



QUARTERLY REPORT 2007

HELIX RESOURCES LIMITED

PROJECT OVERVIEW

IRON ORE

- A 10,000m drilling program has commenced on the Kumina Creek and Robe Exit Prospects as part of the \$2.3m exploration budget for the Yalleen Iron Ore Joint Venture.
- Pre collars for resource drilling at the Kumina Creek Prospect have been completed; with diamond tail drilling to follow.
- At the Robe Exit Prospect interpretation from a recent gravity survey has identified a gravity low, coincident with the main area of outcropping channel iron deposit. RC drilling in the area has recently commenced to evaluate this target.

GOLD

- Glenburgh Project - Helix complete initial exploration drilling program at 4 regional target areas. Slim line RC Drilling intersected +1g/t gold mineralisation at North East 3 and Barracuda, Firebird and Challenger Prospects. Results include 8m @ 2.5g/t, 3m @ 2.4g/t, 1m @ 6.7g/t and 2m @ 3.2g/t.
- In light of the improving gold price, the Company is preparing to undertake an additional 5,000m of drilling and commence an internal scoping study to determine potential development scenarios for the Glenburgh project.

URANIUM

- Uranium JV partner Toro Energy finalising environmental and heritage clearances prior to drill testing palaeo-drainage uranium targets on the Gawler Uranium Project.

GENERATIVE

- West Pilbara - follow up geochemical sampling and mapping undertaken to better define base metal anomalies on the tenements; Hyperspectral survey interpretations received for West Pilbara tenements; granting of tenement containing Radio Hill Style nickel target.
- A new exploration model for copper mineralisation at the Parachilna Project SA will be drill tested after a field visit and review of historical data identified key mineralisation features allowing more effective targeting.
- Reconnaissance visit to Olary Project SA indicates large hydrothermal alteration systems associated with gold mineralisation in the area; a grab sample from historical workings returning 7.5 g/t Au with elevated Arsenic, Bismuth and base metals.

CORPORATE

On 27th September Aquila Resources Limited became a substantial shareholder, purchasing a 6.4% stake in the company on-market.

Bonus Option Prospectus dated 19th September sent to shareholders for the issue of 1 free option for every 8 shares held - exercisable at 30 cents prior to 30 June 2009.

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REVIEW OF OPERATIONS

YALLEEN IRON ORE JV - WESTERN AUSTRALIA

Helix Resources Limited 100%, Australian Premium Iron JV (Aquila/AMCI) earning 70% iron ore rights of E47/1169-1171

