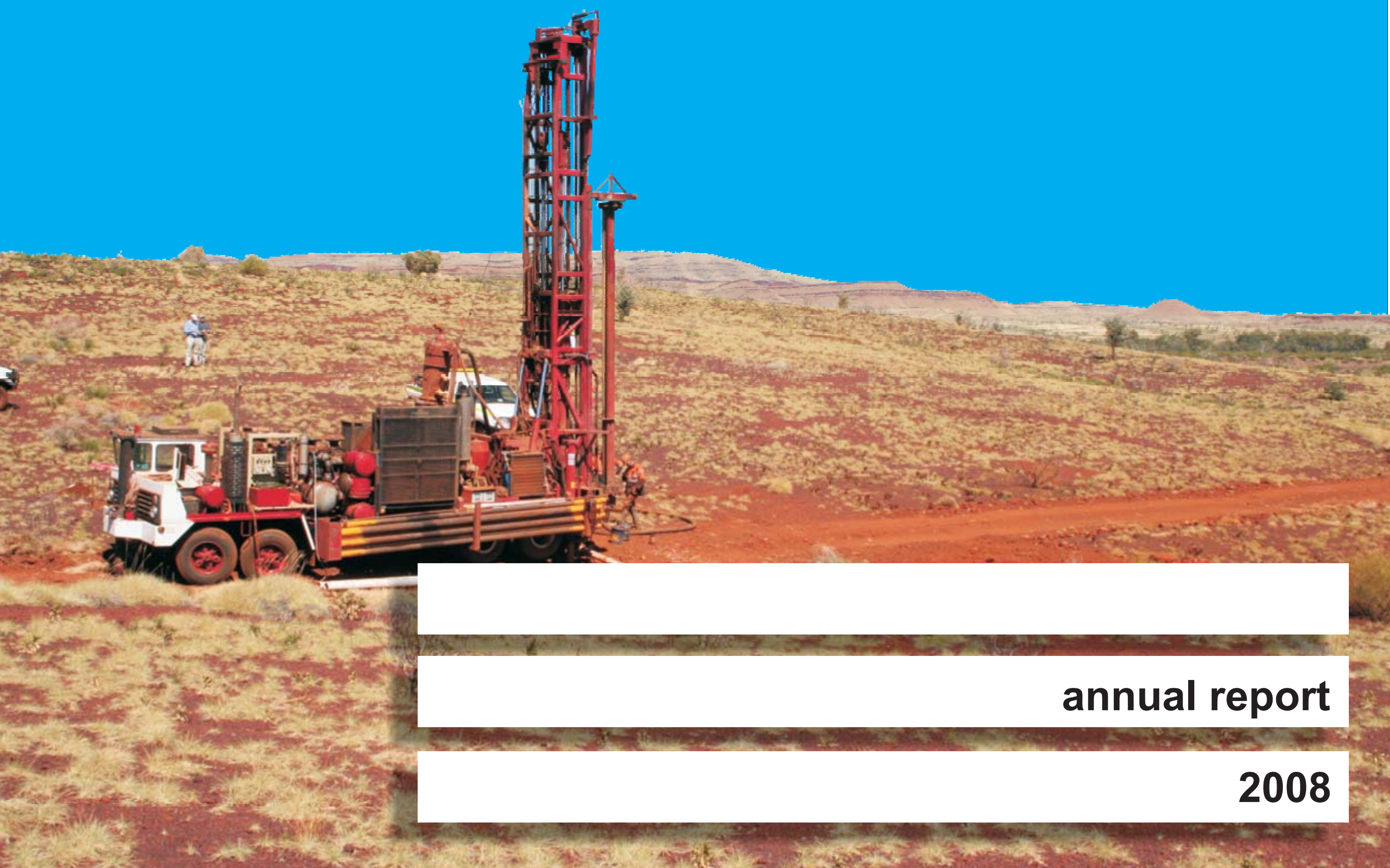
HELIX RESOURCES LIMITED



annual report

2008

Contents

Chairman's Review

Dear Shareholder

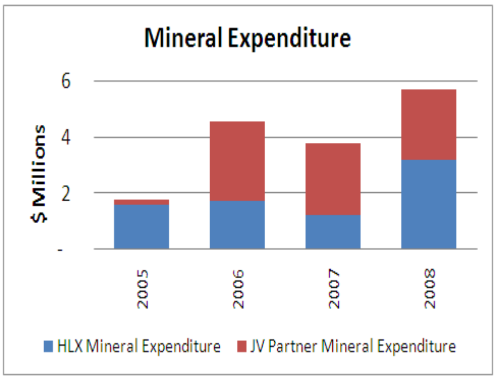
I am pleased to present the 2008 Annual Report for the Company.

