PROJECT OVERVIEW

IRON ORE

- API (Aquila/AMCI) satisfies its 70% earn-in requirement in the Yalleen Iron Ore JV by expending $1.5m and Helix commences contributing to future exploration and development programs to maintain its 30% interest.
- Extensive program of pre-collaring at Kumina Creek continued up to mid December enabling diamond drill tails to be completed below the unconsolidated sediments. Pre-collaring and diamond drill program is scheduled to recommence early January 2008.
- Results received from RC drilling completed at the Robe Exit Prospect indicate the presence of multiple thin CID zones.

GOLD

- Glenburgh Gold Project - infill surface geochemical sampling and heritage clearances undertaken prior to drill out of exploration targets scheduled for March 2008.
- Tunkillia Gold Project - Minotaur (earning 51% by expending $5m by 31 March 2009) continues investigations into advancing the Project, and is currently assessing a number of pit optimisation scenarios.

GENERATIVE

- Initial field assessment of Parachilna Project SA indicates dynamic fluid systems associated with base metals were active in the region - new models have been developed to target these systems.
- Helix will accelerate exploration at Parachilna and have applied for SA government PACE funding for a drill program testing copper targets in the region.
- West Pilbara - geochemical sampling identifies copper, zinc, gold and nickel mineralisation along strike of Fox Resources recent V-TEM surveys; Helix are securing contractors and assessing areas for geophysical survey in 2008.

CORPORATE

On 5th December the Company raised $8.245 million before costs through a share placement of 17 million shares at 48.5 cents per share to institutional investor clients of Wilson HTM. The shares under the Placement were issued equally to two parties, via their respective wholly owned subsidiaries, being AMCI and First Reserve Corporation.

AMCI is a global mining, investing and trading corporation operating in the resources industry, with holdings in Australia (including the API JV), USA, Europe, South Africa and investments in Latin America and Asia. First Reserve Corporation is the oldest and largest private equity firm specialising in the energy industry. Founded in 1983, First Reserve was the first private equity investment firm to build a broadly diversified global investment portfolio of energy and related companies. Since 1992, First Reserve has raised over $12.7 billion for its buyout-focused funds.

The capital raising boosts Helix's cash reserves to $9.4M and will be used to advance the Company's exploration and development projects.

REVIEW OF OPERATIONS

YALLEEN IRON ORE JV – WESTERN AUSTRALIA

Helix 100% Other Minerals, 30% iron ore rights; Australian Premium Iron JV (Aquila/AMCI) 70% iron ore rights of E47/1169-1171

Background

The Yalleen Iron Ore JV Project is managed by the Australian Premium Iron JV (API) and covers an area of approximately 600 square kilometres flanking the northern edge of the Hamersley Ranges, in the upper reaches of the Robe Valley, in the West Pilbara region WA. This valley hosts the Robe River (Rio Tinto) pisolite iron projects, surrounding the mining town of Pannawonica.

The Yalleen Project comprises multiple channel Iron deposit (CID) and bedded iron deposits (BID) targets identified from historical drilling, the HoistEM survey completed by API in 2006, detailed gravity survey carried out in 2007 as well as drilling results by API on the Project in 2006 and 2007.

