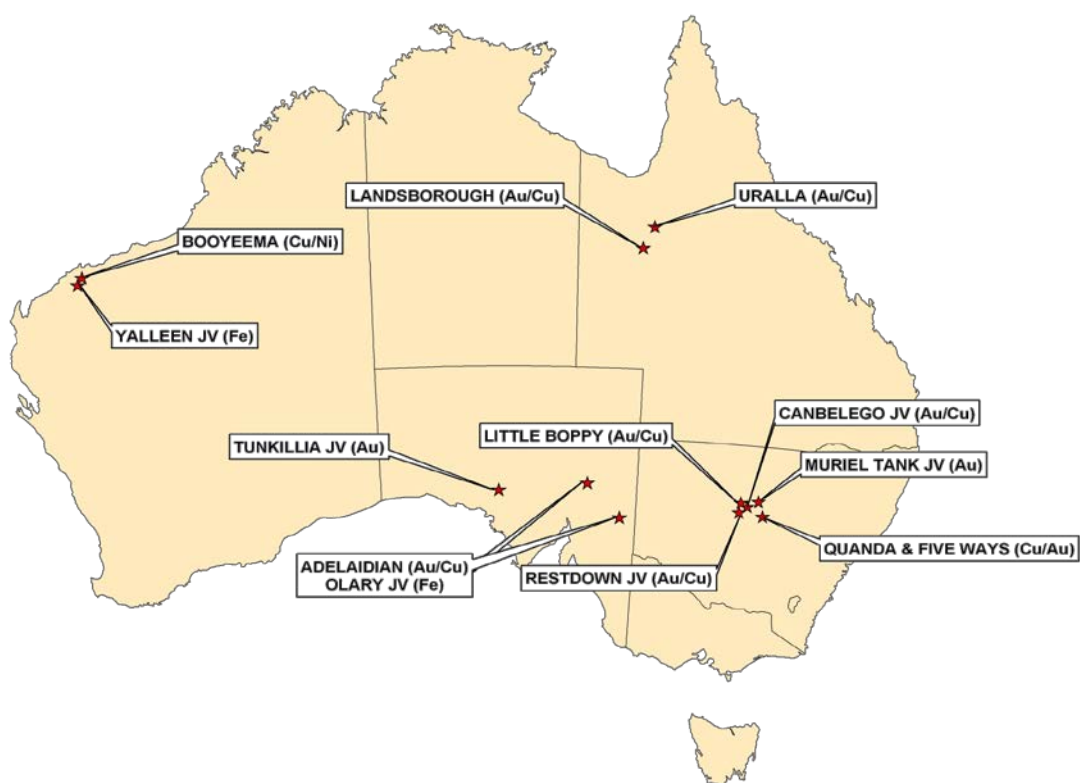


HELIX RESOURCES LIMITED

ABN 27 009 138 738

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2010



Australian Project Location Map

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Corporate Directory

Directors

G J WHEELER	BCom; FCA; SF Fin; GAICD	Executive Chairman
M H WILSON	BEc; BSc(Hons); MAusIMM	Technical Director
J DEN DRYVER	BE(Mining); MSc; FAusIMM(CP)	Non Executive Director
G DUNBAR	BSc(Hons); MSc; FAusIMM; FAIG	Non Executive Director

Company Secretaries

G J WHEELER
J McNAMARA BBus; ACIS

Registered Office and Business Address

Suite 7, 29 Ord Street
WEST PERTH WA 6005

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

Auditors

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
WEST PERTH WA 6005

ASX Listing

ASX Code:	Shares	HLX
	Options	HLXOA

Share Registry

Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009

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

Resources

Commodity	Category	Project	Interest	Resource
Iron Ore	Indicated	Yalleen JV, WA	30% (Contributing)	47.9Mt @ 57.3% Fe (Channel Iron)
	Inferred			36.4Mt @ 57.1% Fe (Channel Iron)

Joint ventured with API Management Pty Ltd (50% Aquila Resources, 50% AMCI) and forms part of their West Pilbara Iron Ore Project which comprises multiple JV's. Helix prepared Scoping Study in August 2010 reports technical and financial viability.