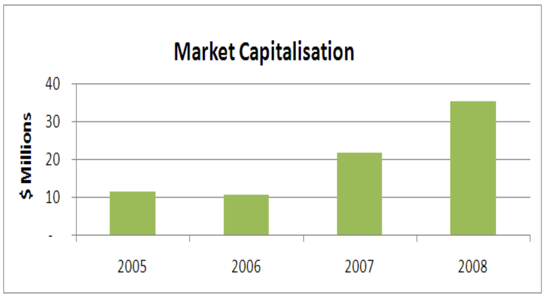
Firstly, I wish to thank the Board and Staff of Helix for their efforts during the year and as a team look forward to continuing to create value for our shareholders through mineral exploration and development.

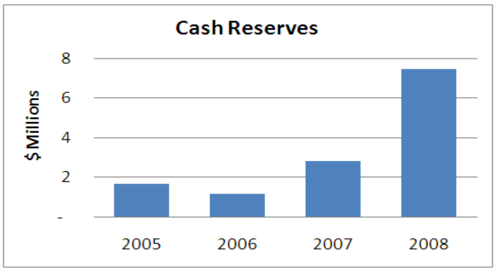
I also welcome as a significant shareholder AMCI/First Reserve Corporation, who acquired a 15% interest via a placement at $0.485 to raise $8.245 million in December 2007, and have subsequently moved to 19.9% via on-market purchases.

The Company's strategy is to acquire large tenement holdings in prospective mineral provinces and utilise our corporate and geological expertise to create and extract value for the benefit of our shareholders. We currently have exposure to 112 million tonnes of iron ore grading 56% through our Yalleen JV in the Pilbara, as well as over 900,000 oz gold in our Tunkillia JV and Glenburgh Projects, with each Project having exploration upside.

I outline below graphs which highlight our recent performance.







Significant Events over the last 4 years

1. 18th July 06 – New Executive Management Team
2. 13th Dec 06 – CID (iron ore) intersected at Yalleen
3. 24th Oct 07 –Positive results continue at Yalleen Kumina and Robe Exit Prospects
4. 5th Dec 07 – Placement at 48.5 cents to AMCI/First Reserve to raise $8.245 million
5. 3rd June 08 – Maiden inferred resource for Yalleen JV – 112Mt grading 56% Fe.

I draw your attention to the Operational Report which discusses our Mineral assets in detail and encourage you to visit our website at www.helix.net.au for the latest information regarding our activities.

I look forward to your attendance at the forthcoming Annual General Meeting.

Yours faithfully

Greg J Wheeler
Executive Chairman

Review of Operations

YALLEEN IRON ORE JOINT VENTURE – WESTERN AUSTRALIA

Helix Resource Limited (30%), API (AMCI/Aquila) (70%) iron ore rights
Helix Resources Limited 100% other minerals
EL 47/1169-1171

Project Summary

- 600km² tenement area located in the Pilbara region of WA, 50km SE of Pannawonica;
- Initial Inferred Resource of 112 Mt @ 55.6% Fe for Kumina Creek and Robe Exit prospects based on drilling to December 2007 released to ASX on 3rd June 2008;
- Resource estimate provides confidence regarding the overall potential of several hundred million tonnes of iron ore once the other identified prospects have been drilled, assessed and included;
- Drilling since January 2008 continues to intersect broad zones of CID mineralisation. Better intercepts have included:
    - 27.55 metres at 58.67% Fe from 17.25 metres in YATX206;
    - 20.05 metres at 58.52% Fe from 18.35 metres in YATX207; and
    - 20.3 metres at 58.38% Fe from 35.2 metres in YABA055.
- $4.1M budget through to Q2 2009 for drilling and assessing extensions to Kumina Creek and Robe Exit Prospects, 200m x 400m drill coverage of the 8km² Bonham Prospect and commencement of metallurgical, engineering and environmental studies;
- Internal desktop studies by Helix based on available data for other Pilbara iron ore companies suggest the project economics for Yalleen are positive.

Project Background

The Yalleen Iron Ore JV Project covers approximately 600km² of the upper reaches of the Robe River drainage system. Pisolitic iron mineralisation in buried palaeodrainage systems developed from erosion of iron rich strata in the Hamersley Range to create a series of channel deposits within the drainage basins. These deposits are variably covered by younger unconsolidated alluvial sediments. The Brockman and Marra Mamba Formations, host to many of the major iron ore deposits in the Pilbara region of WA, form the main exposure in the project area.