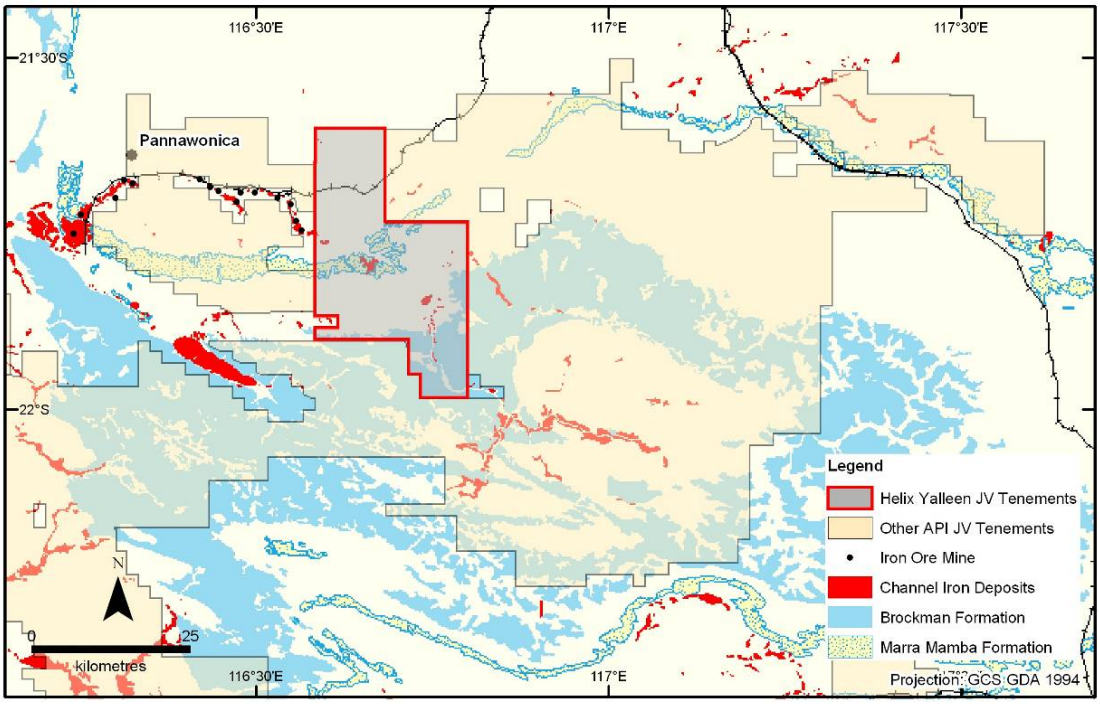


Figure 1: Location of Yalleen Project and extent of surrounding API JV tenements in Robe River catchment

Activities During the Quarter

Exploration activity by API accelerated within the Yalleen Joint Venture tenements during the quarter with RC and diamond drill programs assessing the Kumina Creek, Robe Exit and Bonham prospects, and will continue into the 2008 field season. A total of 5,993.8 metres of RC, dual rotary (Barber) and diamond drilling was completed during the quarter.

Exploration was aimed at advancing the Kumina Creek and Robe Exit CID targets and the Bonham bedded iron target. Work continued in the quarter on diamond pre-collars at Kumina Creek with a total of 69 holes for 2,097 metres. Diamond drilling, with a total of 29 holes for 482.8 metres were completed by mid November. Reconnaissance RC drill programs were also completed at Robe Exit, Robe West and Bonham, with a total of 102 holes for 3,414 metres.