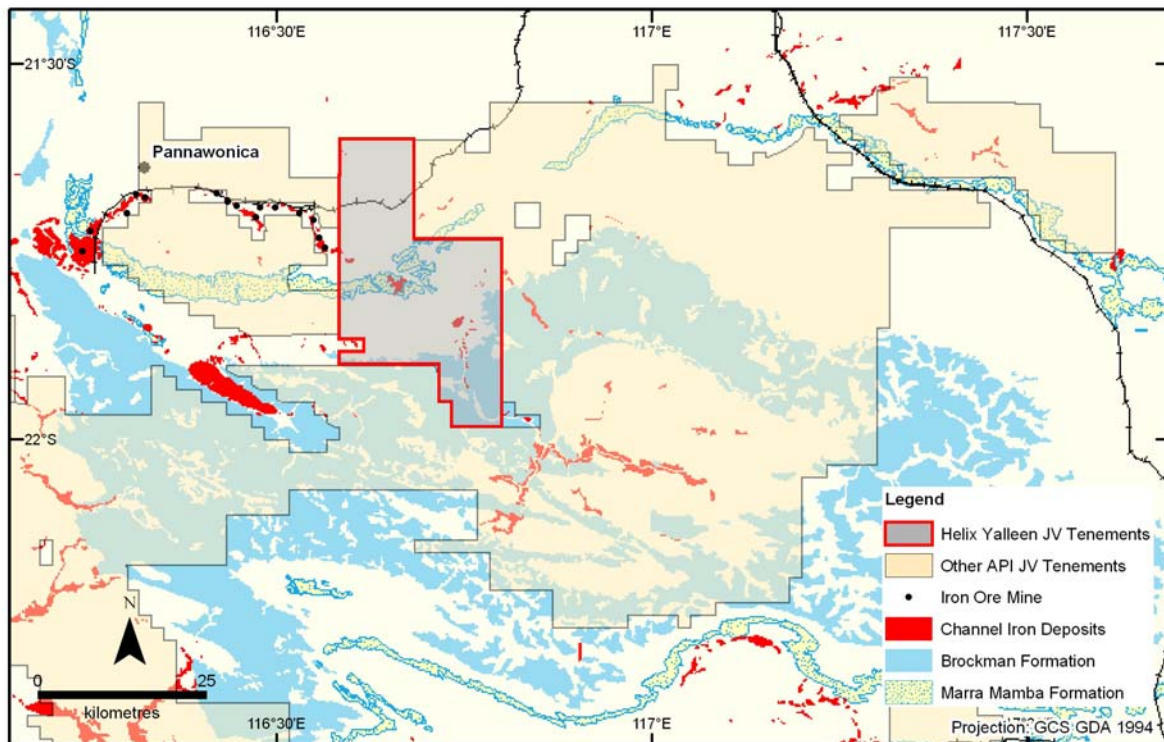


Figure 1: Location of Yalleen Project and extent of surrounding API JV tenements in Robe River catchment

Project Background

The Yalleen Iron Ore JV Project covers an area of approximately 600 square kilometres flanking the northern edge of the Hamersley Ranges, in the upper reaches of the Fortescue 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 CID and 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.



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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 which recently estimated a resource of 203.0Mt at 57.44% Fe from deposits in separate joint ventures with Red Hill Iron Ltd and Cullen Resources Limited. These projects are approximately 50-70 km southwest of the Yalleen Project area.

API as manager of the West Pilbara Project has stated its aim of defining a Stage 1 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.

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.

Exploration Review

The API managed exploration program continued to advance the Kumina Creek and Robe Exit CID targets as well as the Bonham bedded iron target toward commencement of drilling. Work commenced late in the quarter on a diamond pre-collar program at Kumina Creek using a dual rotary drill (Barber Rig). Drilling is scheduled to commence early in Q4 2007 on a 70 hole diamond and RC drill program at Kumina Creek and Robe Exit respectively.

Robe Exit Prospect

Interpretation of images from the 2007 gravity survey covering the Robe Exit prospect have been compared with detailed geological mapping in the area in order to assess the palaeo-drainage architecture. The comparison shows a large gravity low, centred on the main area of CID outcrop, indicating a possible drainage outflow basin at the mouth of the Robe River.

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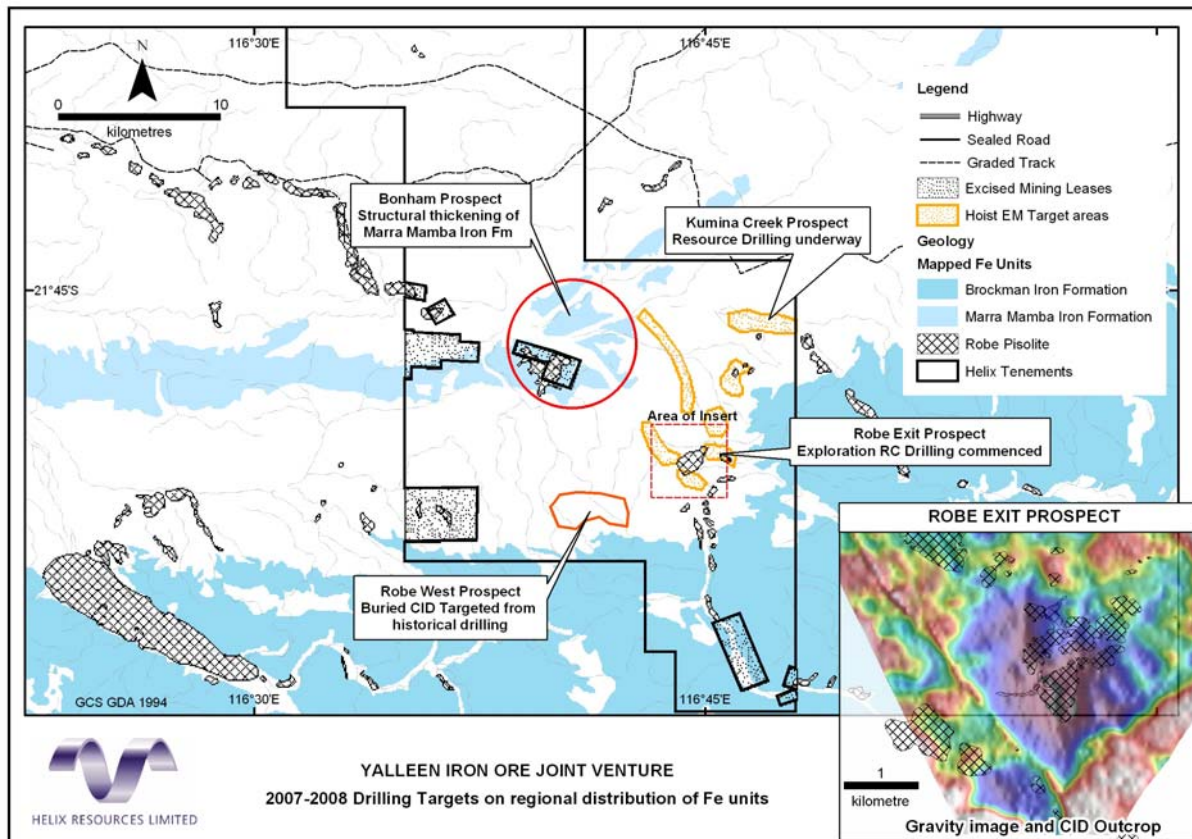


