

1 October 2010

**CORPORATE DETAILS**

**Directors**

**Greg J Wheeler**  
FCA; SF Fin; GAICD  
*Executive Chairman*

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

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

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

**Assets**

**Cash** \$3.3 Million

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

**Canbelego JV (51%)**  
1.5Mt @ 1.2% Cu

**Tunkillia Gold JV (47%)**  
800,000 oz Au

**Company Information:**

**ASX Codes** HLX/HLXOA

**Shares FPO** 131.9M

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

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

**Share Price** 8.5 cents

**Market Capitalisation** \$11 Million

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**INITIAL COPPER RESOURCE FOR CANBELEGO AND EXPLORATION UPDATE**

**Canbelego JV** (HLX 51% - and earning 70% ; Straits Resources 49%)

Helix is pleased to announce an initial resource estimate for the Canbelego Copper Project located 40km south-east of Cobar in central New South Wales.

An inferred resource [estimated internally by the Joint Venture Partners] confirms at a **0.3% Cu cut-off -1.5Mt @ 1.2% Cu**, or at a **0.8% Cu cut off - 1Mt @ 1.5% Cu** (see table for breakdown) from the resource model at the Canbelego Mine Prospect.

Canbelego Mine Prospect - Inferred				
Domain	Cu Cut Off Grade	Tonnes	Cu grade %	Contained Cu (t)
Main Panel (Domain 1)	0.3	1,450,000	1.2	17,500
	0.8	1,000,000	1.5	14,700
Footwall Panel (Domain 2)	0.3	40,000	1.1	500
	0.8	30,000	1.5	400
<b>Total (0.3% Cu Cut)</b>	<b>0.3</b>	<b>1,500,000<sup>1</sup></b>	<b>1.2<sup>2</sup></b>	<b>18,000</b>
<b>Total (0.8% Cu Cut)</b>	<b>0.8</b>	<b>1,000,000<sup>1</sup></b>	<b>1.5<sup>2</sup></b>	<b>15,100</b>

1: Tonnes rounded to the nearest 100,000t.  
2: Copper grade rounded to one decimal point

This initial resource provides a solid foundation for the Project and reaffirms Helix's strategy to identify mineral resources near existing processing infrastructure with potential for access to excess capacity.

The Company is confident it can continue to build on this initial resource base with copper mineralisation open along strike and down dip at the Canbelego Mine Prospect, and by following up encouraging early stage results from numerous regional targets on the tenement.

**Exploration Drilling**

Additional RC drilling is commencing this week at Canbelego to test the Priority 1 regional targets and near-resource extensions. Helix expects assay results to be available mid 4Q2010.

**Restdown JV** (HLX earning 70% from Glencore International AG)

RC drilling will commence (directly after the Canbelego drill program) on two greenfields gold targets on the Restdown JV Project, the Good Friday and Sunrise Prospects. The +1,200m RC drilling program is targeting primary gold mineralisation associated with robust (+10ppb Au) gold in soil anomalies surrounding, and nearby to, minor historic workings [goldfield produced high grade gold from quartz veins in the early 1900's]. Helix expects assay results to be available in 4Q2010.

The Helix strategy is:

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



**RESOURCE ESTIMATE – Canbelego Mine Deposit.**

Resource estimate have been modelled by Helix Resources in association with JV partner Straits Resources for the Canbelego Mine deposit located within the Canbelego Project 40km Southeast of Cobar in NSW. The resource estimate has been undertaken applying industry standard estimation techniques.

