



## Helix Resources Limited

A.C.N. 009 138 738 Incorporated in Western Australia

### CHAIRMAN'S REVIEW

Dear Shareholder

I am pleased to present the 2007 Annual Report for the Company. The new Executive Management and Board team are focused on Helix's exploration and development strategy, with the specific aim of creating shareholder value. Helix is well placed, with exposure to iron ore, gold, base metals and uranium to take advantage of the positive outlook for the Resources sector as strong demand continues for minerals from the emerging economies of China and India.

Since my 2006 Chairman's Letter, the market capitalisation of Helix has increased from ±\$8 million to ±\$25 million, and I hope for continuing market recognition based on positive drilling results emerging from our Yalleen Iron Ore JV, our Minotaur Tunkillia Gold JV, our Toro Energy uranium JV and our 100% Glenburgh gold project.

Helix has reported a loss of \$0.2 million, which compares favourably to the 2006 loss of \$4.8 million, and is due to a combination of re-evaluating our exploration focus and expenditure, the sale of non-core investments and administration cost saving programs being implemented.

The Company has sufficient cash [\$2.8 million] and liquid investments [\$0.5 million] to meet budgeted 2007/8 Yalleen JV contributions to maintain our 30% interest, together with funding its own exploration programs, whilst JV parties expend a further \$3.5 million on our Projects to earn their interest.

Regarding our existing projects:-

- Yalleen Iron Joint Venture partners [API 70%/HLX 30%] agree to 10,000m drilling exploration program for \$2.3m. The drilling program will infill the Kumina Creek Prospect to a sufficient level to facilitate a JORC resource calculation, as well as test additional channel iron and banded iron targets identified from the 2006 Hoist EM survey which totals an area of over 25km<sup>2</sup>.
- The Yalleen Project is considered to have the potential to host an Exploration Target in the order of several hundred million tonnes of iron deposits, and API has commissioned various port and transport studies to assess development options.
- In South Australia, our joint venture with Minotaur Exploration Ltd over the Tunkillia gold project has seen an upgrade of the JORC Inferred Resource to 800,000 oz gold and 1,600,000 oz silver, with Minotaur completing economic studies as they earn 51% by spending \$5 million on the project.
- The regional focus on our Glenburgh gold project in Western Australia to enhance the current JORC Resource of 1.1 Mt grading 3.1 g/t [108,000 oz gold] is proceeding well. New gold systems have been identified and 5 targets are being drilled in the 3<sup>rd</sup> quarter 2007.
- Our Gawler Uranium Joint Venture is progressing well, with Toro Energy having to expend \$2 million in uranium exploration on Lake Everard in SA to earn 51%.

I wish to thank the Board and Staff of Helix for their efforts during the year and look forward to continuing to create value for our shareholders.





**Greg J Wheeler**  
**Chairman**