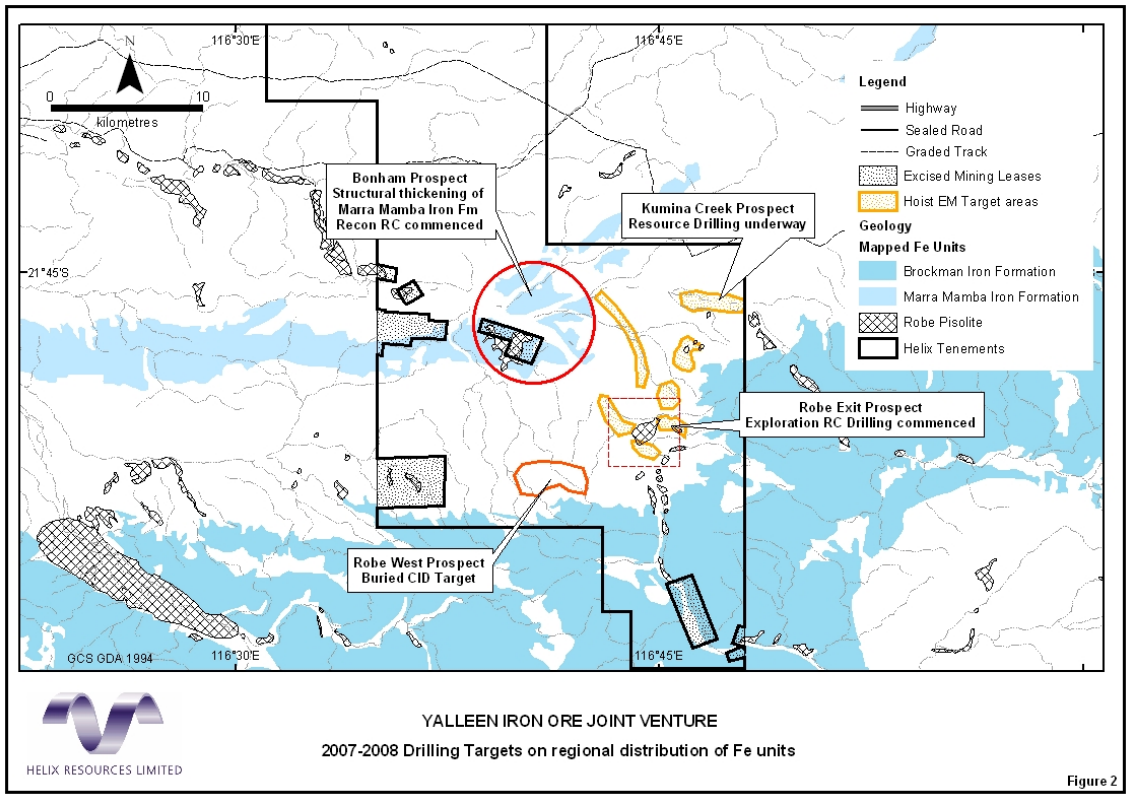


Figure 2: Yalleen JV Prospect Location Map

Kumina Creek Prospect

A total of 28 diamond tails for 465.55 metres were completed using pre-collars installed using dual-rotary percussion techniques to facilitate diamond-drill testing of the buried CID mineralisation at the prospect. Results are pending.

Overall the depth to base of mineralisation indicates a meandering channel system that would have repeatedly deposited and eroded pisolitic material, evidenced by the lithic and reworked CID mapped throughout the profile.

The drill lines located along the southern and northern margins of the interpreted palaeochannel at Kumina Creek encountered thin CID suggesting the extent of mineralisation has been reached in those directions.

The diamond drill program will recommence in early 2008.

Robe Exit Prospect

A total of 50 RC drill holes for 1,698 metres were completed at the Robe Exit prospect to follow-up an earlier reconnaissance RC drilling program completed in May 2007. Assay results remain outstanding for 28 of the RC holes completed during the quarter.

In addition 14 dual rotary percussion drill holes were completed of which 5 were finalised by diamond tails for 322.75 m and 82.15m of drilling respectively. Assay results remain pending.

Table 1: Results returning >54% Fe from RC assays received to date include;