**The inferred resource for the Canbelego Project at a 0.3% Cut off grade is:**

**1.5 million tonnes at 1.2% Copper for 18,000t Contained Copper** (See Table 2 for Breakdown)

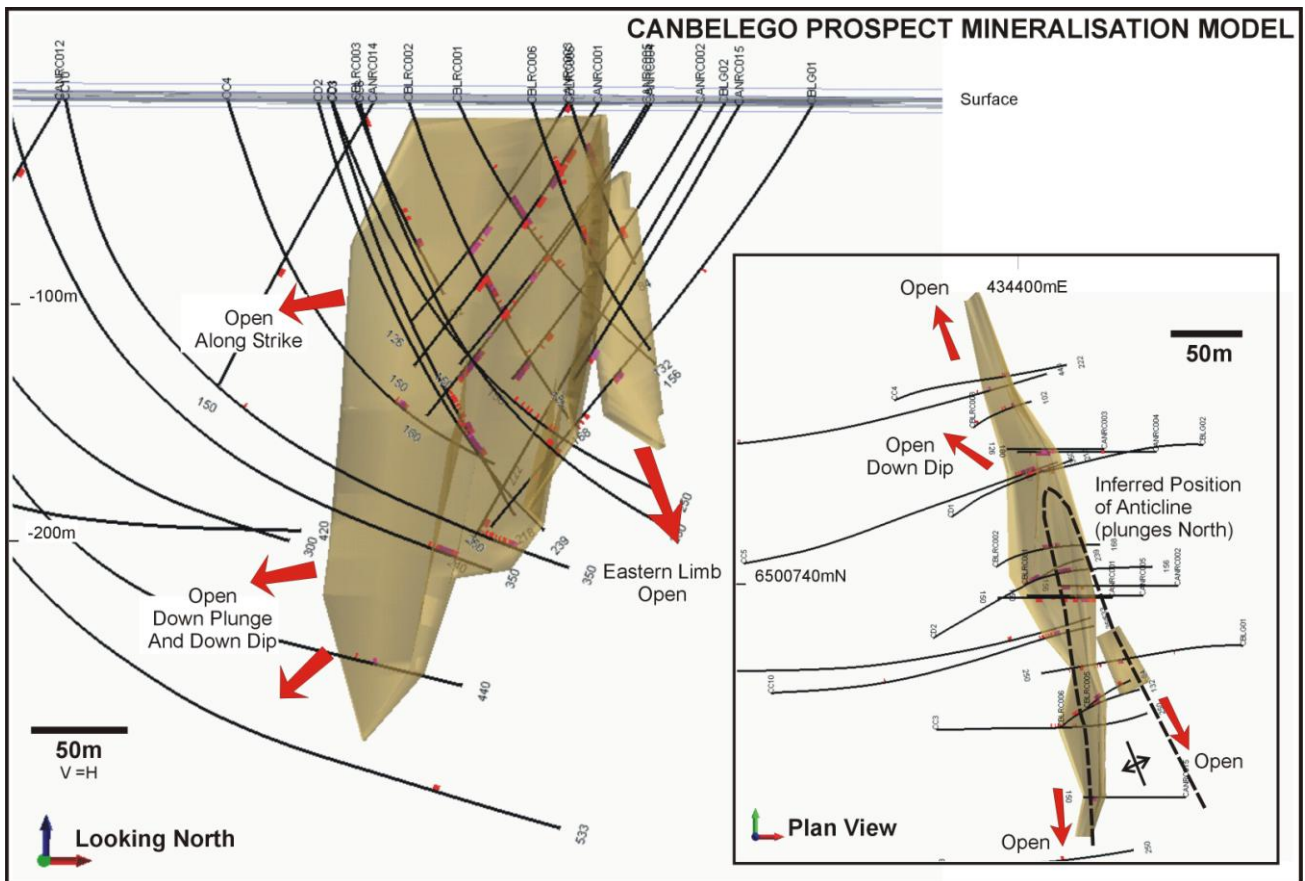


Figure 1: Screen shots of resource model and drilling at the Canbelego Mine Prospect, showing potential target zones

**Estimation Process****Geological Interpretation**

Three-dimensional geological interpretations have been completed for the deposit. Interpreted geological boundaries are based on historic and recent drill hole data, surface mapping and constraining topography.

A summary of total drilling used to define this estimate is tabulated below.

Deposit	Number of Drill Holes	Metres Drilled
<b>Canbelego Project</b>		
Helix 2010 Drilling	5 RC	640m
Straits 1997-2007 Drilling	8 RC	1,402m
Diamond Drilling 1970's (Re-sampled 2010)	7 DDH	2,069m
<b>Total</b>	<b>20</b>	<b>4,111m</b>

*Table 1: Drilling included in Resource Model*

Diamond drilling was the primary drilling method undertaken by exploration companies in the 1970's, the drill core from this work was preserved and is situated at the NSW Department of Minerals core library in Londonderry NSW where it was logged and re-sampled by Helix in 2010. Reverse Circulation drilling was the primary drill technique used by both Straits (1997-2007) and Helix in 2010, representative RC chips for the Straits drilling are held in storage at the Tritton Minesite and have been reviewed for comparison to assay results by Helix geologists, the Helix RC chips are held at the Company's storage shed in Perth.

The Resource Interpretation of the Canbelego Project was based on a mineralised/chlorite alteration envelope (nominal 0.2% Cu), two domains were provided (main zone and footwall zone), Interpretation was undertaken using Micromine and Surpac software.

Internal dilution was kept to a minimum (max 2m) provided continuity of the mineralised envelopes could be maintained and a grade of +1% Cu could be achieved. Zones of lower grade ranging 0.5 to 1% Cu were incorporated into the mineralised envelopes if geological continuity could be maintained.

