleen has potential for two infrastructure solutions to development:-

- API WPIOP Stage 1 proposed railhead load out facility 70km W (refer green line)
- Robe River – given June 2010 Australian Competition Tribunal [“ACT”] decision that capacity exists and 3rd party access is available (refer red line)

The fact that Yalleen has two potential transport solutions compares favourably to a number of other identified iron ore deposits which planned access to other industry giants infrastructure prior to the ACT in June 2010 determining that there is no excess capacity (black lines above)

Yalleen Project JV currently operates under a Heads of Agreement whilst formal documentation is negotiated. API controls the information regarding the Yalleen Iron Ore JV and the API JV participants control ±26% of Helix.

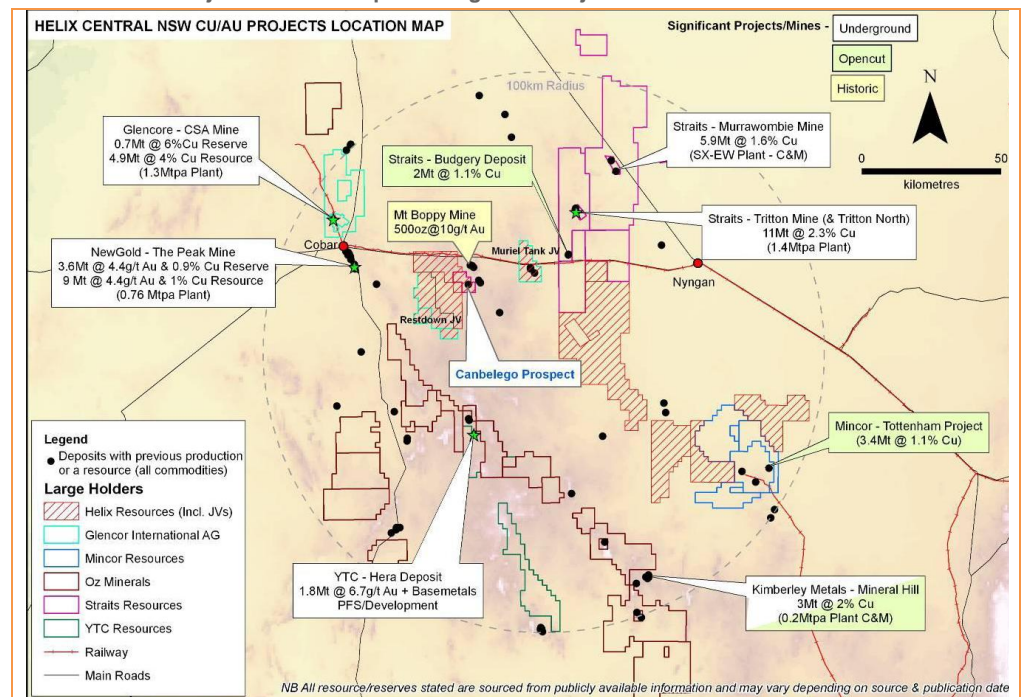
The JV agreement negotiated to date provides for the following:-

- Each Participant will be subject to pre-emptive rights when dealing in their JV interests
- Helix will have access to API infrastructure on commercial terms
- Helix has the right on the JV Decision to Mine to sell their interest to API at fair market value

NSW Copper / Gold Projects

During 2009/2010, the Company, through its 100% owned subsidiary Oxley Exploration Pty Ltd [Oxley] has acquired a significant ground holding in the Cobar/Girilambone District of NSW. The projects include 100% held Helix tenements together with earn-in JV's with Straits Resources (Canbelego JV) and Glencore subsidiary Isokind Pty Ltd (Restdown JV & Muriel Tank JV), and covers over 1,500 sq.km. of tenements and applications prospective for copper and gold in a region with operating mines, access to infrastructure and a history of discovery for the commodities being sought.

Exhibit 3: Helix Project Location Map Showing Other Major Tenement Holders



Source: Company

Canbelego Project JV – NSW

EL6105 - Helix Resources Ltd 51%/Tritton Resources Pty Ltd 49% [Helix moving to 70%]

The RC drilling program of 6 holes for 780m at Canbelego Prospect announced in May 2010 extended the strike of known mineralization to +200m [remains open down dip and along strike].

Canbelego Project Regional Targets

A 2nd drilling program is expected to commence late in third quarter of 2010 (subject to relevant approvals being obtained) to assess up to five regional target areas identified from recent geophysical surveys and surface sampling.

The Priority 1 targets include:

Hawk Prospect – Coincident magnetic “bulls eye”, copper-lead-arsenic surface geochemistry, with a gravity linear feature wrapping around southern edge and extending NW and SE of the magnetic feature (+/- 400m of strike).

McGill Prospect: Magnetic linear feature, gravity high, with arsenic, lead, minor copper geochemistry. Rockchips up to 0.1% As, 0.1g/t Au (+/- 1,200m strike)

Gonzales Prospect: Magnetic linear features, two previous drill holes with wide intercepts of +0.1% anomalous copper (best 3m@1.1% Cu, historic workings and anomalous copper in surface geochemistry (+/- 800m strike)

Caballero Prospect: NW Magnetic linear, coincident with 1km x 500m copper in soils anomaly, rockchips to 0.5g/t gold, 0.3% copper and 0.1% arsenic

Mullen Prospect: Magnetic anomaly, single previous vertical drill hole finished in elevated arsenic (up to 1.2%) and gold (up to 0.2g/t) (+/- untested 500m strike)

Restdown and Muriel Tank Joint Venture Projects

The Company, through its 100% owned subsidiary Oxley Exploration Pty Ltd [Oxley], has signed an earn-in joint venture covering the Restdown and Muriel Tank Projects with Isokind Pty Ltd, a subsidiary of Glencore International AG.

This opportunity provides Helix with an additional 3 granted tenements in the prospective Lachlan Fold belt, with priority targets for gold and copper mineralization which, subject to regulatory approvals, will be drill tested 3Q10.

The terms of the Earn-in require Oxley to expend \$700,000 within 2 years to earn a 70% interest in the tenements, with a minimum \$225,000 to be spent within 12 months. Oxley will then have the right to earn a further 10% interest and move to 80% by expending a further \$1,000,000 within 24 months of the First Expenditure Requirement notice, should Glencore choose to dilute. Oxley also have the right to earn a further 10% interest and move to 90% by expending a further \$1,000,000 within 48 months of the First Expenditure Requirement notice, should Glencore choose to dilute. A Party with an interest less than 10% will convert to a 1% Net Smelter Royalty.

Restdown

The Restdown Project covers an area of approximately 188km² and is located 40km southeast of Cobar in Central West NSW. Tenements EL6140 and EL6501 cover a package of Girilambone Beds unconformably overlaid in places by younger Meryula Formation, and numerous historic workings are located within the project area.

Helix is targeting both gold and base metal models consistent with the known deposits in the Cobar/Girilambone Region.

Muriel Tank

The Muriel Tank Project [EL6739] covers an area of approximately 90km² and is located 70km east of Cobar. The project covers a series of historic gold workings hosted in quartz scree and quartz vein subcrop on low ridges within plains of shallow alluvial cover. The high-grade gold-

sulphide mineralization mined in the 1920's and 1930's appears to be structurally controlled and provides a focus for initial work.

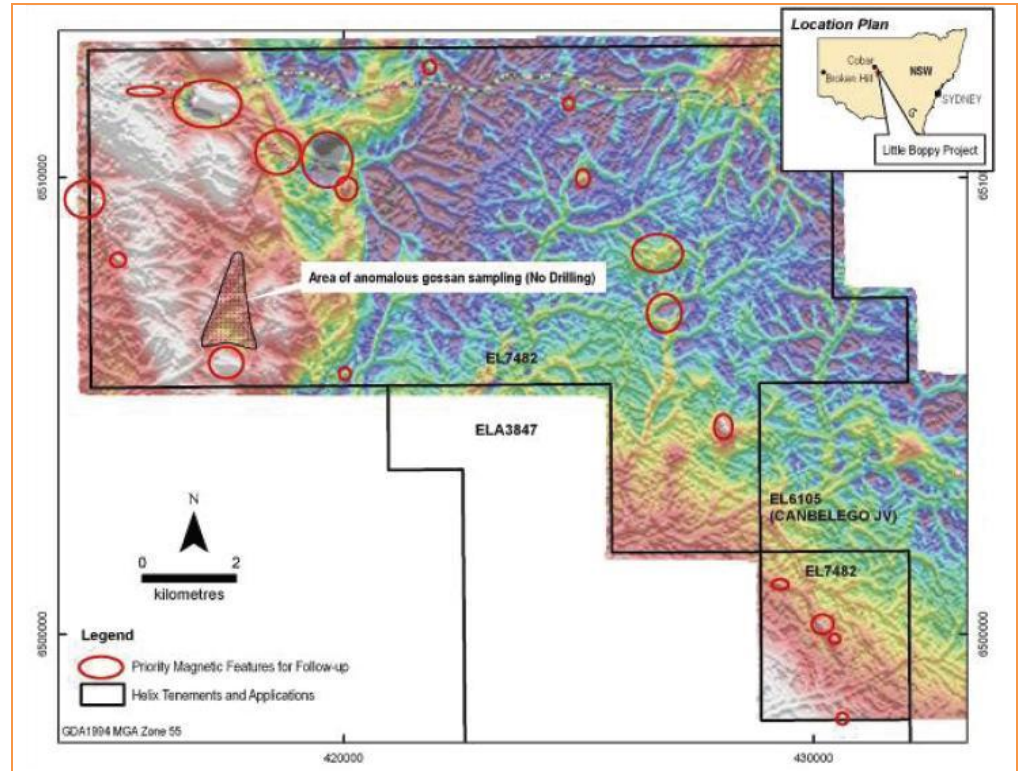
Helix has commenced field reconnaissance and has lodged applications for approval for the proposed 1,000 metre drilling program on the Restdown tenement EL 6140.