Hole ID	Easting	Northing	EOH	Azim	Dip	From	To	Intercept	Al2O3 %	SiO2 %	P %	S %	Lol %
YARC101	473232.0	7583973.0	34.00	360	-90	10.00	12.00	2.00 m @ 58.30 % Fe	2.71	4.73	0.056	0.013	8.78
YARC102	473591.0	7583998.0	28.00	360	-90	8.00	14.00	6.00 m @ 57.57 % Fe	3.10	4.82	0.038	0.019	9.35
YARC103	474000.0	7584000.0	14.00	360	-90			*NSR*					
YARC104	473226.0	7584388.0	30.00	360	-90			*NSR*					
YARC105	474396.0	7584801.0	36.00	360	-90	8.00	14.00	6.00 m @ 56.40 % Fe	3.36	5.73	0.032	0.020	9.65
						20.00	24.00	4.00 m @ 54.60 % Fe	4.77	7.52	0.036	0.020	9.03
YARC106	474800.0	7584800.0	34.00	360	-90			*NSR*					
YARC107	475180.0	7584750.0	36.00	360	-90	8.00	10.00	2.00 m @ 55.40 % Fe	4.76	7.99	0.037	0.016	7.26
YARC108	472800.0	7584800.0	40.00	360	-90	26.00	30.00	4.00 m @ 56.25 % Fe	3.58	4.83	0.082	0.003	10.37
YARC109	473200.0	7584800.0	38.00	360	-90	16.00	18.00	2.00 m @ 55.20 % Fe	4.01	6.06	0.088	0.005	10.10
						24.00	26.00	2.00 m @ 56.50 % Fe	3.06	4.30	0.110	0.001	11.15
						30.00	32.00	2.00 m @ 54.10 % Fe	4.66	4.64	0.101	0.002	12.55
YARC110	473600.0	7584800.0	26.00	360	-90			*NSR*					
YARC111	474773.0	7585218.0	40.00	360	-90			*NSR*					
YARC112	475195.0	7585209.0	52.00	360	-90			*NSR*					
YARC113	475605.0	7585217.0	34.00	360	-90			*NSR*					
YARC114	474810.0	7585955.0	40.00	360	-90			*NSR*					
YARC115	474002.0	7585198.0	38.00	360	-90			*NSR*					
YARC116	473219.0	7585194.0	40.00	360	-90	24.00	26.00	2.00 m @ 54.20 % Fe	4.29	5.42	0.118	0.010	11.90
YARC117	472422.0	7585205.0	22.00	360	-90			*NSR*					
YARC118	472798.0	7585204.0	34.00	360	-90	12.00	14.00	2.00 m @ 55.20 % Fe	3.74	6.32	0.106	0.007	10.10
YARC119	472391.0	7585595.0	28.00	360	-90			*NSR*					
YARC120	473199.0	7586409.0	52.00	360	-90			*NSR*					
YARC121	472797.0	7587176.0	46.00	360	-90	16.00	18.00	2.00 m @ 54.80 % Fe	2.62	5.88	0.072	0.005	11.65
YARC122	473218.0	7587207.0	64.00	360	-90			*NSR*					

NSR = NoSignificant Results >54% Fe, minimum 1m intercept and max 2m internal waste;
Assays via XRF determination, LOI's via TGA

Drilling of the Robe Exit CID was successful in defining the limits to much of the known mineralisation but has highlighted potential for variability between the 200m x 200m drill pattern. A large proportion of the CID at this prospect is buried below recent alluvium and/or colluvium. The trend is for the CID to become thicker

towards the eastern side of the prospect where it terminates abruptly against basement.

Bonham Prospect

A total of 8 reconnaissance RC drillholes for 164 metres were completed on the western side of the Robe River to test a significant goethite hardcap which exists as a blanket overlying the Marra Mamba Formation at the Bonham Prospect.

Drillholes completed into the hardcap suggest mineralisation is consistent, up to 10m thick (minor calcrete and clay horizons were encountered), assay results are pending. The iron mineralisation consists predominantly of hard vitreous goethite and goethite. The hardcap extends over a large area (approximately 4km x 2.5km). Further drill evaluation is planned.

West Pilbara Iron Project Update

The Yalleen Joint Venture is managed by the Australian Premium Iron JV (Aquila/AMCI) and forms part of their larger West Pilbara Iron Ore Project. API as manager of the West Pilbara Project has stated its aim of defining an iron resource inventory sufficient to produce a minimum of 10-20Mt pa for 10 years, transporting ore via rail infrastructure to one of several potential port locations on the Pilbara Coast.

Aquila at its 30th November 2007 AGM presentation indicated the following regarding the West Pilbara Iron Ore Project:-

- FOB operating costs to be less than USD20 per tonne
- Revenue approximately USD36 per tonne (2007)
- Complete scoping/pre-feasibility study Q1 2008
- Environmental Impact Assessment Q3 2008
- Complete definitive study Q2 2009
- Government approvals Q4 2009
- Commence construction Q1 2010
- First Shipment Q4 2011

Preliminary internal desktop studies by Helix based on available data for Pilbara iron ore companies suggest the project economics for Yalleen are positive, although significant work is required to be completed by the JV Manager and appropriately qualified experts with respect to the iron ore resource and cost modelling prior to the release of economic studies confirming this preliminary assessment.