Figure 2: Yalleen Project target areas; inset-Robe Exit Gravity image with exposed CID outcrop at surface

2007/2008 Program

During the quarter, the Joint Venture approved an exploration budget for the 2007/08 year of \$2.27 million.

The 2007/8 program consists of approximately 10,000m of drilling aimed at building on the work completed to date, advancing the Kumina Creek target to JORC resource status and completion of first pass drill testing of the Robe Exit, Robe West buried CID targets and BID targets identified within the Marra Mamba Formation.

Helix expects to be contributing from October 2007 after API has met their initial \$1.5 million expenditure to earn 70% in the iron ore joint venture.

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GLENBURGH PROJECT - WESTERN AUSTRALIA

Helix Resources Limited 100%

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

The recently completed regional exploration slim-line RC drilling at the Glenburgh Project has tested four of the regional gold anomalies, (Figure 3). A series of mineralised systems have been identified at these targets, with the most encouraging results from the North East 3 Prospect and Barracuda East Prospect at this early stage

An internal scoping study is being considered 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, the exploration activities are focused on increasing this to in excess of 400,000oz. An assessment of all known mineralisation is now being undertaken to define priority drilling targets; 5000m of RC drilling is planned for Q4 2007 (the start date is subject to gaining the appropriate heritage clearance and Government Approvals).