Little Boppy Project - NSW

Helix Resources Ltd 100% EL7482

Little Boppy Project covers approximately 150 sq. km. tenement area in the Cobar/Girilambone District of NSW with excellent access to infrastructure and operating mines.

Exhibit 4: Little Boppy Tenement Area



Source: Company

The project covers the NW extensions of the Canbelego JV magnetic complex and includes areas with additional historical copper/gold workings. Interpretation of the detailed 50m line spaced aeromagnetics flown by Helix has identified numerous anomalies that have been prioritized, with several targets currently being depth-modeled for drill testing.

Quanda Project and Five Ways Project - NSW

Helix Resources Ltd 100% EL7438 and EL7439

Quanda and Five Ways cover approximately 1300 km² ground holding in the Cobar/Girilambone District of NSW with access to excellent infrastructure and operating mines.

The projects cover the southern extensions of the Girilambone-Tritton-Budgery mineralized trend and a detailed 100 metre line spaced aeromagnetic survey recently completed has highlighted a number of target areas for drill testing in first half of 2011.

Lake Everard (Incl. Tunkillia) Project – South Australia

Helix Resources Limited 47%, Minotaur Exploration Limited 53%

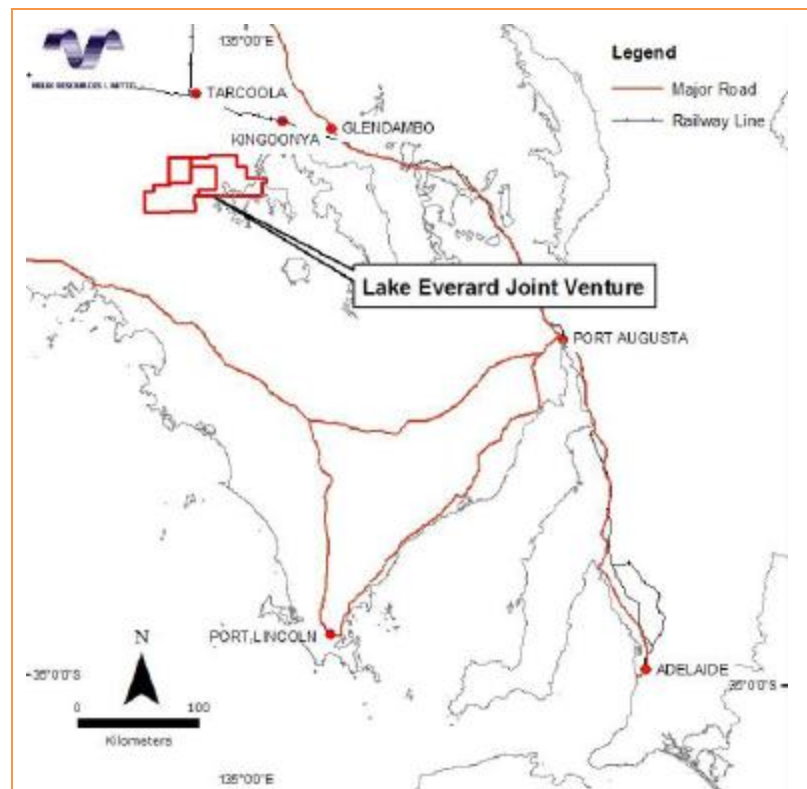
EL 3403, ELA2006/389 and EL 3335 [excluding uranium rights]

GOLD

Project Summary

- Resource inventory of 803,000oz Au and 1,658,000oz Ag
- Minotaur continues to sole fund their proposed work programs whilst Helix dilute. Minotaur has to sole fund a further \$10M from their initial 51% equity position to dilute Helix to $\pm 24\%$;

Exhibit 5: Lake Everard JV Location Plan



Source: Company

Project Background

Helix discovered the deposit in the mid 1990's while exploring for gold under cover in the Gawler Craton of South Australia. The Tunkillia discovery, which was announced in late 1996, was one of the first gold discoveries in the Gawler Craton and the 20 sq.km. Tunkillia Prospect remains the largest robust gold-in-calcrete anomaly in the region. Subsequent exploration (1998-2002) was carried out in joint venture, initially with Acacia Resources Limited and later with AngloGold Limited, following its takeover of Acacia.

In June 2003, the Company finalized the acquisition of AngloGold's 49% interest in the Lake Everard Project returning 100% ownership of the Project to Helix for the first time since 1998.

During 2003/2004 the Company completed a drill out of the Area 223 prospect, estimating a JORC resource of 720,000 ounces of gold.

By mid 2004, it became clear that the Tunkillia Project required a major injection of funds to give the project the critical mass required to enter into a feasibility study. The board decided at this time to seek a JV partner and in March 2005 Minotaur Exploration Ltd agreed to expend \$5M to acquire a 51% interest.

Since 2005, Minotaur has spent approximately \$5M carrying out additional drilling at Area 223 and carrying out several exploration campaigns using geophysics, geochemistry and drilling. In

August 2009, Minotaur released an updated combined measured, indicated and inferred estimate inventory of 803,000oz Au and 1,658,000oz Ag within the Area 223 deposit. Minotaur advise they continue to complete geotechnical, structural and metallurgical testing of diamond core together with economic studies.

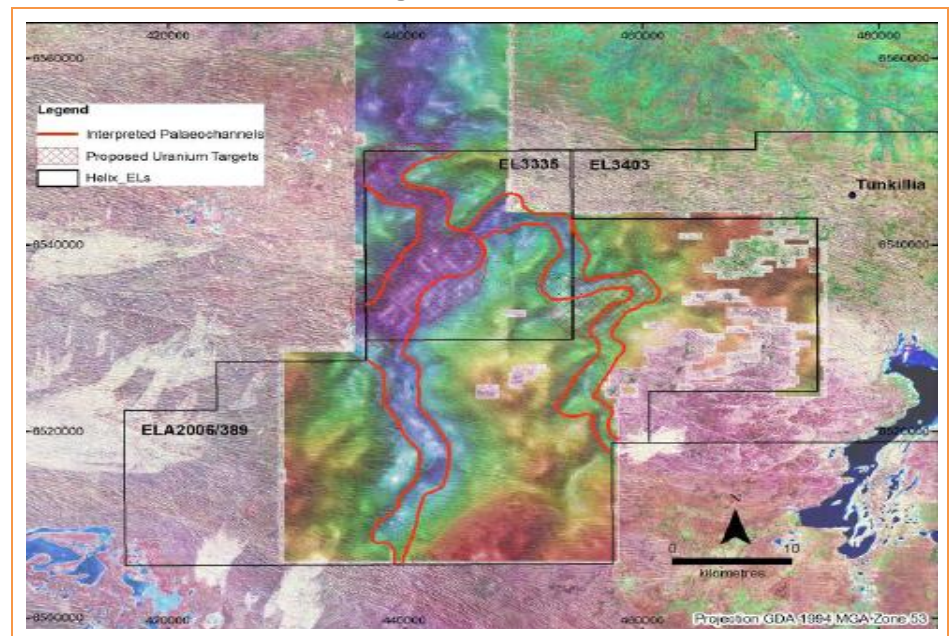
Whilst Helix is not contributing to expenditure during the 2010 calendar year pending success of Minotaur’s exploration and development programs, Helix has the opportunity to contribute at any time.

Gawler Craton Uranium Project

Project Summary

- The Company has commenced a search for interested parties to advance the uranium prospectivity of the tenements after negotiations with the South Australian Department of Environment over access permits as the target area is located in the buffer zone of South Australia’s Yellabinna Regional Reserve.

Exhibit 6: Palaeochannel Uranium Target Positions



Source: Company

Project Background

As part of a previous JV earn-in arrangement \$250,000 was spent defining a significant portion of the Kingoonya Palaeochannel System, on the Yellabinna (EL3335) and Lake Everard West (EL4495) tenements, was defined utilizing airborne EM and identified several “previously unexplored radiometric anomalies” located within a 50 kilometer long zone along the palaeochannel course.

Historical drilling in the area by Dampier Mining Company for coal confirmed the presence of Tertiary palaeochannel sequences. These sequences contain sands, which may provide porous and transmissive zones for possible uranium bearing solutions, and carbonaceous mudstone lithologies which could provide an important chemical trap component to the roll front uranium model being pursued.