GLENBURGH PROJECT – WESTERN AUSTRALIA

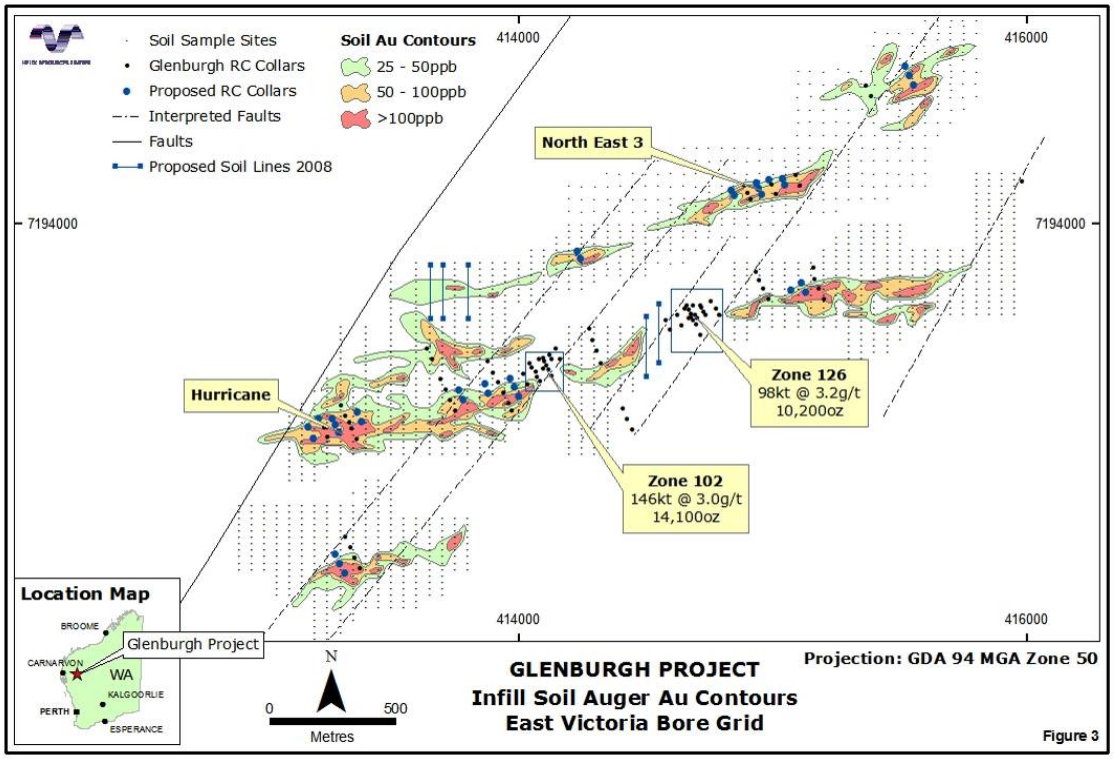
Helix Resources Limited 100%

EL 09/1325, 09/1079, 09/1278-1289

An assessment of all known mineralisation at Glenburgh was undertaken during the quarter and a series of priority drilling targets have been compiled. Infill soil sampling to better define gold anomalism for drill testing was carried out over several prospects and new target areas. The RC drilling planned for December was postponed to early 2008 due to delays in heritage clearances and Government approvals which lead to difficulties scheduling a drilling contractor before Christmas.

In November, a series of areas around the NE3, Zone 102, and Zone 126 prospects were identified as requiring infill soil sampling to better define the extent of the gold anomalism. It was noted that samples with greater than 100ppb gold display a distinct geochemical halo following the edges of the magnetic anomalies in the area, which are associated with amphibolite.

The infill soil sampling has identified extensions to the main prospects in the area (NE3, Zone 102, Zone 126, & Hurricane), as well as several soil anomalies in new prospective areas. These include an anomaly to the northeast of the grid comprising three >250ppb Au in soil samples forming a 150 metre-long target zone, and an anomaly to the west-southwest of NE3 that appears be the faulted extension to NE3 (Figure 3).