The Yalleen Joint Venture is managed by API Management Pty Ltd (API) for the Australian Premium Iron JV (Aquila/AMCI) and forms part of their larger West Pilbara Iron Ore Project (WPIOP) which in March 2008 estimated a total (measured, indicated and inferred) resource of 493Mt at 57% Fe from deposits in separate joint ventures with Red Hill Iron Ltd and Cullen Resources Limited and their own projects (AQA ASX release 7 March 2008). These projects are approximately 50-70 km southwest of the Yalleen Project area.

API's exploration on Yalleen throughout 2005 and 2006 concentrated on assessing the buried channel iron deposits (CID) potential within the ancient Fortescue Valley area, focusing on targets identified from a HoistEM geophysical survey that has been useful in identifying palaeochannels. A program of drilling completed at the first target - Kumina Creek - in December Quarter 2006 successfully identified a buried CID over 2,700m by 900m and up to 30 metres thick grading up to 60% Fe.

Work in 2007 and 2008 has concentrated on definition and drilling of known channel iron targets at the Kumina Creek and Robe Exit prospects and bedded iron mineralisation at the Bonham prospect.

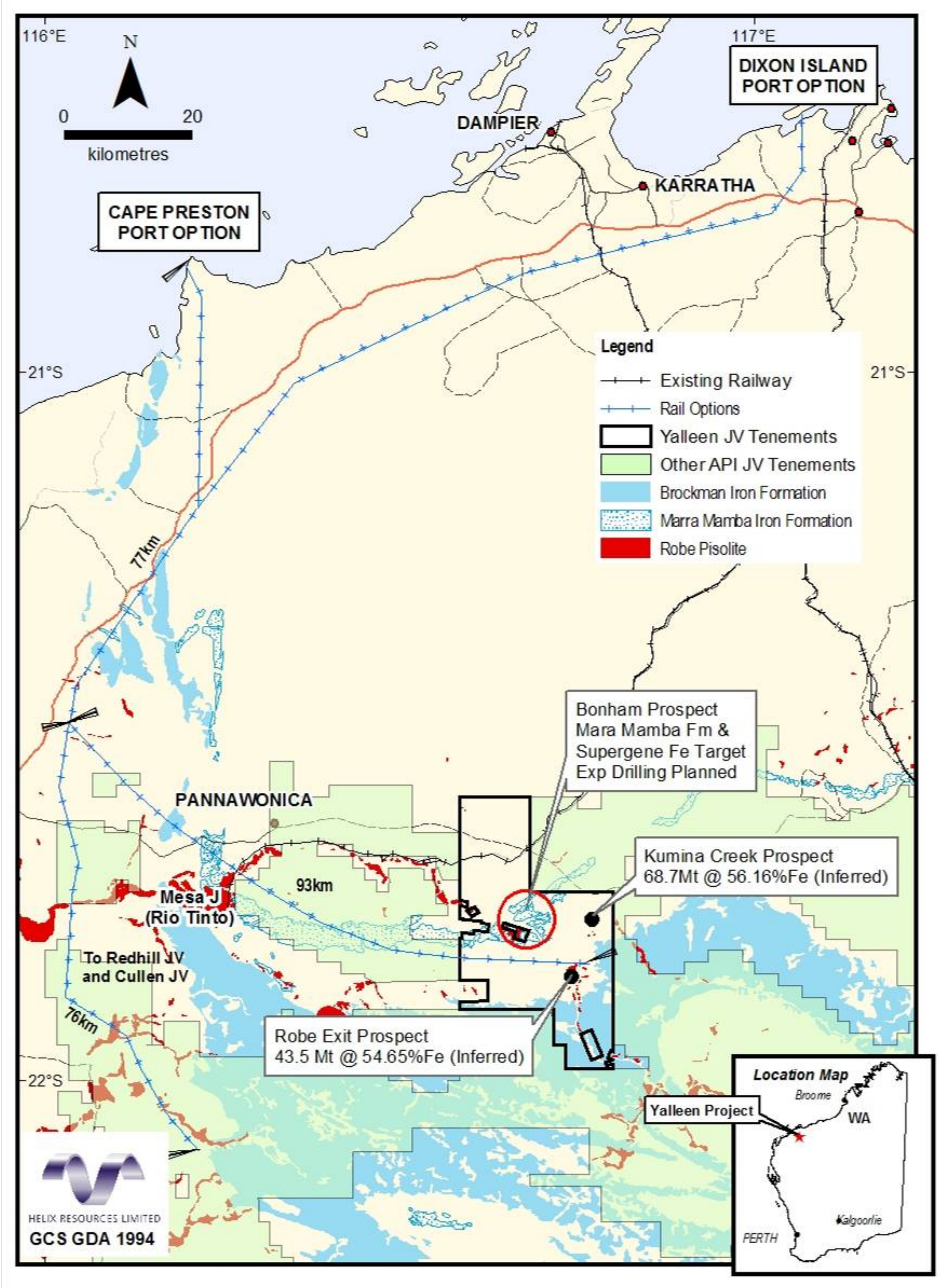


Figure 1 – Yalleen Iron Ore JV location plan

Resource Estimate

Runge Pty Ltd was commissioned by Helix to carry out a resource estimation for the Yalleen Project in May 2008, covering all drilling up to December 2007.

The Runge Mineral Resource Estimates for the Kumina Creek and the Robe Exit Iron Ore deposits are summarised in Table A.

Table A: Yalleen Project May 2008 Inferred Mineral Resource at 50% Fe Cut off

Deposit	Tonnes	Fe	SiO2	Al2O3	P	S	LOI	Mn	MgO
	MT	%	%	%	%	%	%	%	%
Kumina Creek	68.7	56.16	6.60	4.20	0.058	0.02	8.23	0.06	0.14
Robe Exit	43.5	54.65	6.84	4.58	0.065	0.01	9.97	0.08	0.16
Grand Total	112.1	55.57	6.69	4.35	0.060	0.02	8.91	0.07	0.15

The Mineral Resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

The estimate is based on data from surface Reverse Circulation (RC) and Diamond (DD) drill holes, all of which all were completed by API to December 2007.

Drilling at the Kumina Creek deposit has been carried out at 100m hole spacings on 200m section spacings. Drilling at the Robe Exit deposit is more broadly spaced and is typically at 200m hole spacings on 400m line spacings.

Inspecting core trays at Yalleen

Mineralised envelopes were created using the logged channel geology and a 50% Fe cut-off grade. The deposits were estimated using a standard Surpac block model with inverse distance squared grade interpolation for all elements.