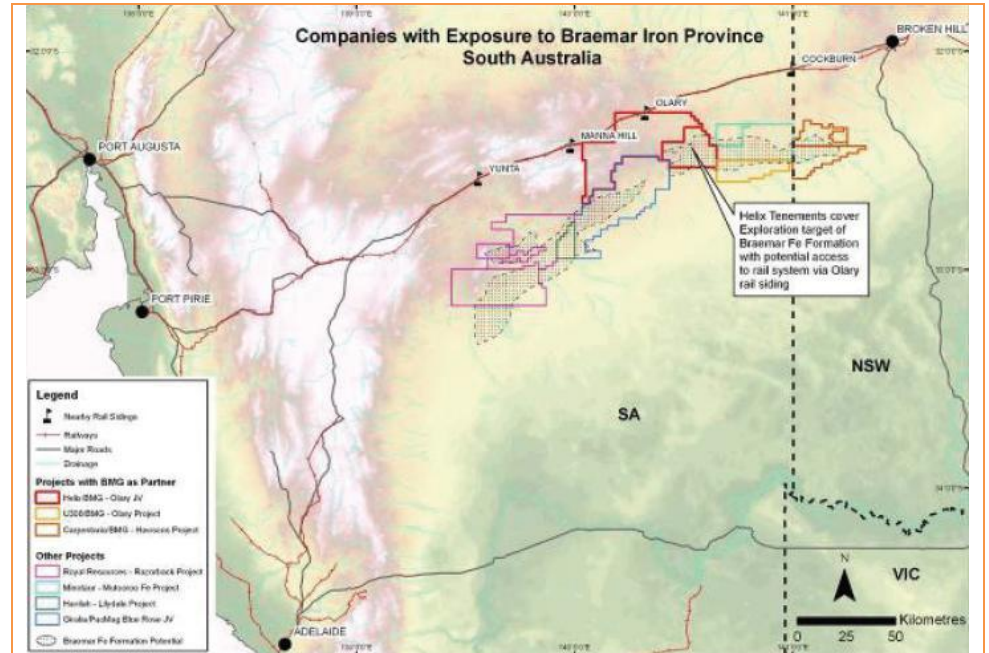
Olary Project - South Australia

Helix Resources Limited 100%

EL4022, EL3956, ELA 379/08

Bonython Metals Group Pty Ltd (BMG) has entered into an earn-in JV with Helix whereby Bonython will spend \$2 million over 5 years to earn 65% of the iron ore rights, with a minimum of \$300,000 by 1 March 2011.

Exhibit 7: Companies with Exposure to Braemar Iron Province- South Australia



Source: Company

Helix Comments on the JV with BMG:

- Initial BMG exploration target +1Bt @ 18% magnetite DTR
- HLX right to sell at fair market value after BMG earn 51%
- BMG JV with Carpentaria re Hawsons Iron Project 50km E has staged payments of \$81M to earn 80%
- Royal Resources acquisition of Razorback Ridge and nearby tenements with staged payments of \$40M
- Helix tenements have considerable strategic value for BMG development aspirations given existing Broken Hill-Pt Pirie rail passes through HLX tenements

Booyeema Nickel Project – Western Australia

E47/1090 and ELA47/1089

Project Summary

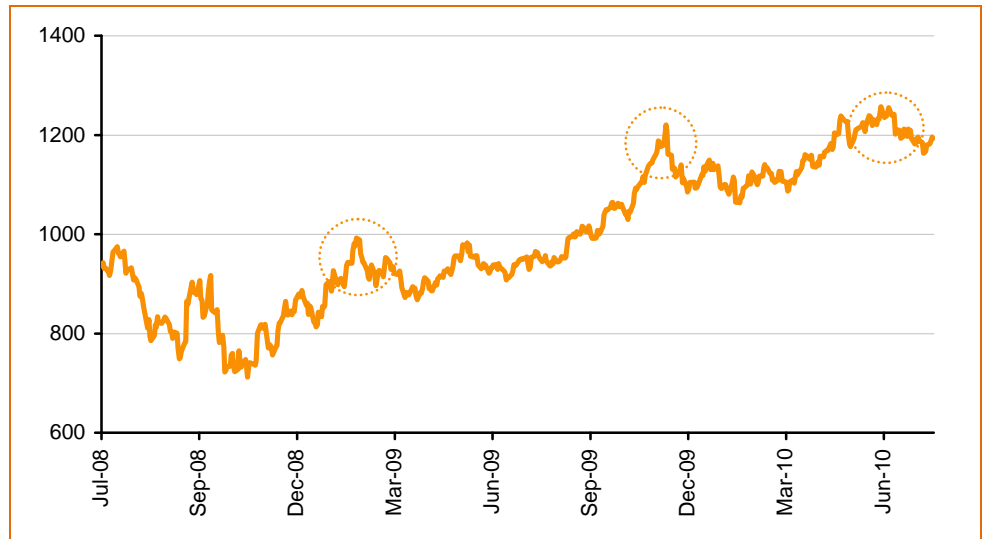
- A 629 line km VTEM survey identified a buried 800m long conductive target controlled by structure which Geophysical consultants have modelled at 200m.
- Discussions are continuing with JV parties interested in drilling the target.

Gold Mining Industry Overview

Industry Poised for High Growth

The Gold rally continues with prices posting fresh all time highs in early October with the rally expected to continue within an \$850-\$1,400/oz trading range in 2010. After the turmoil in the financial markets last year a strong rebound has been seen but as numerous large issues remain unresolved the rebound seems unsustainable. The fact that the yellow metal prices are high suggests there is still a lot of fear in the markets. If a double dip recession unfolds, prices could have considerably further to run.

Exhibit 8: Gold Price



Source: www.goldprice.org

The present situation is one in which the dollar is trending lower again and equities have rallied strongly off their lows. Quantitative easing and government borrowing are providing the means for Western governments to issue stimulus packages and support those industries and institutions that are deemed "too big to fail," but the legacy of all this debt and the means with which to repay it are likely to become the next problems.

As such, there are many cross-currents impacting the global economy that are likely to keep the markets turbulent and dangerous. In this environment gold prices are expected to remain highly sought after as the ultimate and time-tested safe-haven.

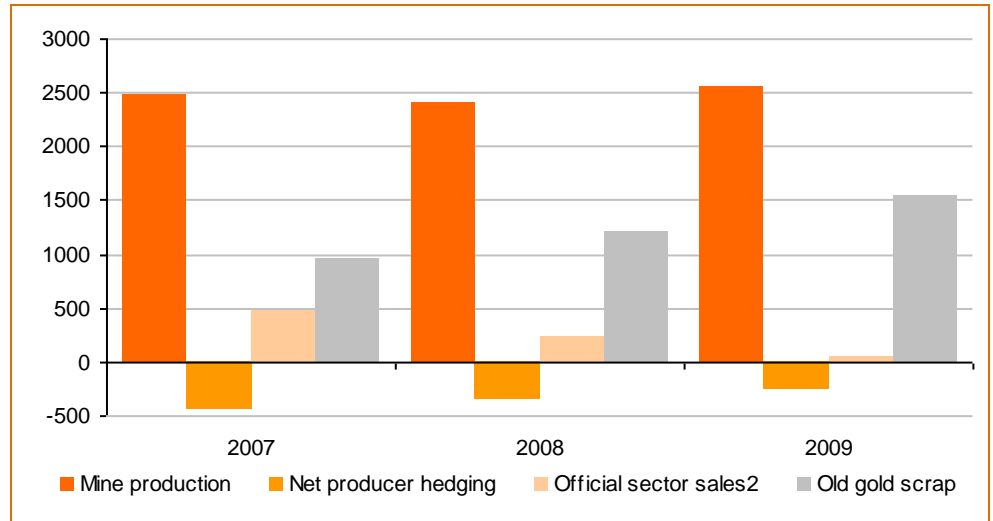
After several years of higher gold prices, the supply response is beginning to be seen with output on the increase again, ending a down trend in production that has lasted for more than a decade.

In 2008, mine production was 2,416 tons, the lowest for twelve years. However, in the first half of 2009 mine output increased 7% according to Gold Field Mineral Services (GFMS). In recent years demand for all the factors of production needed by miners have been particularly strong and shortages have disrupted mine output, expansions and new mine development. These factors have affected gold producers just as much as base metal producers.

Better operating conditions and scheduled production expansions in the West have seen some pick-up in output and as financial constraints ease and as profit margins rise, output is likely to increase as producers capitalize on record high gold prices. Overall, with average cost of production at around \$650-\$700/oz, current margins are likely to encourage a faster-than-forecast rebound in global mine production.

The supply of gold reversed its downward trend and edged up 11% to 3,890 tons in 2009 when compared to a year earlier. The single biggest contributor to this growth was recycling activity. Old gold scrap sales also advanced 27% in 2009 from a year earlier to reach 1,549 tons. Even net mine supply was up 11% annually to 2,296 tons in 2009.

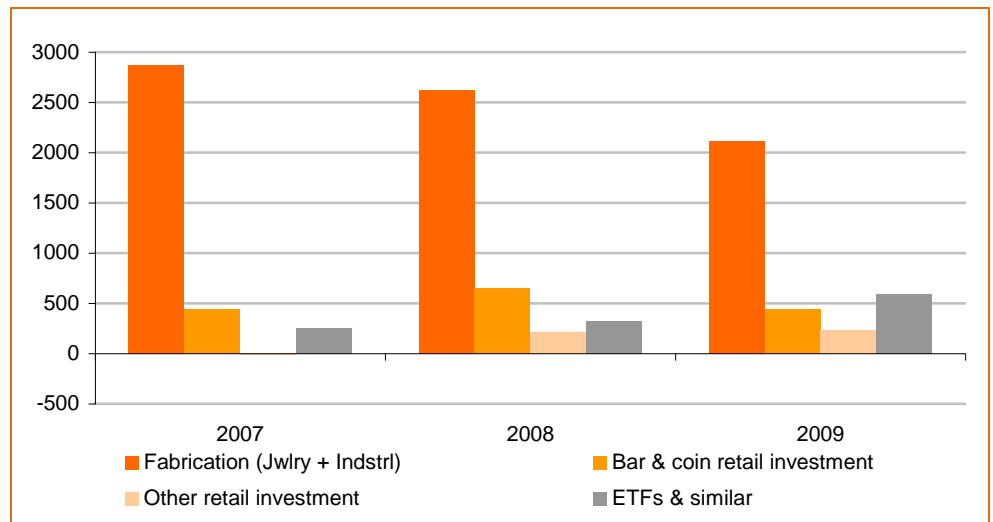
Exhibit 9: World Gold Supply



Source: World Gold Council

However, these positive influences were partly offset by a significant reduction in net official sector sales which totaled just 44 tons in 2009 versus an average of 444 tons estimated for the five years to 2008. The major part of the increased supply in 2009 came during Q1. A sharp fall in recycling activity and net buying in the official sector led to a significant reduction in supply in Q2 while higher levels of producer de-hedging had the primary dampening effect on supply in Q3 and Q4.

