

HELIX RESOURCES LIMITED

ABN 27 009 138 738

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2007

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Corporate Directory

Directors

G J WHEELER	Executive Chairman
M H WILSON	Technical Director
J DEN DRYVER	Non Executive Director
G DUNBAR	Non Executive Director

Company Secretaries

G J WHEELER
J McNAMARA

Registered Office and Business Address

9 Richardson Street
WEST PERTH WA 6005

Telephone: +61 8 9321 2644
Facsimile: +61 8 9321 3909
Website: www.helix.net.au

Auditors

Grant Thornton (WA) Partnership
Level 1
10 Kings Park Road
WEST PERTH WA 6005

ASX Listing

ASX Code:	Shares	HLX
	Options	HLXO

Share Registry

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Directors' Report

The Directors present the financial report of the Group, consisting of Helix Resources Ltd ["Company"] and its controlled entities, for the half-year ended 31 December 2007.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in the office for the entire period unless otherwise stated.

Mr Greg J Wheeler	Executive Chairman
Mr Michael H Wilson	Technical Director
Mr John den Dryver	Non Executive Director
Mr Gordon Dunbar	Non-Executive Director

REVIEW OF OPERATIONS

The Consolidated entities activities are contained in releases to the ASX on a quarterly basis and contained on our website at www.helix.net.au. Highlights include:-

IRON ORE

- Drilling has continued at the Yalleen Iron Ore Joint Venture by JV partner API (Aquila/AMCI) and has intersected channel iron (CID), at depth and close to surface, on broad spaced drill patterns. API served notice in November 2007 that they had earned their 70% interest in the iron ore rights by expending \$1.5 million. JV documentation discussions are underway and Helix is contributing its pro-rata 30% interest of expenditure.
- Yalleen Iron Joint Venture partners agree to 10,000m drilling in a \$2.3m exploration program for the 2007-2008 field season. The drilling will infill the Kumina Creek Prospect to a sufficient level to facilitate a resource calculation, as well as test additional channel iron and bedded iron targets identified from the 2006 Hoist EM survey and field mapping.

GOLD

- Glenburgh Project - An assessment of all known mineralisation at Glenburgh was undertaken 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 led to difficulties scheduling a drilling contractor before Christmas.
- 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.
- Tunkillia Project - JV partner and manager Minotaur Exploration estimated a new resource for Area 223 – comprising a total of 800,000oz Au and 1,600,000oz Ag to a depth of 200m from surface. Economic studies by Minotaur are continuing.

URANIUM

- 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.

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.

RESULT

The operating result for the half-year ended 31 December 2007 for the Group was a loss after income tax of \$621,600 (2006: \$94,039 profit).

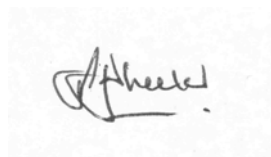
EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2007 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Grant Thornton (WA) Partnership, as presented on page 4 of this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.



G J Wheeler
Executive Chairman

Dated this 15th day of February 2008

Chartered Accountants
Business Advisers and Consultants

AUDITORS' INDEPENDENCE DECLARATION
Under Section 307C of the Corporations Act 2001

To the Directors of Helix Resources Limited

I declare that, to the best of my knowledge and belief during the period ended 31 December 2007, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP

JW Vibert

JW VIBERT
Partner
Perth

Date: 15 February 2008

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Condensed Income Statement

HALF-YEAR ENDED 31 DECEMBER 2007

	Notes	Consolidated	
		2007 \$	2006 \$
Revenue from ordinary activities - interest		123,504	36,320
Profit from sale of investments		183,384	502,000
Profit / (Loss) on sale of mineral area		-	155,000
Tenement Rental Reimbursement		26,331	132,271
Loss on Disposal of Fixed Assets		(942)	-
Other Income		10,339	13,870
Employment costs		(379,151)	(279,146)
Audit and Accountancy		(21,810)	(19,125)
Depreciation		(19,948)	(22,202)
Premises costs		(77,715)	(61,392)
Professional fees		(168,813)	(96,836)
Travel and accommodation costs		(2,870)	(572)
Revaluation of investments		22,500	(1,815)
Impairment of Exploration and Evaluation Expenditure		(258,736)	(245,664)
Other expenses from ordinary activities		<u>(57,673)</u>	<u>(18,670)</u>
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(621,600)	94,039
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE PERIOD		<u>(621,600)</u>	<u>94,039</u>
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED		<u>(621,600)</u>	<u>94,039</u>
Basic earnings / (loss) per share (cents)		(0.53)	0.09
Diluted earnings / (loss) per share (cents)		(0.53)	0.09