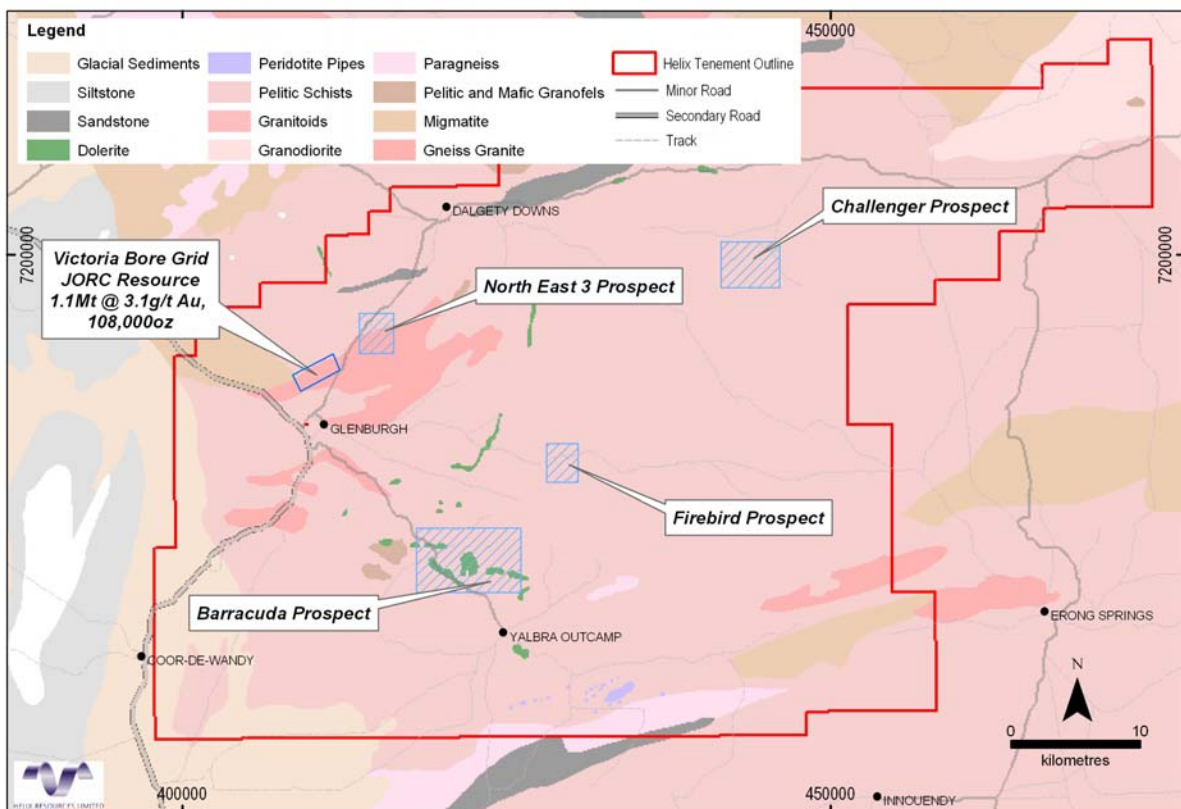


Figure 3: Location map of regional exploration targets

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North East 3 Prospect

At the North East 3 prospect, four out of the five holes drilled intersected +1g/t gold. The five holes on two lines of drilling tested an area extending W-SW from an historic two hole drill section that returned broad elevated (+50ppb Au) geochemistry. An approx 20-30 metre wide mineralised zone at >0.1g/t Au has been identified consistently over the broad 100 metre spaced slim line RC drill lines.

The surface geochemistry interpretation over this target suggests that the zone has an additional untested strike length of up to 2km W-SW before being offset by a large regional fault. These early results are consistent with the mineralisation corridors intersected around Victoria Bore including the Apollo Lode which contains and inferred resource of 632kt @ 3.4g/t Au for 68,500oz. Surface mapping and geochemistry is now being refined to test this zone with additional drilling during the proposed follow up program.

Table1: North East 3 Prospect intercepts

Hole Id	MGA East	MGA North	From (m)	Intercept
VRC335	415010	7194120	1m	3m @ 0.1g/t Au
			12m	10m @ 0.5g/t Au Incl.3m @ 1.2g/t Au
			43m	1m @ 0.3g/t Au
VRC336	414996	7194157	53m	31m @ 0.6g/t Au Incl.3m @ 2.4g/t Au And 2m @ 2.6g/t Au
			87m	3m @ 0.2g/t Au
			93m	2m @ 0.1g/t Au
VRC337	414911	7194097	26m	1m @ 0.1g/t Au
VRC338	414899	7194124	32m	8m @ 2.5g/t Au Incl. 1m @ 14.6g/t Au
			43m	2m @ 0.7g/t Au
			49m	1m @ 0.6g/t Au
			57m	5m @ 0.3 g/t Au
			67m	7m @ 0.2 g/t Au
VRC339	414886	7194151	97m	20m @ 0.4g/t Au (EOH) Incl. 2m @ 1.3g/t

*1 metre interval spear samples- lead collection Fire Assay.
All intercepts calculated on a 0.1g/t cut, 2m internal dilution.*

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Barracuda Prospect

At the Barracuda East Prospect, slim line RC holes were drilled in fence lines to test a series of gold in soil anomalies. Results from drilling intersected two +1g/t mineralised positions. The grade tenor along with a review of the geological complexity of the target area suggests additional work is required to better understand the controls on the mineralisation at this prospect. In addition, widespread geochemical anomalism and variable regolith in this area is being assessed to define new drill targets.