Copper	Inferred	Canbelego JV, NSW	51% (Moving to 70%)	1.5Mt @ 1.2% Cu for 18,000t Contained Cu (at 0.3% Cu Cut-off)
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Joint venture with Straits Resources

Gold	<u>Oxide</u>	Tunkillia JV, SA	46% (Diluting)	1.2Mt @ 1.8 g/t - 66,000 oz
	Measured			2Mt @ 1.3 g/t - 86,000 oz
	Indicated			2.5 Mt @ 1g/t - 77,000 oz
	<u>Primary</u>			
	Indicated			4.2Mt @ 2 g/t - 270,000 oz
	Inferred			4.4Mt @ 2.1 g/t - 300,000 oz
	Inferred			8.6Mt @ 5.7 g/t - 1.6M oz Silver
	Total			0.8M oz Au and 1.6M oz Ag

Minotaur Exploration Ltd has earned ±54% and as JV Manager continue to assess economic and technical viability of the Project, as well as exploration upside. Whilst Helix has the option to contribute at any time, Minotaur will need to expend an additional \$10 million from their original spend of \$5M for 51% to dilute Helix from the initial 49% interest to 24%.

Details of the assumptions underlying the above estimations are contained in previous ASX releases or at www.helix.net.au

Competent Persons Statements

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

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 2010.

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.

The Company's strategy continues to be acquiring large tenement holdings in prospective mineral provinces and utilising our corporate and geological expertise to create and extract value for the benefit of our shareholders.

Mineral Asset Project Highlights include:-

Iron Ore

- Yalleen Project [API (Aquila/AMCI) – 70% / Helix 30%] has a current resource estimation for Kumina Creek and Robe Exit prospects of 84.3Mt @ 57.2% Fe
- Helix Scoping Study ^[refer 17 August 2010 ASX release detailing assumptions and Disclaimer] reports positive results, with a NPV range \$900M_{16%} to \$1,100M_{12%} based on:-
 - Capital expenditure range of \$150M to \$200M including haul road to access proposed rail infrastructure 70km W, screening plant to upgrade ore, camp construction and pre-strip costs, including allowances for EPCM and 25% Contingency;
 - Operating costs including royalties of ±\$48/t based on access to proposed rail and port infrastructure on acceptable commercial terms;
 - Life of Mine [LOM] revenue estimate of ±\$109/t
- Scoping study indicates two potential infrastructure solutions for transporting Yalleen sourced product to port
- API is investigating development options whilst JV documentation is finalized between the JV Parties

Gold/Copper

- Canbelego JV - NSW – [Helix 51% moving to 70%, Straits 49%]
 - Helix announce initial Inferred resource estimate for the Canbelego Project at a 0.3% Cut-off **-1.5Mt @ 1.2% Cu** ^[refer 1st October 2010 ASX release detailing estimation process and breakdown]
 - Regional target drilling confirm broad mineralised zones

Gold

- Restdown & Muriel Tank JV – NSW – [Helix earning 70% by expending \$700,000 by June 2012; Glencore 100%]
 - Drilling in 4Q10 identified broad mineralised zones with significant gold intercepts ^[refer ASX announcement 25 November 2010] including:-
 - 24m @ 2.6 g/t from 4m incl 12m @ 4.9 g/t from 8m; and
 - 32m @ 2.2 g/t from 36m incl 8m @ 4.1 g/t from 56m
 - 2nd drilling program scheduled to commence March/April 2011
- Tunkillia Project [Helix 100%; Minotaur 51% caveat on title for mineral rights other than uranium]

- Resource estimate currently 14.3Mt @ 1.8 g/t Au for a total of 800,000oz Au and 1,600,000oz Ag
- Minotaur commit to \$1.040M budget for 2011. Helix will dilute a further 4%

Chile

- Helix has identified Chile in South America as a country with low ASX listed entity participation, a suitable risk profile and excellent prospectivity for the minerals being sought. Helix has established a 100% Chilean subsidiary with an in-country General Manager, Project Geologists and support team.
- Have secured three (3) 100% HLX owned exploration concessions adjacent to and along strike to local gold and copper mining operations with the view to introduce modern exploration techniques to traditional artisanal mines.
- Advancing drill target generation and project acquisitions through 2011.

Corporate

Helix placed 19.8M shares at \$0.115 cents each to raise \$2.28M to professional, institutional and sophisticated investors under the 15% limit rule in November 2010.

RESULT

The operating result for the half-year ended 31 December 2010 for the Group was a loss after income tax of \$237,455 (2009: \$5,183,146).

EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2010 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 other than that outlined in Note 6 to the accounts.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the Corporations Act 2001 is presented on page 5 of this half-year financial report.