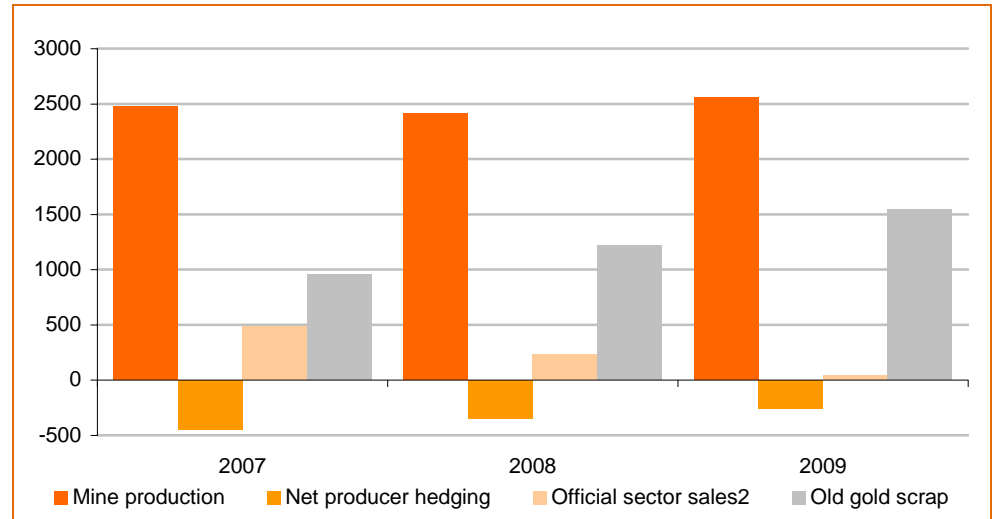
Exhibit 10: Global Gold Demand



Source: World Gold Council

On the demand side, sustained concerns over the global economy have continued to fuel gold’s appeal as a safe haven and a hedge against dollar/inflation. The leading demand drivers for gold are jewelry; industrial and dental; bar and coin retail investment; and ETFs. Speculative inflows into commodities, soaring energy prices, pressure on the dollar, inflationary threats and the ongoing credit crisis drove gold prices to record highs in Q4 2009 as investors shifted preference to the yellow metal.

Exhibit 11: Effectiveness of Exploration is in Decline



Source: World Mining Investment Congress

The gold price in 2009 stood at an average of \$972.35/oz, up 12% over \$871.96 in 2008. In Q4, the gold price averaged \$1,099.63, about 38% higher than the levels seen in Q4 2008. Consumers in India and Turkey experienced slightly smaller increases of 32% and 34% respectively, while those in the Euro area experienced a considerably smaller rise of 23%.

Identifiable investment in 2009 was up 7% relative to 2008, making it the only sector on the demand side to record positive growth. Industrial and dental and jewelry demand recorded declines of 16% and 20% respectively. China was the only major jewelry market to record annual growth in tonnage.

A comparison of Q4 2009 demand against Q4 2008 shows that the only sector to enjoy positive growth was industrial and dental demand (11%), albeit off a low base. Jewelry demand declined 8%, also off a low base, while identifiable investment declined 50% relative to an exceptionally strong Q4 2008. Q1 2009 was also exceptionally strong and although investment flows subsequently tapered significantly, they remained high in absolute terms.

After a very weak Q1 2009, jewelry and industrial demand enjoyed three consecutive quarter-on-quarter gains. By Q4, jewelry demand had risen to 500.4 tons, up from 336.3 tons in Q1. The recovery in jewelry demand was driven largely by a rebound in the Indian market. Industrial demand benefited from a strengthening in the electronics sector, reflecting improved economic conditions.

Strong investment flows in western markets generally offset weakness in non-western markets during 2009. The only non-western country to record positive growth in net retail investment during 2009 was China. India was the largest contributor on the downside, influenced strongly by dishoarding in the first quarter, although this was followed by a subsequent rebound. The strongest quarter-on-quarter performance came from the US, rising 104%.

Other identified retail investments, which largely covers the western markets, rose 11% between 2008 and 2009 and 77% in Q4 2009 relative to Q4 2008.

ETF demand in 2009, at 594.7 tons, was 85% higher than in 2008. The strong 2009 result was driven by an exceptional first quarter, which soared to 465.1 tons. Demand in Q4 2009 was significantly lower than in either Q4 2008 or Q1 2009, but still healthy in absolute terms at 31.6 tons.

Regardless of whether the economic recovery gains pace or reverts back in 2010, it is expected that western investment demand will remain well supportive. If the global economy falters, then western investors will continue to look towards gold for its diversification and portfolio insurance properties.

On the other hand, if the economic recovery becomes more firmly entrenched, then inflation concerns are likely to continue to gain prominence. However, the outlook for non-western demand remains price dependent. While industrial and jewelry demand are expected to

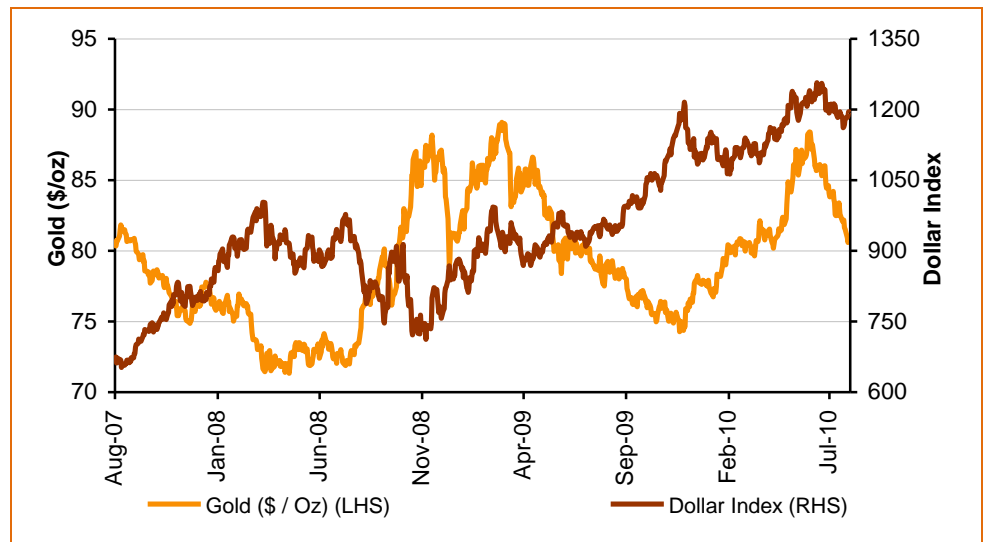
strengthen in an environment where economic conditions are improving, this recovery is likely to be relatively gradual. Western jewelry markets are likely to be constrained by high levels of unemployment, while in nonwestern markets the limiting factor is budget constraint as incomes have not kept up with the rise in the gold price. Nevertheless, any significant dips in the gold price are expected to be well supported.

Conditions on the supply side are also generally price supportive. While the levels of de-hedging activity that prevailed in the second half of 2009 are unlikely to continue into 2010, the official sector is likely to be a continued source of support for the gold price.

Factors driving Gold prices

The dollar - After the dollar weakness seen between 2006 and mid-2008, the dollar started to rebound in July 2008 as risk reduction gathered pace and US companies repatriated assets previously held overseas. In addition, the market turned to its traditional safe-havens which included the dollar. However, the dollar’s rebound ran out of steam as the US’s policies to tackle the financial crisis became clear – notably to push more money into the failing systems and to finance this by borrowing and by means of quantitative easing. The creation of more debt and the increase in money supply by quantitative easing have, not surprisingly, raised concern that the dollar is being devalued. In turn, the down trend in the dollar has resumed with the dollar falling against most currencies. Interestingly enough, the better- than-expected economic data that has boosted the US equity markets has so far failed to underpin the dollar, which is a sign of deteriorating confidence in the dollar. However, once the US makes it clear that it has a policy to soak up the extra money supply, then the combination of that along with economic recovery (when it eventually gets going) is likely to see the dollar turn higher. However, if the prospects for growth and loose monetary policy are also seen as being inflationary, then a stronger dollar will not necessarily mean weaker gold.

Exhibit 12: Gold vs Dollar Movement



Source: Livecharts

Central Bank Official Sales - For the fourth year running, sales made under the Central Bank Gold Agreement (CBGA) have failed to reach the maximum amount of 500 tons allowed by the agreement. In the CBGA year that ended in September 2006, sales were 104 tons short of the 500 ton allowance; in 2006/07 sales fell short by around 24 tons; in the 2007/08 period sales were 143 tons short of the limit and in the year to 26th September 2009, sales totaled 160 tons, 340 tons short of the limit.

So for CBGA-2 as a whole, sales of between 1,880 and 1,900 tons were some 75% of the permitted 2,500 tons. On 7th August, 2009, a new five year CBGA was announced by its 19 signatory members but the annual quota was cut to 400 tons, even though the IMF has said it plans to sell its 403.3 tons of Gold during CBGA-3. However, with China and Russia looking to increase gold reserves, net supply from official sales may be limited in the years ahead.