Table2: Barracuda East intercepts

Hole Id	MGA East	MGA North	From (m)	Intercept
BARC 010	424150	7177900	1m	1m @ 0.1g/t Au
BARC 011	424150	7177875	1m	3m @ 2.4g/t Au Incl.1m @ 6.7g/t Au
BARC 013	424100	7177195	20m	2m @ 3.2g/t Au
BARC 017	423900	7177115	23m	2m @ 0.4g/t Au
BARC 021	418699	7177695	10m	1m @ 0.2g/t Au
BARC 024	418600	7177770	15m	3m @ 0.2g/t Au

*1 metre interval spear samples- lead collection Fire Assay.
All intercepts calculated on a 0.1g/t cut, 2m internal dilution.*

Firebird Prospect

At the Firebird Prospect, soil sampling identified two zones of mineralisation drilling confirmed the existence of a low grade gold system. However the widths and grade intersected and the consistency of the lithological controls identified in the drilling has downgraded this target.

Table3: Firebird Prospect intercepts

Hole Id	MGA East	MGA North	From (m)	Intercept
FBRC001	429149	7184010	21m	5m @ 0.1g/t Au
FBRC002	429161	7183988	65m	1m @ 0.4g/t Au
FBRC003	429174	7183967	26m	2m @ 0.2g/t Au
			46m	1m @ 0.1g/t Au
FBRC004	429112	7183873	16m	1m @ 0.1g/t Au
			24m	2m @ 0.2g/t Au
FBRC014	429235	7184060	5m	1m @ 1.1g/t Au
			13m	5m @ 0.3g/t Au
			23m	3m @ 0.2g/t Au
FBRC015	429248	7184038	34m	1m @ 0.1 g/t Au
			41m	3m @ 0.3g/t Au
			47m	1m @ 0.2g/t Au

*1 metre interval spear samples- lead collection Fire Assay.
All intercepts calculated on a 0.1g/t cut, 2m internal dilution.*

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Challenger Prospect

At the Challenger Prospect the drilling has identified three zones of mineralisation with low grade gold associated with thin structural features. The structural style and geological continuity confirmed by the drilling suggests the target would have limited scope for higher grades or larger tonnages.

Table1: Challenger Prospect intercepts

Hole Id	MGA East	MGA North	From (m)	Intercept
CHRC005	443000	7199685	7m	2m @ 0.2g/t Au
CHRC006	443000	7199710	11m	3m @ 0.2g/t Au
			44m	1m @ 0.2g/t Au
			48m	1m @ 0.1g/t Au
CHRC009	443200	7199490	3m	5m @ 0.2g/t Au
			17m	2m @ 0.4g/t Au
CHRC010	443400	7199425	39m	1m @ 0.2 g/t Au
CHRC011	443400	7199475	16m	1m @ 1g/t Au

*1 metre interval spear samples- lead collection Fire Assay.
All intercepts calculated on a 0.1g/t cut, 2m internal dilution.*



Slime Line RC Drilling September 2007

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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.

Regional studies continued in collaboration with CSIRO on the theoretical structural setting of gold mineralisation. Drill testing of IOCG targets at Tunkillia West intersected a range of mafic to felsic intrusives with no indication of alteration or mineralisation.

TORO URANIUM JV

JV Partner Toro Energy is finalising environmental approvals and heritage clearances prior to drill testing the extensive palaeochannel targets on the Gawler Uranium JV ground. These regulatory delays have pushed back the start date for the drill program. Toro anticipate the program will now commence in early 2008, as part of their broader Kingoonya Uranium Project.