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



G J Wheeler
Executive Chairman

Dated this 11th day of February 2011

Competent Persons Statement

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

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**Auditor's Independence Declaration
To The Directors of Helix Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Helix Resources Limited for the half-year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Director - Audit & Assurance

Perth, 11 February 2011

Consolidated Statement of Comprehensive Income

HALF-YEAR ENDED 31 DECEMBER 2010

		Consolidated	
	Notes	31 December 2010 \$	31 December 2009 \$
Revenue from Continuing Operations			
Interest income		95,027	78,955
Tenement Rental Reimbursement		25,295	61,399
Loss on sale of Investments		(14,940)	-
Other Income		80,528	84,581
Fair value movement on fair value through profit and loss financial assets		1,380	25,680
Employment costs		(187,512)	(206,570)
Audit and Accountancy		(6,418)	(16,009)
Depreciation		(18,235)	(25,262)
Premises costs		(90,112)	(73,045)
Professional fees		(4,788)	(841)
Travel and accommodation costs		(1,828)	(1,483)
Impairment of Mineral Asset Exploration and Evaluation Expenditure	2	(64,498)	(5,061,520)
Other expenses from ordinary activities		(51,354)	(49,031)
PROFIT / (LOSS) BEFORE INCOME TAX		(237,455)	(5,183,146)
INCOME TAX EXPENSE		-	-
PROFIT / (LOSS) FOR THE PERIOD		(237,455)	(5,183,146)
Other Comprehensive Income			
Fair value movement on available for sale assets		24,000	-
Income tax relating to comprehensive income		-	-
Other comprehensive income, after tax		24,000	-
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED		(213,455)	(5,183,146)
Basic earnings / (loss) per share (cents)		(0.17)	(3.94)
Diluted earnings / (loss) per share (cents)		(0.17)	(3.94)

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2010

	Consolidated	
	31 December 2010 \$	30 June 2010 \$
CURRENT ASSETS		
Cash and cash equivalents	4,485,385	3,577,835
Financial Assets	4,740	57,860
Trade and Other Receivables	174,181	137,946
TOTAL CURRENT ASSETS	4,664,306	3,773,641
NON-CURRENT ASSETS		
Property, plant and equipment	96,478	99,856
Mineral Asset Exploration and Evaluation Expenditure	7,245,243	6,149,147
Other Financial Assets	453,613	426,000
TOTAL NON-CURRENT ASSETS	7,795,334	6,675,003
TOTAL ASSETS	12,459,640	10,448,644
CURRENT LIABILITIES		
Trade and Other Payables	144,711	135,035
Provisions	148,976	122,541
TOTAL CURRENT LIABILITIES	293,687	257,576
NON CURRENT LIABILITIES		
Provisions	32,720	24,469
TOTAL NON CURRENT LIABILITIES	32,720	24,469
TOTAL LIABILITIES	326,407	282,045
NET ASSETS	12,133,233	10,166,599
EQUITY		
Share Capital	56,552,043	54,371,954
Reserves	261,600	237,600
Accumulated losses	(44,680,410)	(44,442,955)
TOTAL EQUITY	12,133,233	10,166,599

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

Consolidated Statement of Changes in Equity

HALF-YEAR ENDED 31 DECEMBER 2010

	\$	\$		\$	\$
	Share Capital			Total	
	Ordinary	Options Reserve	Asset Revaluation Reserve	Accumulated Losses	
Balance at 1.7.2009	55,815,856	61,600	-	(37,557,577)	18,319,879
Options issued during the year	809,988	-	-	-	809,988
Options exercised during the year	30,476	-	-	-	30,476
Share Issue Costs	(2,160)	-	-	-	(2,160)
Loss attributable to members of parent entity	-	-	-	(5,183,146)	(5,183,146)
Balance at 31.12.2009	56,654,160	61,600	-	(42,740,723)	13,975,037
Balance at 1.7.2010	54,371,954	61,600	176,000	(44,442,955)	10,166,599
Shares issued during the year	2,277,000	-	-	-	2,277,000
Options exercised during the year	39,709	-	-	-	39,709
Share Issue Costs	(136,620)	-	-	-	(136,620)
Total Other Comprehensive Income	-	-	24,000	-	24,000
Loss attributable to members of parent entity	-	-	-	(237,455)	(237,455)
Balance at 31.12.2010	56,552,043	61,600	200,000	(44,680,410)	12,133,233