Glenburgh Continued

The geochemical studies have also identified an association between Tungsten (W) and Gold(Au), with W appearing to highlight the wider alteration/fluid flow system in the area.

The proposed RC Drilling will infill the prospects of Mustang, Icon, NE3, & Hurricane where mineralisation is open at depth and along strike and test new geochemical targets in the northeast of the Victoria Bore Grid. A vacuum drilling program will also be carried out on the western extensions of the Victoria Bore Grid looking for extensions to the Apollo-Icon trend where the area is covered by shallow transported material. Drilling is planned for March 2008, with track and drill pad clearing commencing January/February 2008.

The first quarter 2008 exploration program will be followed by an internal scoping study to examine potential development and mining scenarios for the Glenburgh Project. The critical milestone is to increase the current inferred resource estimation from 108,000oz @ 3.1g/t Au, with exploration activities focused on increasing this to in excess of 400,000oz.

LAKE EVERARD (INCL. TUNKILLIA) PROJECT – SOUTH AUSTRALIA

Helix Resources Limited 100%, Minotaur Exploration Limited earning 51%
Toro Energy Limited earning 51% of Uranium Rights
EL 3403, EL 2854 and EL 3335

GOLD

JV Partner and manager Minotaur Exploration are continuing work on economic studies for the Tunkillia Gold Project after the re-estimation of the Area 223 resource announced earlier in the year.

TORO URANIUM JV

JV Partner Toro Energy continues to finalise environmental approvals and heritage clearances prior to drill testing the extensive palaeochannel targets on the Gawler Uranium JV ground.

As stated in the September 2007 quarterly, the regulatory delays have pushed back the start date for the drill program. Toro anticipate the program will now commence in the first half of 2008, as part of their broader Kingoonya Uranium Project.

WEST PILBARA PROJECT – WESTERN AUSTRALIA

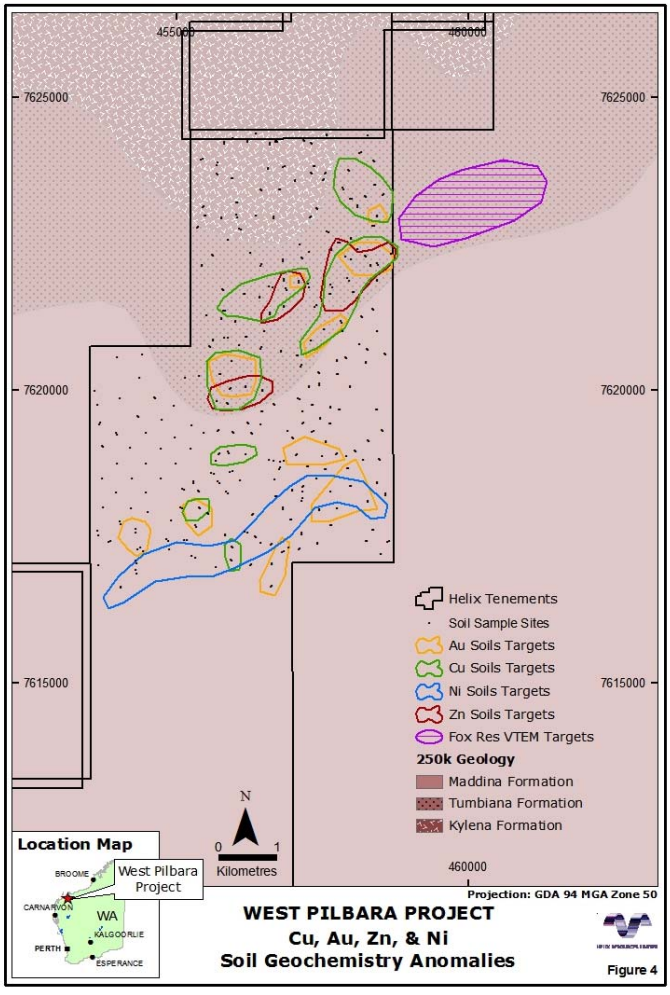
Helix Resources Limited 100%

E47/1075, 1090, 1169-1171, 1144-1145

EL47/1089 & 1146, MLA 47/786-794

The 2007 field program concentrated on mapping and geochemical sampling on the central tenement (E47/1075). The field work focussed on the multi-element base metal anomalism identified from first pass stream sampling in 2005.