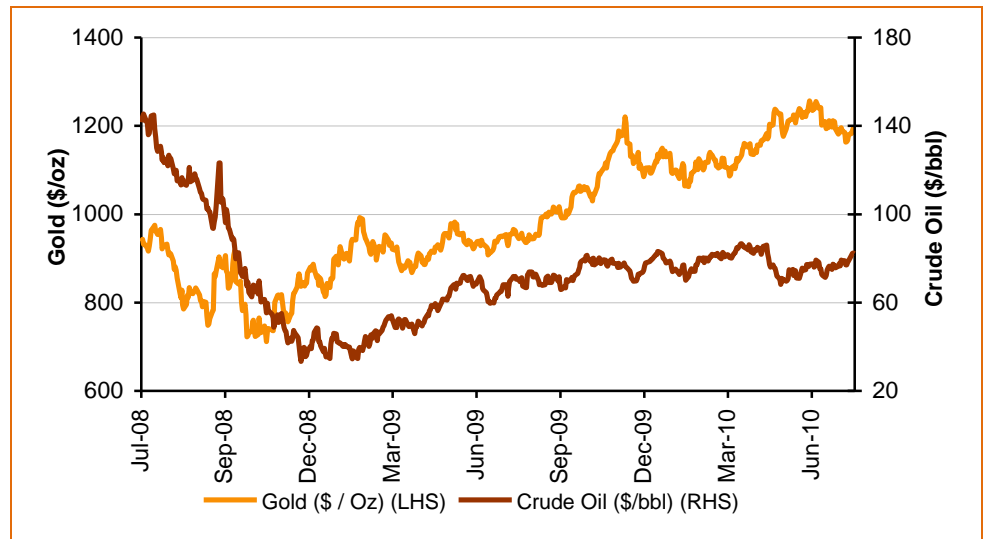
Central Bank diversification - The global financial crisis has exposed how vulnerable central banks are to the dollar and US Treasuries. As a result, a number of large sovereign holders of US dollars and Treasuries have started to diversify their holding. China surprised the market in April 2009 when it announced its gold reserves had increased 76% to 1,054 tons since 2003, when it held 600 tons.

However, this higher holding still represents only 1.9% of total reserves. With China holding over \$2 trillion of currency reserves and with some 70% of this in dollar denominated assets, China is heavily exposed to the value of the US dollar and, not surprisingly, is keen to diversify. There is a belief that China might buy some of the gold that the IMF is selling but China is also likely to prefer to continue buying gold from its domestic producers. In 2007, China surpassed South Africa as the world's largest gold producer with production reaching 282 tons in 2008 and rising 13.5% in the first half of 2009.

In addition, Russia has continued to build up its gold reserves. It bought 69 tons in 2008 and, in the January to August period this year, has bought a further 62 tons. As of September, it held some 568 tons, or 4.3% of its reserves. In November 2005 it stated that it would be appropriate to hold 10% of its reserves in gold, which would mean increasing gold holdings to 1,320 tons.

Oil - Oil and gold prices have been positively correlated for most of the bull run. However, gold prices have held up better than oil prices and this serves to highlight the poor current economic conditions. Although optimism is running high about economic recovery, judging by industrial commodity and equity prices, the fact that oil is still well below the highs and gold is near record highs does raise concerns as to how strong true recovery prospects are. When oil does start to run higher in anticipation of economic recovery then the rising oil price is also likely to be seen as inflationary which, in turn, is likely to be supportive for gold prices as well.

Exhibit 13: Gold and Crude Oil Prices Movement



Source: Livecharts

Global Iron Ore Production

According to United Nations Conference on Trade and Development (UNCTAD), after seven years of consecutive growth, global production of iron-ore decreased 6.2% in 2009 reaching just less than 1.6 billion tons. Output decreased in most countries except in some major producing countries such as South Africa, Australia and India, all of which experienced an increase in production. In the developed market economies, iron-ore production fell by 10.5%, while Australian and South African production rose by 13%. India had the fastest growing production at just over 15%. Brazil recorded a decrease of 6.7% while China produced 234 million tons of iron-ore, marking a 20% decrease since 2008.

Developing countries accounted for less than 59% of the world's iron-ore production in 2009, while the Commonwealth of Independent States accounted for 12% and the industrialized economies for 29% of production. Despite the decline last year, the production of iron-ore has grown by 65% since 2000, an increase of 628 million tons. Meanwhile, international iron-ore

trade grew as exports increased by 7.4%, reaching 955 million tons, with developing countries accounting for 49% of the total exports in 2009 and developed countries accounting for 51% of the exports.

Australia's exports increased by 17% reaching a total of 363 million tons in 2009. Exports from India also increased by some 9%, while Ukraine exports increased by 21% and exports from South Africa increased by 36%. Markets in Europe and the US declined, with Brazil decreasing by 3%. Further, China had imports of 628 million tons which is an increase of 41%. Almost all other countries' imports fell: Japan's imports by 25%; the Republic of Korea's imports by 15%; and European imports by 45%. Developing countries were responsible for almost 76% of the total imports in 2009.

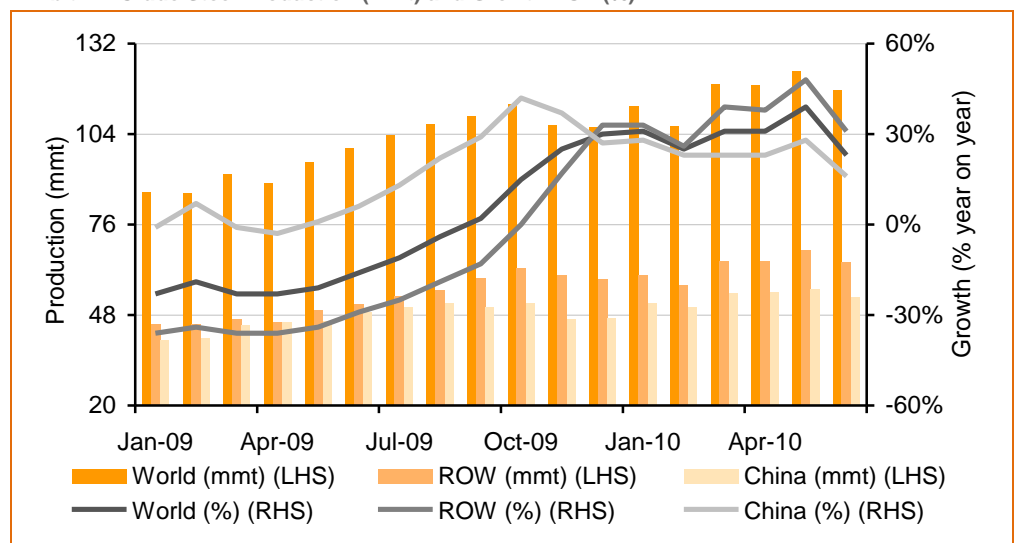
Owing to developments in the first few months of 2010, this year will see an increase in iron-ore production when compared with figures for 2009, mainly because of developments in China. Chinese crude steel production during the first four months of 2010 was 213.9 million tons resulting in an increase of 25% for the corresponding period in 2009. The imports of iron-ore in the first quarter were up by 18% to reach 155 million tons, compared with only 131.5 million tons in the first quarter of 2009. Japanese imports in the first three months of this year were 32.4 million tons, while 2009 saw only 22.6 million tons, and Brazilian imports are up by 21%, reaching 62.6 million tons.

It is anticipated that around 685 million tons of new production capacity may come on stream between 2010 and 2012. The world iron-ore market will be characterized by tight conditions over the short term, but supply will gradually catch up with demand and prices will decline from current levels, although they will stay higher than in the period before 2008.

Global Steel Production

According to the World Steel Association (worldsteel), the global crude steel production for the 66 countries rose by 18% to 119 million metric tons (mmt) in June 2010 as compared to the same period last year driven by the strong growth in emerging markets such as China, Russia and India. China's crude steel production in June 2010 was 53.8 mmt, 9% higher than June 2009, while Russia produced 5.4 mmt of crude steel in June 2010, a 6% increase over the same month in 2009.

Exhibit 14: Crude Steel Production (mmt) and Growth YOY (%)



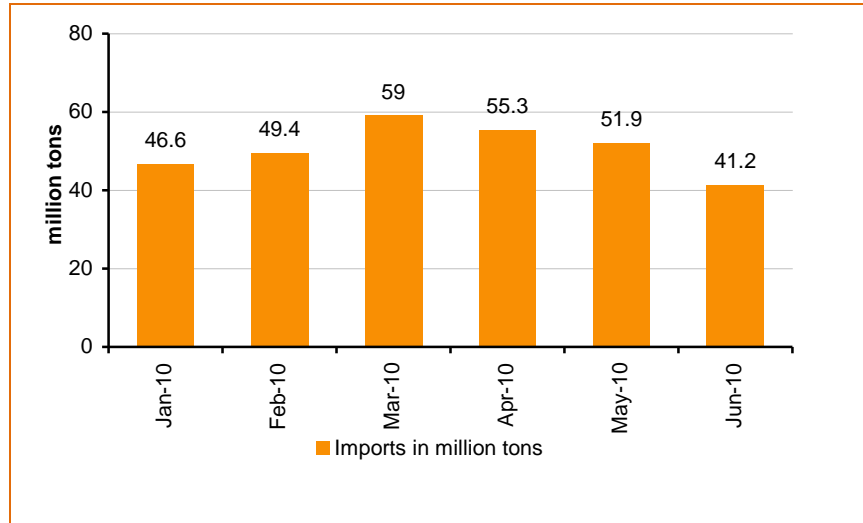
Source: World Steel Association

Although production in the first half of 2010 increased by 7.2% compared to the same period of 2007, just before the global economic crisis, most of the world has not recovered to pre-crisis levels. Only Asia and the Middle East showed increased crude steel production, compared to the first six months of 2007. Crude steel production in the EU, CIS, US and Canada is still more than 15% below 2007 levels. The world crude steel capacity utilization ratio of the 66 countries in June 2010 declined again to 80.6% from 82.0% in May 2010. Compared to June 2009, the utilization ratio in June 2010 increased by 8.3 percentage points.