Mineralised envelopes were constrained by a chlorite alteration halo identified in the geological model. The mineralised zones were used to define spatial domains for statistical and geostatistical analysis.

For statistical data analysis, exploration data was composited to 1m downhole lengths (most data was already at this length, with only a small number of DDH sub-1m samples needing compositing up to 1m). Analysis was based on copper assays. All composites were flagged to the spatial domain for statistical analysis.

**Resource Model Technique.**

The block model is an inverse distance model to the power of 2, search radius of 100 metres, with anisotropy set as major to semi major 1, major to minor to 10, Bearing of 350 and dip 80 to the west.

All modeling was conducted using Surpac version 6.1.4.

**Block Model**

Block models were constructed using a parent block size of 10m x 5m x 3m and sub-block cell size of 2.5m x 1.25m x 1.5m. The mineralised envelope was used to constrain the block model.

**Density**

Helix has compiled density determinations for copper deposits within the region (including some measurements conducted by Helix of various ore types from these mines) and applied appropriate density parameters. These were reviewed by the JV Partners and considered appropriate. Densities were applied to the deposit based on specific weathering intensity, mineralisation types and lithology. No specific density determinations have been completed on the Canbelego copper mineralisation to date and will form part of future work.

From these studies the following densities were used to derive the resource estimation. An average density value of 2.2t/m<sup>3</sup> was used for the oxide, 2.5t/m<sup>3</sup> was used for the transition and 2.7t/m<sup>3</sup> was used for the primary mineralisation.

**Classification**

Classification of the resources is completed based principally on the confidence in the geological interpretation and the density of data. Other criteria coded into the block model such as number of samples number of holes, run number used to fill block are all assessed in assigning the classification. However due to the use of historic drilling in the estimation, it was considered pertinent to classify the resource as inferred.

**Cut-off Grades**

All resource estimates are reported applying copper cut-off's determined from grade tonnage curves.

A 0.3% lower cut-off grade for Cu has been applied to the resource model with a higher cut of 0.8% Cu also reported.

## Reporting

The resource estimates have been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). The resource statement is to be signed off by Mr Michael Wilson as an employee of Helix Resources Limited. Mr Wilson is a Member of the Australasian Institute of Mining and Metallurgy.

Details of the Resource Estimate parameters are contained in Attachment A

## Resource Estimates

Resource estimates have been completed for the Canbelego Mine deposit by Helix following the completion of reverse circulation drilling programs in 2010 and inclusion of previous reverse circulation drilling by Straits in 1997 and 2007 and Re-sampling and assay of Diamond core drilled by exploration companies in the 1970's .

### The Resource for Canbelego Mine Prospect is classified inferred

Table 2: Resource Estimation Table

Domain	Cu Cut Off Grade	Tonnes	Cu grade %	Contained Cu (t)
Main Panel (Domain 1)	0.3	1,450,000	1.2	17,500
	0.8	1,000,000	1.5	14,700
Footwall Panel (Domain 2)	0.3	40,000	1.1	500
	0.8	30,000	1.5	400
<b>Total (0.3% Cu Cut)</b>				
	<b>0.3</b>	<b>1,500,000<sup>1</sup></b>	<b>1.2<sup>2</sup></b>	<b>18,000</b>
<b>Total (0.8% Cu Cut)</b>				
	<b>0.8</b>	<b>1,000,000<sup>1</sup></b>	<b>1.5<sup>2</sup></b>	<b>15,100</b>

1: Tonnes rounded to the nearest 100,000t,

2: Copper grade rounded to one decimal point

## Competent Person Statement

The information in this announcement that relates to the Canbelego Mine Resource 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.