The results from this program highlighted several areas of anomalism which will be targeted with further exploration. The majority of anomalous elements (Au, As, Cu, Pb, Zn) appear to be confined within the Tumbiana Formation of the Fortescue Group (comprising tuff and tuffaceous sediments, limestone, and chert), forming an anomalous cluster of elements in the northeast of the tenement (Figure 4). Au, Ni, and Co anomalies are also observed within the overlying Maddina Basalt, with Ni and Co appearing to be associated with a 5km X 800m wide zone along a sequence parallel position (possibly a differentiated mafic sill).



A diamond drillhole completed by CRA in the 1980's, which intersected 0.5m@10.6g/t Au from 1,756m downhole within the Hardy Sandstone, was viewed at the GSWA Carlisle Core Library. A complete sequence through the Tumbiana Fm was drilled in this hole and the review of the core highlighted the presence of layered pyrite in variably carbonaceous shales (This position was not assayed by CRA). Sporadic traces of Chalcopyrite and Pyrite mineralisation in the lower portions of the hole were also noted.

A detailed aeromagnetic survey planned for this quarter was delayed to the Q1 2008 due to the contractor having aircraft

breakdowns. A VTEM survey over the top portion of E47/1075, E47/1169 and E47/1144 is also scheduled for Q1 2008 to assist in identifying targets for drilling within the Tumbiana Fm and Maddina Fm (These areas are along strike of Fox Resources recent VTEM surveys where several anomalies were identified for follow up work).

PARACHILNA PROJECT - SOUTH AUSTRALIA

Helix Resources Limited 100%

EL3814

Parachilna

A new exploration model has been developed for the base metal mineralisation associated with the Blinman area at the Parachilna Project (EL3814). The presence of significant alteration systems and the morphology of the mineralisation noted to date suggest the area was influenced by dynamic fluid related mineral systems.

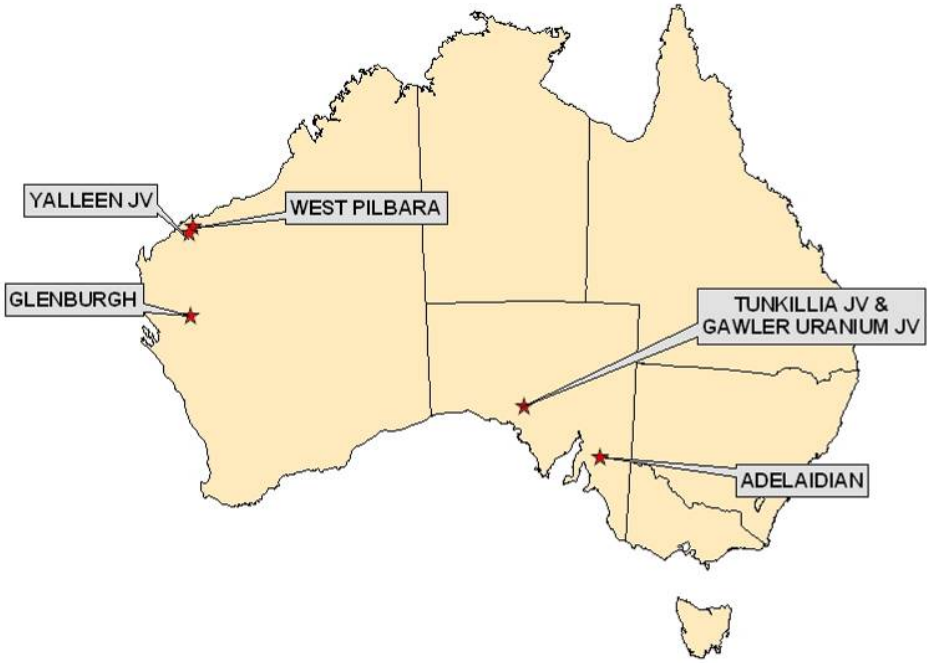
A field reconnaissance visit during the quarter examined the historical workings as well as some regional targets. Rock chips collected from this trip illustrate the high grade nature of the copper in the region with samples up to 11.4% copper, elevated gold (0.6g/t), Lead (0.1%), Zinc (0.1%), silver (6g/t), Arsenic (0.9%) and cobalt (0.3%). Several samples were also elevated in nickel, bismuth, molybdenum, antimony and mercury. The geochemistry suggests some mantle derived metals with the possibility of a hydrothermal overprint.