Uncertain Outlook for the Iron Ore Market

The global iron ore market is set to hit turbulence. The nascent economic recovery worldwide observed so far is sending mixed signals to the steel and the iron ore market. The real concern is China where nearly half of the world's steel is currently produced.

Exhibit 15: Iron Ore Imports in China



Source: The General Administration of Customs, China

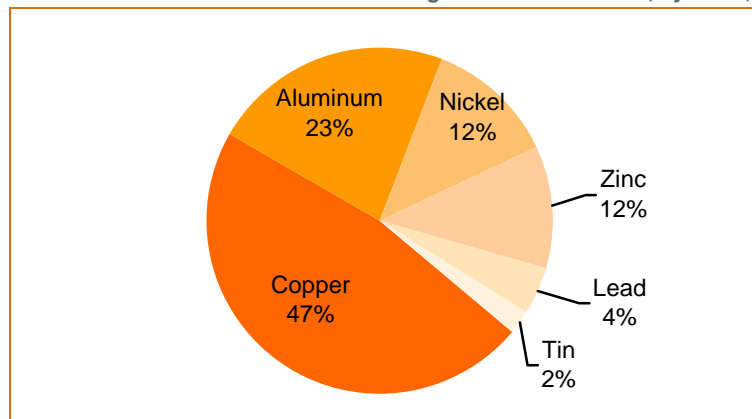
Rising iron ore production and slowing steel demand in China have hit some foreign miners and affected the global market. China's iron ore imports dropped for the third straight month to 47.2 million tons in June, while spot prices have dropped to about \$122 per ton after peaking at \$185 per ton in April. According to the data released by the China Iron & Steel Association (CISA), the country's iron ore imports rose 4% YoY in the first half of this year. But domestic ore output increased by 28% YoY to 485 million tons in the same period, with output rising 37.6% in the second quarter from the first quarter. This would lead to a drop in the share of imported ores in China this year.

About 40% of Chinese steel mills have to make cutbacks or put plants on maintenance, blaming increasing costs of imported ores and declining steel prices. Oversupply in the industry will continue to lower production, further driving down ore imports in the third quarter.

Global Copper Market

The largest segment of the global base metals market, Copper was the most lucrative segment in 2009 generating total revenues of US\$81.3 billion, equivalent to 47.2% of the market's total value. According to Goldman Sachs JBWere Investment Research, the global copper market is expected to see a supply gap from early 2011, largely due to demand resurgence from the Chinese market.

Exhibit 16: Global Base Metals Market Segmentation I: % share, by value, 2009



Source: Datamonitor

Prices for base metals rose strongly in the fourth quarter of 2009, although volatile, prices generally moved higher in the first quarter of 2010. Strong Chinese buying and the prospect of restocking in the OECD, where inventories were typically at historical lows, coupled with the positive impact of government stimulus packages on demand supported the rise in prices. However, prices were highly volatile in the second quarter, peaking at a new recent high in April only to plunge in May and June, in some cases by as much as 20%. Concerns about sovereign credit risk in the Euro zone and the uncertain impact of monetary tightening in China drove prices lower. China is expected to remain the primary source of demand growth in 2010-11, but demand growth in China could ease in the second half of the year as a result of government efforts to cool down the property market in particular.

Copper has suffered a spectacular fall in the first half of 2010 as fears of Chinese fiscal tightening and Euro-zone debt woes plague the market. The base metal has plunged more than 20% since its peak at \$8,043.75/ton in April. A key driving force behind the sharp fall was the concern of overheating in China, where measures have been taken by the government to dampen the property bubble - a major end user of the metal. China's imports of refined copper were only 212,000 tons in June down 67,700 tons from May and down 44.11% YoY.

Falling copper inventory at LME is also supporting copper prices. Copper stockpiles in warehouses monitored by the London Metal Exchange (LME) stand at 409,000 tons, down more than 26% since mid-February levels above 555,000 tons.

According to the International Copper Study Group, 18.5 million tons of copper is likely to be produced in 2010, against the demand for 17.9 million tons. The 600,000-ton surplus is expected to be halved in 2011, as demand is expected to outpace supply.

New Super Profits Tax Unsettles Mining Industry

The big news from the Australian mining sector over the second quarter of 2010 was the announcement by Treasurer Wayne Swan that the government was bringing in a 40% resource 'super profits' tax (RSPT) on all commodities mined in Australia. This new levy, announced as part of Swan's 2010 Budget speech, is due to be introduced from July 2012 and will apply to both existing and new mining projects.

Top miners, BHP Billiton, Rio Tinto and Xstrata have stated earlier that they are encouraged by the Federal Government's announcement that it proposes to replace the Resource Super Profits Tax with a Mineral Resource Rent Tax (MRRT).

The mining industry has consistently stated that any tax reform needs to satisfy core principles that ensure:

- any new tax is not applied retrospectively, so that existing projects where investment decisions have already been made are not adversely affected
- a competitive effective tax rate that will not disadvantage Australia as an investment destination

As a result of constructive discussions, the proposed new tax will apply only to iron ore and coal resources from 1 July 2012.

The Design of the Minerals Resource Rent Tax

The new resource tax will apply from 1 July 2012 only to mined iron ore and coal in Australia. All other minerals are excluded.

The rate of tax will be 30% applied to the taxable profit at the resource.

Taxable profit is to be calculated by reference to:

- The value of the commodity, determined at its first saleable form (at mine gate) less all costs to that point
- An extraction allowance equal to 25% of the otherwise taxable profit will be deductible to recognize the profit attributable to the extraction process. (i.e. this taxes only the resource profit)
- Arms length principles on all transactions pre and post first saleable form

MRRT is to be calculated on an individual taxpayer's direct ownership interest in the project.

There will be no MRRT liability for taxpayers with low levels of resource profits (i.e. \$50m per annum).

All post 1 July 2012 expenditure is to be immediately deductible for MRRT on an incurred basis. Non-deductible expenditure will be broadly consistent with PRRT.

MRRT losses will be transferable to offset MRRT profits the taxpayer has on other iron ore and coal operations.

Carried-forward MRRT losses are to be indexed at the allowance rate equal to the Long Term Bond Rate (LTBR) plus 7%.

The MRRT will be an allowable deduction for income tax.

All State and Territory royalties will be creditable against the resources tax liability but not transferable or refundable. Any royalties paid and not claimed as a credit will be carried forward at the uplift rate of LTBR plus 7%.

Starting Base

The starting base for project assets is, at the election of the taxpayer, either:

- Book value (excluding the value of the resource) or
- Market value (as of 1 May 2010)

All capital expenditure incurred post 1 May 2010 will be added to the starting base and depreciated against mining operations from 1 July 2012.

"Project assets" for the purpose of the MRRT will be defined to include tangible assets, and improvements to land and mining rights (using the Income Tax definition).

Where book value is used to calculate starting base, depreciation will be accelerated over the first 5 years. The un-depreciated value will be uplifted at LTBR plus 7%.

Where market value is used to calculate starting base, there will be no uplift and depreciation based on an appropriate effective life of assets not exceeding 25 years.

Any un-depreciated starting base and carry forward MRRT losses are to be transferred to a new owner if the project interest is sold.

China's Acquisitive Streak Continues

Early 2010 has seen a continuation of moves by China to acquire stakes in Australian mining assets. In January 2010, it was reported that Zijin Mining had been successful in its AUD547 million bid for Indophil Resources. This follows several high-profile purchases of Australian mining assets over the course of 2009 including China Minmetals' US\$1.69 billion takeover of OZ Minerals and Yanzhou Coal's US\$3 billion takeover of Felix Resources. Indeed, already in 2010, Yanzhou has stated that it is looking for more acquisitions in the year to come.

It is expected that China may maintain its strong levels of investment into the Australian mining sector during 2010.

Mining Industry in Next Phase of the Boom, Although Short-Term Volatility Remains

It was a tale of two halves in 2009 for the global mining industry. The trends seen at the end of 2008 continued into the beginning of 2009 with commodity prices continuing to fall, tough price negotiations with customers an issue and overall challenging market conditions. As the year went on, however, companies responded swiftly and decisively by restructuring their balance sheets, closing mines and cutting production to reduce costs. As a result, the market capitalization of the top 40 global mining companies increased 118% as per the report from PricewaterhouseCoopers LLP (PwC).

Economic Uncertainty, Sovereign Risk in Western Markets and Appetite for Gold from Asia to Underpin Market

The World Gold Council (WGC) expects that demand for gold would be strong during 2010, driven by growing demand for jewelry in China and India as well as an increase in European and US investment in the context of continued economic instability, sovereign risk and the threat of a 'double dip' recession.

According to WGC's Gold Demand Trends report, published on 26th May 2010, demand in India and China would continue to grow driven by jewelry demand, in spite of high local currency gold prices. In Q1 2010, India was the strongest performing market as total consumer demand surged 698% to 193.5 tons. In China, demand proved resilient, increasing 11% in Q1 2010 to 105.2 tons.