The geological model and grade distribution evident at the Yalleen project conform to well understood CID deposits which are exploited in the region. Drill data is relatively sparse so geological and grade continuity is assumed rather than verified. Consequently the resources have been classified as an Inferred Mineral Resource for each deposit.

A resource estimate with a higher grade cut off of 55% Fe was also calculated to assess the tonnes and grade on tighter parameters, the estimates are summarised in Table B:

Table B: Yalleen Project May 2008 Inferred Mineral Resource at 55% Fe Cut off

Deposit	Tonnes MT	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %	Mn %	MgO %
Kumina Creek	51.7	56.97	5.91	3.98	0.059	0.02	8.08	0.05	0.13
Robe Exit	18.1	56.22	5.34	4.16	0.065	0.01	9.81	0.08	0.14
Grand Total	69.8	56.78	5.76	4.02	0.061	0.02	8.53	0.06	0.13

No Al_2O_3 cut-off has been applied to this resource estimation.

Full details on the resource estimate parameters can be viewed in the 3 June 2008 ASX release on the Company's website: www.helix.net.au

The information in this announcement that relates to Mineral Resources at the Yalleen Iron Ore Project is based on information compiled by Mr P Payne who is a member of the Australian Institute of Mining and Metallurgy and employee of Runge Limited. Mr Payne 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Helix Assessment of Yalleen Project Fe Target Potential

The Yalleen Project comprises multiple CID and BID targets identified from historical drilling, the HoistEM geophysical survey completed by API in 2006, as well as drilling results by the managers API since 2006.

Based on the Runge Inferred Resource estimate of 112Mt at 55.6% Fe on the Kumina Creek and Robe Exit prospects, there is a good level of confidence for an exploration target* potential of several hundred million tonnes of iron ore for the Project once the other identified deposits have been similarly assessed and included.

**Note 1: The Exploration Target discussed above should not be misinterpreted as an estimate of Mineral Resources or Ore Reserves. While the company remains optimistic that the joint venture will be in a position to report resources in the future, any discussion in relation to targets, resources, reserves or 'ore' is only conceptual in nature as there has been insufficient drilling to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

We are encouraged by the technical and financial viability results of API's JV's to the West as outlined in their Pre-Feasibility Study released to the ASX in May 2008. Whilst not specific to the Yalleen Project, their cost structure EBITDA estimates of +US$40/tonne at expected 2008 iron ore prices, their production development focus for 2012 1st shipment and the expected benefits which would emerge from access to API Stage 1 infrastructure given API's 70% interest in Yalleen and Aquila and AMCI's shareholding interests in Helix are positive.