## Attachment A – Resource Estimate Parameters

Canbelego Mine Deposit	
<b>SAMPLING TECHNIQUES AND DATA</b>	
Drilling Technique	Diamond drilling (HQ and NQ core) and Reverse Circulation (RC). Holes are dominantly drilled grid west-east with 7 holes drilled grid east-west.
Sampling Technique	Industry standard sampling techniques were used for all drill methods and ground conditions encountered. Diamond core-quarter diamond core samples were submitted to the laboratory for analysis. RC - On average 2-3kg samples were collected per metre after passing through a riffle splitter. Helix and Straits personnel supervised the drilling and sampling.
Drill Sample Recovery	Based on data recorded, within the mineralised zones the average diamond drilling core (NQ core) recovery is 95% and similar is assumed for the RC drilling
Geological Logging	Geological logging has been completed on all drilling completed within the resource area. All information from drilling has been recorded using industry appropriate logging and recording systems. The level of detail (stratigraphy, lithology, mineral content) is appropriate for mineral resource estimation. The logging data has been used to develop the geological interpretation and checked, where possible, against geochemical data.
Quality of Assay Data & QA/QC	An external commercial laboratory has been used for all analytical testwork. Appropriate sample preparation and assaying procedures have been used. Helix has a systematic QA/QC procedure for all sampling programs. Duplicate samples are inserted within the sample sequence. No duplicate samples for diamond drilling were submitted as the core is held by the NSW mines dept and at least quarter core must remain. The QA/QC procedures are designed to monitor all aspects of sampling techniques and analytical reliability. Results from the duplicates have no major issues that would prevent the resource from being classified as Inferred. The accuracy and precision of the data is good.
Surveying	All collar locations for the deposit were collected and confirmed in the field by hand held gps, including historic diamond holes as the collars are still present.
Data spacing	Drill holes used in the resource estimation are located on an approximate 100m x 30m grid with some infill drilling on 50m x 30m spacing.
Auditing	The geological and assay database is internally audited. Data integrity is checked on upload of all recorded drill, survey, geological and assay data by the Company's in-house data administrator and reviewed by the exploration manager prior to use.
<b>ESTIMATION AND REPORTING OF MINERAL RESOURCE</b>	
Database Integrity	The Helix database is managed by a dedicated Database Manager and has been validated for integrity and completeness.
Geological Interpretation	Geological and mineralisation interpretations were completed by Helix staff. The interpretations are based on geological and geochemical information from drill holes and surface mapping. The data density and regularity are considered adequate for the definition of the geological boundaries which were used to define both geological and mineralised zones for resource estimation purposes
Dimensions	The Old Canbelego Mine Prospect is presently approximately 650m x 175m in dimension (although it remains open to the north, south and east) the resource model is approximately 400m x 70m centred around position 434400mE , 6500740mN MGA94 Zn55 the model remains open along strike and down dip
Estimation and Modelling Technique	The estimation techniques used for the deposits are based on the geostatistical method of inverse distance to the power of 2 using Surpac version 6.1.4 A search radius of 100 metres, with anisotropy set as major to semi major 1, major to minor to 10, Bearing of 350 and dip 80 to the west.
Variables Interpolated	Copper (Cu), other minerals assayed are not considered at the time of modelling to be at sufficient concentrations that would result in economic extraction.
Cut-off Parameters	The resource models are not constrained by assumptions about economic cut-off grades, but rather a mineralisation/alteration envelope. The reported resources are based on applying a lower cut-off grade of 0.3% Cu. A higher cut-off grade of 0.8% Cu was also used for reporting purposes
Metallurgical Considerations	It has been assumed that the metallurgical domains are primarily governed by the position of the mineralisation and waste boundaries.
Bulk Density	Average bulk density values were applied to the resource model on a geological domain basis using values determined from regional operating copper mines. An average density value of 2.2t/m <sup>3</sup> was used for the oxide, 2.5t/m <sup>3</sup> was used for the transition and 2.7t/m <sup>3</sup> was used for the primary mineralisation. These densities were determined by the JV partners to be appropriate for the type and style of mineralisation.
Classification	Resource classification was primarily based on data density criteria and geological confidence. The deposit was classified as an inferred resource reflecting the early stage and broad space drilling to date.
Accuracy and confidence	All data has been reviewed, subject to random checks and is considered accurate for the level of confidence that has been assigned. The resource model is partially based on historic diamond drilling undertaken by explorers in the 1970's and whilst the collar position, drill core lithology logs and re-sampling and assay were either reviewed for consistency or carried out by Helix staff, the downhole surveys are sourced from the original drill logs reported from a single shot Eastman downhole camera at the time of drilling. It should be also noted that a small tonnage of high grade material was mined during the early 1900's in the vicinity of the resource model, however the wireframe was constructed so as to not include the mapped stoped areas in the model, any affect on the tonnes and grade is considered negligible.

**About Helix Resources Limited**

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

The Helix strategy is:

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

Helix's most significant development asset is the Yalleen Iron Ore Project joint ventured with API Management Pty Ltd (50% Aquila Resources, 50% AMCI) situated in the Robe Valley in the West Pilbara region of Western Australia. The project has an inferred and indicated resource estimate of 84.3Mt channel iron ore with exploration upside and a Scoping Study reports technical and financial viability based on 5Mtpa road haulage to planned API WPIOP rail infrastructure 70kms W. The financial evaluation indicates 'robust' returns could be achievable.

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

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

The Company is also securing gold & copper Projects in Chile which will be an expanded focus during 2011.

Details on the JORC resource estimation process and Scoping Study assumptions and Disclaimer are outlined in previous ASX announcements at [www.helix.net.au](http://www.helix.net.au).

**Competent Persons Statements**

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