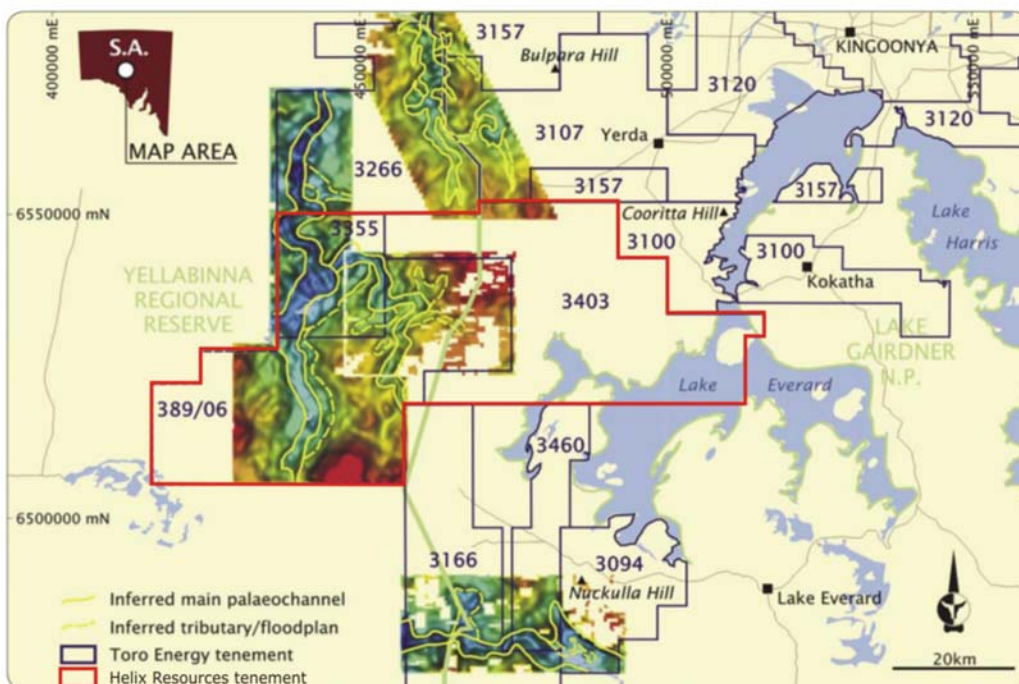


Figure 4: Airbourne EM image with palaeochannel interpretation

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WEST PILBARA PROJECT - WESTERN AUSTRALIA

Helix Resources Limited 100%

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

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

The September-October field program was undertaken with mapping and geochemical samples being collected on E47/1075 (Results are pending). The field work focussed on the multi-element base metal anomalism identified from first pass stream sampling in 2005. Helix is targeting VMS/VHMS style mineralisation in this under-explored region.

Once the geochemical results are received they will be compiled with the mapping, a recently received hyperspectral mapping interpretation and the planned aeromagnetic survey for the project. The scope and focus of additional field campaigns will be defined from this work for completion during 2008.

The tenement containing potential Radio Hill Style nickel targets, E47/1090, was granted during the quarter. The Company will now carry out an aeromagnetic survey and interpretation to better define the targets.

A Hy-mapper hyperspectral interpretation over E47/1075 and E47/1090 was also completed during the quarter. This work has resulted in effective delineation of subtle compositional variation within the broader rock units and the identification of several areas of possible zoned hydrothermal alteration and/or more felsic to silicic volcanics. Investigation of these features will be completed during 2008.



Regional geochemical sampling West Pilbara - September 2007



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ADELAIDE GEOSYNCLINE - SOUTH AUSTRALIA

Helix Resources Limited 100%
ELA570/06, EL3814, ELA299/07

A field reconnaissance visit was undertaken during the quarter to the Adelaide Geosyncline Project areas in South Australia.

Parachilna

A new exploration model is being developed for the base metal mineralisation associated with the Blinman area at the Parachilna Project (EL3814). A review of several historical geological reports and two oil well drill holes combined with in-field investigations, suggests that the geological setting of the Blinman area may differ from the published interpretations. The presence of significant alteration systems and the morphology of the known mineralisation may be related to hydrothermal activity in the area. Key features of the model particularly with regard to alteration zoning and important lithological associations should allow more effective targeting. Further investigations are now underway. 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.

Olary

The Olary Project consists of two licence applications and covers an area of 1400km². A short reconnaissance field visit to the area confirmed the gold potential in the area, with samples collected from historical workings grading up to 7.5g/t Au with an associated elevation in Cu, Pb, Zn, Mo, W, As, Sb and Bi.