Further reviews of historical reports have assisted in refining the exploration model. The compilation of data has illustrated the possible influence of structural controls on mineralising events including circular structures associated with dolerites within the Blinman dome. Haematite alteration is present in the central parts of the dome as well as small outcrops of mineralised calc-silicate (typically associated with alteration of dolomites to form skarn-type deposits).

Upcoming work will concentrate on identifying a set of key features for the model, particularly with regard to alteration zoning and important lithological associations to allow more effective targeting. Fieldwork will concentrate on detailed mapping of lithology and structure.

Helix have secured a contractor to undertake close spaced aeromagnetics over the region of interest and are reviewing the historical broad spaced IP conducted in the 1960's to determine areas for follow up. The Company has also applied for SA government PACE funding to target copper mineralisation under cover.

Historical production from the Blinman Copper Mine was in the vicinity of 10,000 tonnes of copper grading 3.5% Cu from workings to a depth of 165m.



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

For further information please contact:

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Corporate Directory

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Michael Wilson	Technical Director
John denDryver	Non-executive Director
Gordon Dunbar	Non-executive Director

Company Secretaries
Greg J Wheeler
Joneen McNamara

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HELIX RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
27 009 138 738	**31 December 2007**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date 6 months $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(801)	(1,346)
	(b) development		
	(c) production		
	(d) administration	(562)	(687)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	76	123
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	4	82
	Net Operating Cash Flows	(1,283)	(1,828)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(13)	(13)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments	83	480
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other		
	Net investing cash flows	70	467
1.13	Total operating and investing cash flows (carried forward)	(1,213)	(1,361)

1.13	Total operating and investing cash flows (brought forward)	(1,213)	(1,361)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	8,279	8,279
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Share issue costs)	(320)	(320)
	Net financing cash flows	7,959	7,959
	Net increase (decrease) in cash held	6,746	6,598
1.20	Cash at beginning of quarter/year to date	2,674	2,822
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	9,420	9,420

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	436
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available
Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	500
4.2	Development	
	Total	**500**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	40	34
5.2	Deposits at call	9,380	2,640
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	9,420	2,674

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E66/54 E66/55	Surrendered Application withdrawn	100% 0%	0% 0%
6.2	Interests in mining tenements acquired or increased	EL3956 E47/1090	Granted Granted	0% 0%	100% 100%

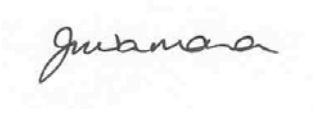
Issued and quoted securities at end of current quarter
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	131,227,926	131,227,926		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,000 26,337 17,000,000	100,000 26,337 17,000,000	$0.26 $0.30 $0.485	
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	330,000 5,400,000 14,099,885 275,000	Nil Nil 14,099,885 Nil	*Exercise price* Various $0.26 $0.30 $0.44	*Expiry date* 29 March 2009 30 November 2008 30 June 2009 30 June 2009
7.8	Issued during quarter	14,126,222 275,000	14,126,222 Nil	$0.30 $0.44	30 June 2009 30 June 2009
7.9	Exercised during quarter	26,337 100,000	26,337 Nil	$0.30 $0.26	30 June 2009 30 November 2008
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____ Date: 16 January 2008

Company secretary

Print name: Joneen McNamara.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.