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Balance Sheet

AS AT 31 DECEMBER 2007

	Consolidated	
	31 December 2007	30 June 2007
Notes	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	9,420,015	2,822,200
Financial Assets	97,500	375,000
Trade and Other Receivables	366,291	261,946
TOTAL CURRENT ASSETS	9,883,806	3,459,146
NON-CURRENT ASSETS		
Financial Assets	2,000	2,000
Property, plant and equipment	162,314	170,937
Exploration and Evaluation	10,304,935	9,201,690
Other	-	98,000
TOTAL NON-CURRENT ASSETS	10,469,249	9,472,627
TOTAL ASSETS	20,353,055	12,931,773
CURRENT LIABILITIES		
Trade and Other Payables	129,051	75,864
Provisions	11,684	11,695
TOTAL CURRENT LIABILITIES	140,735	87,559
NON CURRENT LIABILITIES		
Provisions	45,108	31,585
TOTAL NON CURRENT LIABILITIES	45,108	31,585
TOTAL LIABILITIES	185,843	119,144
NET ASSETS	20,167,212	12,812,629
EQUITY		
Share Capital	55,803,347	47,844,351
Other Reserves	287,187	284,463
Accumulated losses	(35,923,322)	(35,316,185)
TOTAL EQUITY	20,167,212	12,812,629

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

HALF-YEAR ENDED 31 DECEMBER 2007

	\$	\$	\$	\$
	<u>Share Capital</u>			<u>Total</u>
	<u>Ordinary</u>	<u>Options Reserve</u>	<u>Retained Profits</u>	
Balance at 1.7.2006	45,295,964	50,197	(35,129,202)	10,216,959
Adjustment to opening balance	-	-	922	922
Shares issued during the year	-	-	-	-
Profit attributable to members of parent entity	-	-	94,039	94,039
Balance at 31.12.2006	45,295,964	50,197	(35,034,241)	10,311,920
Balance at 1.7.2007	47,844,351	284,463	(35,316,185)	12,812,629
Shares issued during the year	7,958,996	-	-	7,958,996
Employee Incentive Options issued	-	17,187	-	17,187
Employee Incentive Options cancelled / exercised	-	(14,463)	14,463	-
Loss attributable to members of parent entity	-	-	(621,600)	(621,600)
Balance at 31.12.2007	55,803,347	287,187	(35,923,322)	20,167,212

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Notes	Consolidated	
		2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(674,705)	(299,770)
Interest received		123,504	36,320
Other		82,005	17,646
NET CASH USED IN OPERATING ACTIVITIES		<u>(469,196)</u>	<u>(245,804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(12,267)	(25,211)
Payments for capitalised exploration and evaluation expenditure		(1,361,981)	(533,543)
Proceeds from / (payments for) investments		482,264	(4,093)
Proceeds from sale of assets		-	502,000
Loans to and amounts received from related parties		-	300,282
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(891,984)</u>	<u>239,435</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		8,278,901	-
Share and option issue transaction costs		(319,906)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		<u>7,958,995</u>	<u>-</u>
NET INCREASE IN CASH HELD		6,597,815	(6,369)
CASH AT BEGINNING OF PERIOD		<u>2,822,200</u>	<u>1,151,028</u>
CASH AT END OF PERIOD		<u>9,420,015</u>	<u>1,144,659</u>

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the Half-Year Financial Statements

31 DECEMBER 2007

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Helix Resources Limited as at 30 June 2007. It is also recommended that the half-year financial report be considered together with any public announcements made by Helix Resources Limited during the half-year ended 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including Accounting Standard AASB 134: "Interim Financial Reporting".

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Accounting policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2007 annual financial report.

2. EQUITY SECURITIES ISSUED

	2007 No.	2006 No.	2007 \$	2006 \$
Issue of ordinary shares during the half-year				
Placement of 17,000,000 shares @ \$0.485 per share, less costs	17,000,000	-	7,925,095	-
Conversion of 26,337 options @ \$0.30	26,337	-	7,901	-
Conversion of 100,000 Employee Incentive Options @ \$0.26	100,000	-	26,000	-
	17,126,337	-	7,958,996	-

3. SEGMENT REPORTING

The Group operated predominantly in one geographical segment and one business, being gold and other base metals exploration and development in Western Australia and South Australia.

4. CONTINGENT ASSETS OR LIABILITIES

There are no contingent assets or liabilities as at the reporting date.

5. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2007 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

6. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2007 reporting periods. The Group has not made an

assessment of the impact of these new standards or interpretations. The new standards and interpretations are as follows:

AASB 7 Financial instruments: Disclosures

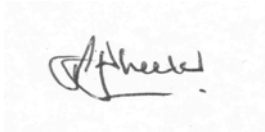
AASB 8 Operating Segments

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Helix Resources Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the Group comply with the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting and give a true and fair view of the financial position as at 31 December 2007 and the performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

A handwritten signature in black ink, appearing to read 'G J Wheeler', is centered on the page. The signature is written in a cursive style with a large initial 'G'.

G J Wheeler
Executive Chairman

Dated this 15th day of February 2008

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HELIX RESOURCES LIMITED AND CONTROLLED ENTITIES

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Helix Resources Limited (the Company) and the entities it controlled (the consolidated entity), which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement/description of accounting policies, and other selected explanatory notes. The consolidated entity comprises both the Helix Resources Limited (the Company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of Helix Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

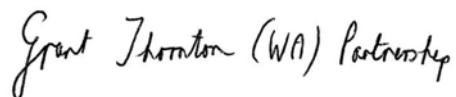
Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Helix Resources Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and Corporations Regulations 2001.



GRANT THORNTON (WA) PARTNERSHIP



JW VIBERT
Partner
Perth

Date: 15 February 2008