This strong demand is despite high local gold prices, which on May 12 in India increased to Rs 56,032/0z, the highest level for the year. At the same time in China, prices reached an all-time high of RMB 8,480/oz, suggesting that consumers in India and China are becoming accustomed to higher gold prices.

In May 2010, concerns over Greece's public finances and debt contagion fears in Europe led to strong gold buying in particular for gold coins, bars and gold exchange traded funds (ETFs).

SWOT Analysis

Strengths:

Sound Technical Expertise of the Management team: The Company has a strong exploration team with sound technical know-how in exploration. The depth, competence and global experience of the Company's management team are the key factors behind the strong development of the projects.

Australia, a Low Sovereign Risk Country: Helix's focus has continued to be entirely on mineral exploration within Australia, a policy well justified by global economic events of the past 12 months which have emphasized Australia's standing as a country of low sovereign risk. This benefits the Company when seeking foreign investors for mineral projects.

Healthy Pipeline of Projects: The Company has a strong portfolio of mineral assets ranging from Uranium, Gold, Nickel and Iron Ore, which are in different stages of exploration and are located in the mining friendly provinces of Western, Northern and Southern Australia.

Strong Acquisition Strategy and Operational Synergies: The Company is targeting both copper and gold/base metal models consistent with the known deposits in the rich mining belts of Australia. The Company's broad expertise in bringing acquired companies on board would further assist in achieving its desired goals through operational synergies.

Weakness:

Retaining Skilled Workforce: The Company might find it difficult to retain skilled workforce due to extensive competition in the market. They might find it difficult to pay high remuneration to its workforce as the business is still not generating any revenue.

No Revenue Generation Till Date: The Company has not generated any revenue till date. If the trend continues over a long period, it runs a threat of experiencing substantial operating losses leading to a sizeable accumulated deficit. Failing to generate revenue for a prolonged time can also hamper its reputation in the market which might also hinder its funding requirement.

Raising Funds for Capital Expenditure: The Company needs to raise funds to invest in its Yalleen Iron Ore project. The Company would secure debt funding option which could raise its future liabilities.

Opportunities:

Farm-in Opportunities: Helix Resources, as an established and well funded exploration company, is seeking Farm-in opportunities in regions prospective for copper and/or gold where they see potential to enhance and accelerate exploration and development activities to the benefit of the project and its participants.

Farm-out Opportunities: The Company's strategy of acquiring large tenement areas with an exploration focus in copper and gold has provided it with opportunities in other commodities that may co-exist or be proximal to the target focused. Additionally, Helix's balance in project portfolio between early stage exploration assets and advancing/development assets also provides opportunities from time to time.

Can Better Withstand the Wrath of Recession: As the Company concentrates mainly on gold and copper exploration, and as prices of these metals have moved higher in times of recession, this may help enhance the Company's net worth. However, as the economic recovery continues for a longer period, inflation concerns are likely to continue to gain prominence. This is also gold price supportive and would help the Company in the long run.

Threats:

Exploration Risk: Exploration and mining involve a high degree of risk. Few exploration properties end up going into production. There can be no assurance that the expenses incurred by the Company to explore its properties will result in the discovery of a commercial quantity of ore. Most exploration projects do not result in the discovery of commercially viable mineral deposits.

Correction in Gold Prices Might Hamper Helix's Profitability: For the last few years, gold prices have paced gains and are constantly breaching their previous record highs. This is wholly driven by speculation, new lows in the dollar, inflationary threats and the ongoing credit crisis. There is a huge chance that the gold price might face a major correction, which might have an adverse effect on the Company's earnings.

Regulatory Risk - Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically.

Economic Factors - Demand for commodities and factors such as inflation, foreign currency fluctuations, interest rates, industrial disruption, political decisions, cost over-runs and technical problems all affect the ability of a company to profit from any mineral discovery. The international market prices for commodities are beyond the control of the company.

Growth Drivers

- The Company will be drilling the Canbelego JV in NSW (HLX 51%, earning 70%) for copper starting September 2010 and are currently working on a resource estimation based on previous drilling. Based on previous work completed, its initial exploration target is +1.5Mt@+1% Cu. Given the Company's extensive regional land holding, it sees potential for a +5Mt resource in the near future.
- Helix will be drilling at the Restdown JV in NSW (HLX earning 70%) for gold targets starting September 2010. Following positive results from planned drilling, the Company is targeting a +250,000oz gold resource in the region.
- The Company has secured ground via a 100% subsidiary in Chile and have an in-country GM and Geologist. Helix is also looking to acquire gold & copper producing assets and expect to have a significant land holding in Chile first half of FY2011 for which Helix would raise capital or enter into a joint venture to explore and advance these projects.

Recent Results:

Exhibit 17: Profit and Loss Account

Financials in AUD				
Profit and Loss Statement- Consolidated				
Year ending 30 June	2008	2009	2010 UA	YoY %
Revenue	680,782	630,010	431,802	-31.5%
Total Cost	-1,309,294	-2,544,540	-6,417,180	152.2%
Employment Costs	-646,008	-464,072	-306,714	-33.9%
Audit and Accountancy	-31,372	-50,620	-32,005	-36.8%
Corporate Marketing	-27,280	-17,010	-9,732	-42.8%
Directors' Fees	-96,668	-98,750	-80,000	-19.0%
Depreciation	-42,631	-61,910	-51,298	-17.1%
Impairment of Exploration and Evaluation Assets	-291,738	-1,563,952	-5,818,552	272.0%
IT Costs	-19,820	-30,606	-20,270	-33.8%
Overhead Allocation to Exploration	117,267	146,065	112,013	-23.3%
Premises Costs	-153,560	-177,765	-143,811	-19.1%
Professional Services	-20,204	-23,646	-2,251	-90.5%
Travel Expenses	-4,839	-2,958	-4,232	43.1%
Other General and Admin Expenses	-135,110	-92,186	-111,334	20.8%
Loss on Disposal of Fixed Assets	-10,231	0	16,816	
Revaluation of Shares in Listed Companies	52,900	-107,130	34,190	NM
Profit/ (Loss) Before Income Tax	-628,512	-1,914,530	-5,985,378	212.6%
Income Tax Expense	0	0	0	
Profit/ (Loss) from Continuing Operations	-628,512	-1,914,530	-5,985,378	212.6%
Profit/(Loss) from Discontinued Operations	0	0	0	
Profit/ (Loss) for the year	-628,512	-1,914,530	-5,985,378	212.6%

Source: Company

UA: Unaudited figures

The Company is in early stage of exploration. Helix does not currently generate any income from operations and must issue equity for funding its operations. The revenues reported are interest revenues. The revenues for FY2009 fell 7.5% to \$630,010 from \$ 680,782 recorded in the previous year. For FY2010, the Company recorded a 31.5% drop in revenues to \$431,802.

The employee cost has decreased 33.9% to \$306,714 from \$464,072 recorded during the previous year, while expenses related to Directors' fees fell 19.0% to \$80,000 from \$98,750

reported during same period last year. Other General and Admin expenses rose 20.8% to \$111,334 from \$92,186 recorded for the last fiscal period. Impairment of Exploration and Evaluation of Assets jumped 272.0% to \$5,818,552 as compared to same period last year. Total Cost soared 152.2% to \$6,417,180 as compared to \$2,544,540 recorded in the previous year.

Loss before taxes widened by 212.6% to \$5,985,378 for the year ended 30 June 2010 compared to a loss before tax of \$1,914,530 in FY2009 and the loss after tax was also the same due to absence of income tax expenses.

Valuation & Investment View

We have valued the advanced staged project of the Company mainly, Yalleen Iron Ore JV Project.

We have valued the Company using the future free cash flow projection of this project and have applied discount using the weighted average cost of capital to arrive at a present value and evaluate the potential for investment.

Following table shows the production of iron ore expected from the property. We assume production starting in 2014.

Exhibit 18: Production

Yalleen Iron Ore Project	
Yearly (tn)	5,000,000
Grade	57.2%Fe
Price per tn \$	\$111.15
Total Yearly Revenue	\$555,750,000
Total Estimated Mineralized tn	60,000,000
Estimated Years of Production (Life of Mine)	12.00
Helix interest	30%

Source: Company, RB Milestone Research

Planned Capital Expenditure

Yalleen Iron Ore Project: \$181 million Capex with \$68 million in Year -1 and \$113 million in Year 0. Construction commences 2012 and production 2014. The life of assets estimated at more than 20 years, while the life of mine expected to be 12 years.

The Company expects to secure debt funding in the future to around 70% of the capex on the project. We assume that Helix would raise funds amounting to ±\$30 million via additional equity issue and debt during the pre-production period i.e. 2012-2013. Helix may also look to sell its joint venture interest in various other projects to majority JV participant. The funds realized through the sale of its interests would certainly be an avenue to Helix to fund its Yalleen project.

Exhibit 19: Operating Costs

Yalleen Iron Ore Project	
Operating Costs	Average for life of mine
Mining Costs	\$ 15.55/t
Transport	\$ 14.50/t
Marine	\$ 7.50/t
Crushing & Loading	\$ 1.57/t
Admin Messing, Accom & Flights	\$ 1.65/t
Royalties & Heritage Payments	\$ 6.84/t
Total Operating Costs	\$ 47.60/t

Source: Company, RB Milestone research

Based on the above assumptions, we have arrived at the following cash flow stream. For Yalleen Iron Ore Project, we have assumed the Residual value at 20% of CAPEX. We use a discount rate of 18.7% for the Yalleen Iron Ore project, to arrive at the fair value.