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	Consolidated	
		2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(385,483)	(444,256)
Interest received		93,616	104,401
Other		94,056	102,418
NET CASH PROVIDED BY(USED IN) OPERATING ACTIVITIES		<u>(197,811)</u>	<u>(237,437)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(14,857)	-
Payments for capitalised exploration and evaluation expenditure		(1,119,952)	(501,545)
Proceeds from sale of assets		60,081	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(1,074,728)</u>	<u>(501,545)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		2,277,000	-
Proceeds from option issue		-	809,988
Proceeds from option conversions		39,709	30,476
Share and option issue transaction costs		(136,620)	(2,160)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		<u>2,180,089</u>	<u>838,304</u>
NET INCREASE / (DECREASE) IN CASH HELD		907,550	99,322
CASH AT BEGINNING OF PERIOD		<u>3,577,835</u>	<u>4,360,573</u>
CASH AT END OF PERIOD		<u>4,485,385</u>	<u>4,459,895</u>

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

Notes to the Half-Year Financial Statements

31 DECEMBER 2010

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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Helix Resources Ltd and its controlled entities (the Group). It is recommended the interim financial report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010 together with any public announcements made by Helix Resources Limited during the half-year.

Accounting policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2010 annual financial report except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not Previously Applied

New/revised pronouncement	Superseded pronouncement	Explanation of amendments	Effective date (i.e. annual reporting periods ending on or after)	Example disclosure impact of new standard on the financial report (if standard is not adopted early)
AASB 7 Financial Instruments: Disclosures (Transfers of Financial Assets)	AASB 7	The Standard amends the disclosures required, to help users of financial statements evaluate the risk exposures relating to more complex transfers of financial assets (eg. securitisations) and the effect of those risks on an entity's financial position.	30 June 2012	The Amendments will introduce more extensive and onerous quantitative and qualitative disclosure requirements for de-recognition of financial assets.

Whilst amendments to the Accounting Standards and Australian Accounting Interpretations have been considered, the Group does not anticipate early adoption of any of the reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Critical Accounting Estimates and Other Accounting Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company is of the view that there are no critical accounting estimates and judgements in this financial report, other than accounting estimates and judgements in relation to the carrying value of mineral exploration expenditure.

2. IMPAIRMENT OF MINERAL ASSETS CARRYING VALUE

During the financial period the Group conducted an assessment of the carrying value of its exploration assets pursuant to its accounting policy. As a result of the assessment of the economic recoverability of certain tenements, the Group made a provision for impairment of \$64,498 (2009 \$5.1M) against the carrying value of its exploration and evaluation expenditure.

3. EQUITY SECURITIES ISSUED

	2010 No.	2009 No.	2010 \$	2009 \$
Issue of ordinary shares during the half-year				
Conversion of 406,345 HLXOA options at \$0.075	-	406,345	-	30,476
Conversion of 781,682 HLXOA options at \$0.0508*	781,682	-	39,709	-
Issue of 19,800,000 ordinary shares @ \$0.115	19,800,000	-	2,277,000	-
	20,581,682	406,345	2,316,709	30,476
Issue of listed options during the half-year				
Issue of 53,999,168 options at \$0.015, exercisable at \$0.075, expiring 31 May 2011	-	53,999,168	-	809,988
	-	53,999,168	-	809,988

* The exercise price of the HLXOA options reduced from \$0.075 to \$0.0508 per option as a result of the in-specie distribution of Gascoyne Resources Limited shares in February 2010.

4. OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed on the basis it is a mineral exploration company operating predominately in the geographical region of Australia, mainly in Western Australia, New South Wales and South Australia, with a small operation in Chile representing $\pm 5\%$ of mineral asset expenditure. The mineral assets held via outright ownership or joint venture are considered one business segment and the minerals currently being targeted include gold, copper, iron ore and other base metals. Decisions are made on a prospectivity basis, not a geographical or commodity basis.

5. CONTINGENT ASSETS OR LIABILITIES

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

6. EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2010 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.

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 2010 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.



G J Wheeler
Executive Chairman

Dated this 11th day of February 2011

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Independent Auditor's Review Report To the Members of Helix Resources Limited

We have reviewed the accompanying half-year financial report of Helix Resources Limited ('Company'), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the 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 controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a 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 2010 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.


Electronic presentation of reviewed financial report

This auditor's review report relates to the financial report of Helix Resources Limited for the half-year ended 31 December 2010 included on the Company's web site. The Company's directors are responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Company's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

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 2010 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Director - Audit & Assurance

Perth, 11 February 2011