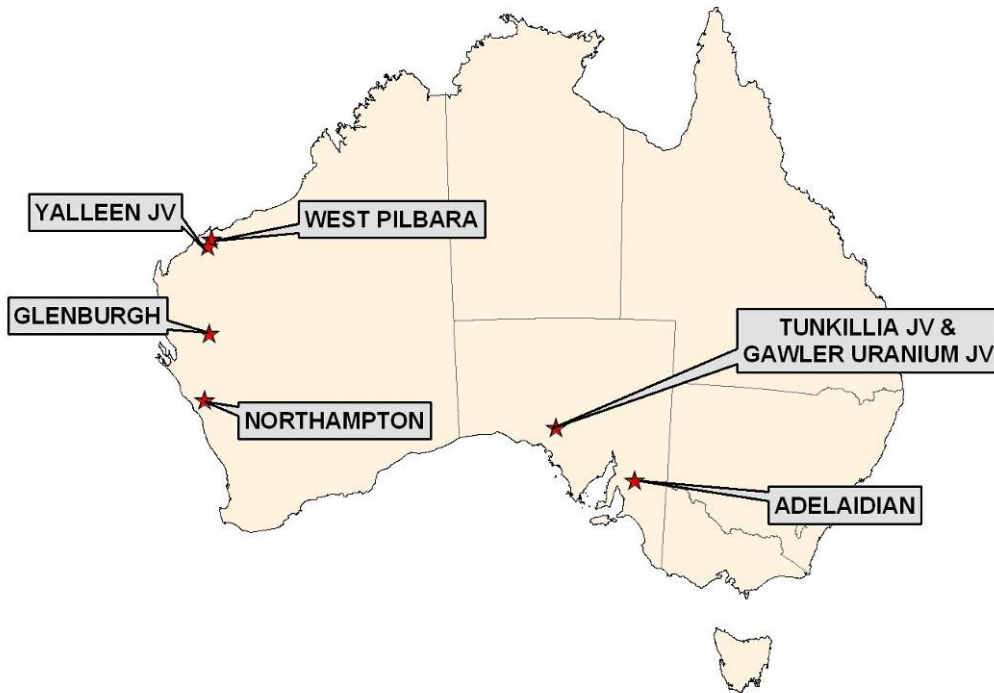
A broad, zoned alteration halo (100's of metres wide) variably comprised of albite, silica, pyrite, chlorite and white mica provides confirmation that a large hydrothermal alteration system is associated with the mineralisation. The field visit provided encouragement that important features of the exploration model involving late-stage granites, circulating basinal brines and the structural influence of movement on deep seated craton margin structures are demonstrated in the region and may have influenced the development of larger mineral deposits. On this basis, further investigation is planned. These tenements will be systematically explored upon grant.

Fleurieu

Mapping and sampling of an historic gold/tungsten mine area within the Fleurieu Project (ELA570/06) suggests that late stage granites are the likely drivers for mineralisation in the region. Assay results from this work are pending. The compilation of this work with historic information and further field mapping and sampling will identify priority areas for further exploration upon granting of the tenement.

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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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Technical Director
Helix Resources
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Corporate Directory

Directors

Greg Wheeler	Executive Chairman
Michael Wilson	Technical Director
John denDryver	Non-executive Director
Gordon Dunbar	Non-executive Director

Company Secretaries

Greg Wheeler
Joneen McNamara

Australian Business Number

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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

27 009 138 738

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 3 months \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(545)	(545)
1.3 Dividends received	(125)	(125)
1.4 Interest and other items of a similar nature received	47	47
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)	78	78
Net Operating Cash Flows	(545)	(545)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	397	397
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net investing cash flows	397	397
1.13 Total operating and investing cash flows (carried forward)	(148)	(148)

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1.13	Total operating and investing cash flows (brought forward)	(148)	(148)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
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)		
Net financing cash flows		-	-
Net increase (decrease) in cash held		(148)	(148)
1.20	Cash at beginning of quarter/year to date	2,822	2,822
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,674	2,674

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	116
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.

Q u a r t e r E n d i n g 3 0 S e p t e m b e r 2 0 0 7

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	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	34	20
5.2 Deposits at call	2,640	2,802
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,674	2,822

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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	E09/1278 Surrendered E09/1279 Surrendered	100% 100%	0% 0%
6.2	Interests in mining tenements acquired or increased			

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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	114,101,589	114,101,589		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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 5,500,000	Nil Nil	Exercise price Various 26 cents	Expiry date 29 March 2009 30 November 2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

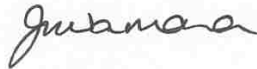


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Compliance statement

- 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:

Company secretary

Date: 24 October 2007

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.

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