Exhibit 20: Cash Flows Until the Start of Production

Fiscal Year	2010	2011	2012	2013
Investments	0.0	0.0	-68,000,000	-113,000,000
Cash Out Flows	-1,000,000	-1,200,000	0.0	0.0
Tax Rate	30%			
Post Tax Cash Flows	-1,000,000	-1,200,000	-68,000,000	-113,000,000
No. of Year	1	2	3	4
Discount Rate (Yalleen Iron Ore Project)	18.7%			
Discounted Cash Flows	-842,734	-852,240	-40,698,646	-56,995,404

Source: Company, RB Milestone Research

Iron Ore Production: We have assumed that, starting 2014, the Company starts production at its Yalleen Iron Ore project. It is estimated that the production output in 2014 is about 2 million tons of iron ore and gradually increases to 6 million tons in 2018, with an average mine production at 5 million tons per annum over the life of the mine.

Exhibit 21: Cash Flows After the Start of Production

Fiscal Year	2014	2015	2016	2017	2018	2019
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Investments	0	0	0	0	0	0
Production (tons)	2,000,000	3,000,000	5,000,000	5,000,000	6,000,000	6,000,000
Cash In Flows	127,100,000	190,650,000	317,750,000	317,750,000	381,300,000	381,300,000
Tax Rate	30%	30%	30%	30%	30%	30%
Post Tax Cash Flows	127,100,000	190,650,000	222,425,000	222,425,000	266,910,000	266,910,000
No. of Year	5	6	7	8	9	10
Discount Rate (Yalleen Iron Ore Project)	18.7%					
Discounted Cash Flows	54,025,314	68,293,427	67,145,366	56,585,661	57,223,970	48,224,567

Fiscal Year	2020	2021	2022	2023	2024	2025
Year	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Investments	0	0	0	0	0	0
Production (tons)	6,000,000	6,000,000	5,500,000	5,500,000	5,000,000	5,000,000
Cash In Flows	381,300,000	381,300,000	349,525,000	349,525,000	317,750,000	317,750,000
Tax Rate	30%	30%	30%	30%	30%	30%
Post Tax Cash Flows	266,910,000	266,910,000	244,667,500	244,667,500	222,425,000	222,425,000
No. of Year	11	12	13	14	15	16
Discount Rate (Yalleen Iron Ore Project)	18.7%					
Discounted Cash Flows	40,640,467	34,249,090	26,457,623	22,296,730	17,082,005	14,395,581

Source: Company, RB Milestone Research

Exhibit 22: Calculation of WACC

Cost of Equity	
Risk Free Rate	4.9%
Stock Premium	10.2%
Beta	1.35
Expected Return	18.7%
Cost of Debt	
Average Borrowing rate (before tax)	0.0%
Tax Rate	30.0%
Cost of Debt	0.0%
Capital Structure	
Book Value of Equity (As of June, 2010)	9,990,599
Book Value of Debt (As of June, 2010)	-
Total Capital (excl deferred tax liability)	9,990,599
WACC	18.7%

Source: RB Milestone Research

Exhibit 23: Calculation by Discounted Cash Flow Method

	\$
PV of Cash Flow	407,230,774
PV of Cash Flow – Helix 30%	122,169,232
Add Cash	3,577,835
Less debt	0
Valuation of the Project – Helix share 30%	125,747,067
Shares Issued	131,944,000
Value per share (in \$)	0.95
Current Market price (\$)	0.07
Upside potential	1261.5%

Source: RB Milestone Research

We value the Company based on PV of cash flows which are expected to be generated from its Yalleen Iron Ore Project. Assuming a discounting factor of 18.7% for the project and a production span of 12 years, we have arrived at a target price of \$0.95, which provides an upside of 1262% to the current market price.

Though the project offers substantial returns, there is high level of uncertainty associated with its production and anticipated cash flows. In light of this, the investment is of the nature of a high risk investment.

Key Risk Factors

Exploration Risk: Mining companies are faced with the problem of replacing reserves that are rapidly depleting to meet the growing needs of domestic and international markets. As the cost of replacement is constantly increasing, companies are very interested in any technology that reduces the risk of exploration for oil and gas. Mining is such a risky business that companies want as much information as possible before drilling, the most costly stage of the exploration process. The exploration and mining business involves a high degree of risk as few exploration activities end up going into substantial production.

Metal Price Fluctuation: The factors that influence the market value of gold and any other mineral discovered are outside the Company's control. Resource prices can fluctuate widely, and have done so in recent years. Metal prices fluctuate frequently depending upon the factors such as international, economic and political trends, government regulation, currency exchange rate fluctuations, interest rates, global or regional consumption patterns and worldwide production levels.

Environmental Risk: The Company's operations are subject to several environmental risks. A breach of such acts may result in imposition of heavy fines and penalties, impacting the Company's activities adversely.

Regulatory Risk: Current and future environmental laws, regulations and measures could entail unforeseeable additional costs, capital expenditures, restrictions or delays in the Company's activities. Environmental regulations and standards are subject to constant revision and could be substantially tightened, which could have a serious impact on the Company and its ability to develop its properties economically.

Global Competition: Exploration and mining is a highly competitive industry in all its aspects. The Company has to compete with other companies in terms of financial resources and technical facilities in order to acquire significant mineral interests. There is no assurance that a ready market will exist for the sale of the same, even if commercial quantities are eventually discovered.

Investment Risk: Investment in exploration and mining companies is considered to be speculative because of the inherent risks associated with mineral exploration. The success of the Company is dependent upon a number of factors, including identification of commercially viable prospects; the availability of sufficient funding to enable exploitation of ore bodies and stability; and growth in international resources markets.

Liquidity Risk: The Company also faces liquidity risk to a certain extent as it must adhere to certain conditions for using funds borrowed from several financial institutions. In the event the Company is unable to maintain these contractual ratios, the lenders may request for the repayment of the corresponding loan.

Annexure I: Management Team

Greg J Wheeler, Executive Chairman, Managing Director and Chief Financial Officer

Mr. Wheeler is a Fellow of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia. He has operated in many of the major accounting practices for the past 25 years in Australia and overseas. He was a partner at the Chartered Accounting practices of Grant Thornton [1990 to 1999] and Deloitte Touche Tohmatsu [1999 to 2002], before establishing his own consulting firm in 2002. His skills include company and business valuations; advice to directors/shareholders; shareholder wealth strategies; capital raisings and broker presentations; acquisitions and divestitures; corporate governance; commercial negotiations; and risk assessment and mitigation.

Michael Wilson, Executive Technical Director

Mr. Wilson has been with the Company for twelve years and has played major roles at Tunkillia on the Gawler Craton, South Australia and in the exploration for gold, platinum group metals and base metals in the Proterozoic Terranes of New South Wales and South Australia, and the Proterozoic and Archaean Terranes in Western Australia. His experience includes project management; mineral exploration using geology, geochemistry, geophysics and drilling; ore resource drilling; ore resource estimation and evaluation programs; and monitoring joint venture projects. He leads the team of experienced geologists and technical staff and is also completing his Masters of Business Administration and Masters of Mineral Economics part-time at Curtin University.

John den Dryver, Non-Executive Director

Mr. den Dryver is a mining engineer with 30 years mining experience in operational and corporate management. He joined Mount Isa Mines in 1973. In 1982, he joined North Flinders Mines as the Company Mining Engineer. He became the Operations Manager for North Flinders after the mine was commissioned in 1986 and over the next 10 years managed the operations as well as developing the further discoveries in this region including the Callie Mine. In 1987 he was invited to join the Board of North Flinders to become Executive Director-Operations. In 1997 after Normandy Mining took over North Flinders, John was appointed Executive General Manager-Technical leading a team of specialist geologists, mining engineers and metallurgists in operational support, technical review and due-diligence activities. In 2003, after the takeover of Normandy by Newmont Corporation John set up his own mining consultancy business.

Gordon Dunbar, Non-Executive Director

Mr Dunbar is a consulting geologist with forty years experience in the Australian minerals industry managing project development; mineral exploration and evaluation programs; mine geology; financial studies; production assessment and monitoring joint venture projects. His experience includes exploration and mining geology roles at Kambalda with WMC; the evaluation of the Golden Grove base metal deposit in WA as Chief Geologist at Rosebery Mine in Tasmania; and management roles with BP Australia undertaking financial studies and monitoring the evaluation of the Olympic Dam deposit; and Exploration manager for BP Minerals. He formed his own consulting group in 1990 to provide advice on exploration; evaluation; mining geology; project assessment; and pre-feasibility studies, particularly those involving gold, base metals and nickel. He has worked on projects within Australia as well as internationally.

Legal Notes and Disclosure

Some of the information in this report relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can be only predictions and the actual events or results may differ from those discussed due to, among other things, the risks described in 'Helix Resources Limited' company reports. The content of this report with respect to has been compiled primarily from information available to the public released by Helix Resources Limited through news releases and SEC filings. Helix Resources Limited is solely responsible for the accuracy of that information. Information as to other companies has been prepared from publicly available information and has not been independently verified by Helix Resources Limited or RBMG. Certain summaries of scientific activities and outcomes have been condensed to aid the reader in gaining a general understanding. For more complete information about Helix Resources Limited the reader is directed to the Company's website at www.helix.net.au. This report is published solely for information purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. This report is not to be copied, transmitted, displayed, distributed (for compensation or otherwise), or altered in any way without RBMG's prior written consent.