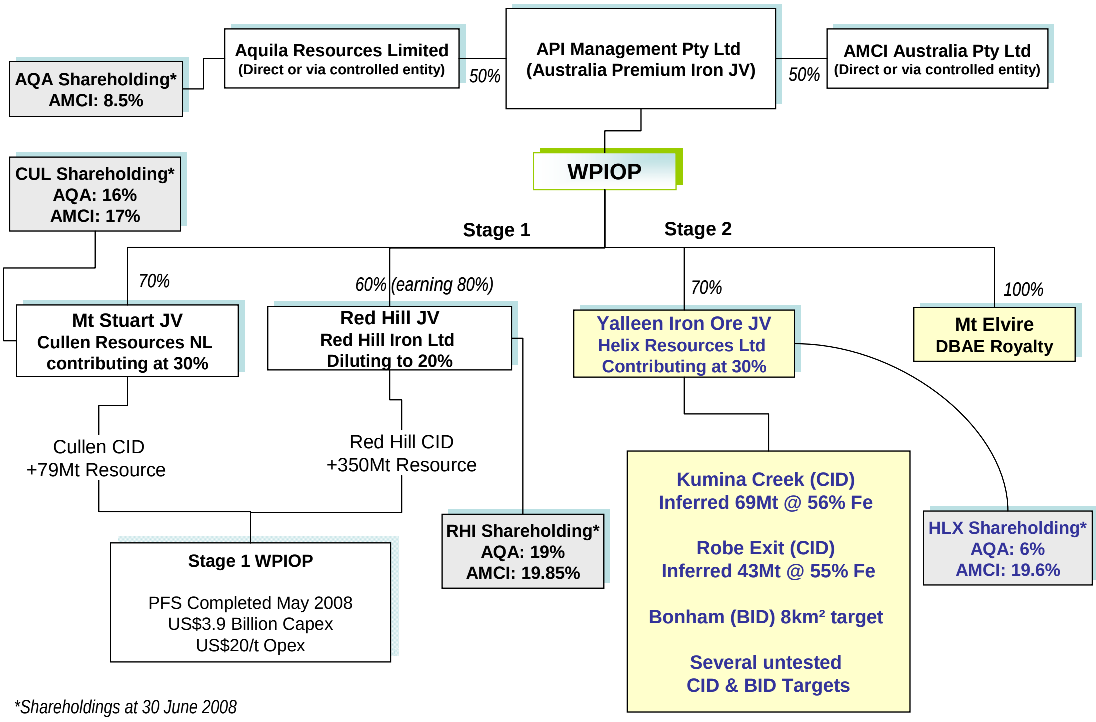
Yalleen field visit June 2008

Also, with the Rio Pannawonica rail line situated less than 12kms from the Kumina Creek deposit and the 3rd party infrastructure access debate escalating, alternates for transport may emerge which may lessen capital expenditure and potentially shorten any future development timelines.

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 prior to the release of economic studies confirming this preliminary assessment.

HELIX'S IRON ORE EXPOSURE

In the context of the West Pilbara Iron Ore Project (WPIOP)



**Shareholdings at 30 June 2008*

GLENBURGH GOLD PROJECT – WESTERN AUSTRALIA
Helix Resources Limited 100%
EL 09/1325, 09/1079, 09/1281-1289, P09/424-427

Project Summary

- 1500km² tenement area located in the Southern Gascoyne region of WA, 250km east of Carnarvon;
- Inferred Resource of 1.1Mt @ 3.1g/t for 108,000oz Au – (May 2005);
- Results from 2007/2008 drilling programs have been reviewed by Helix geologists and are to be assessed by independent resource consultants for the updating of the project resource estimate;
- Internal scoping study commenced to determine potential mining and development scenarios.

Project Background

The Glenburgh Gold Project is situated in the Southern Gascoyne Province of WA ~250km east of Carnarvon. The project consists of a gold mineralised shear system hosted in remnants of Archaean terrane in a Proterozoic mobile belt. Glenburgh was a grass roots discovery by Helix from regional stream sampling in the 1990's.

Exploration Update

Reverse Circulation (RC) drilling was completed at the Glenburgh Gold Project in late May 2008. A total of 59 holes for 5,324 metres of drilling were completed on the Icon, Mustang, Hurricane, NE3, NE4, NE5, NE6, Zone 102, Zone 126 and Zone 120 Prospects. This drilling provided first-pass, infill and extensional drilling on several known prospects and areas of significant soil geochemistry generated in the past 12 months on the Victoria Bore Grid.

RC Drilling at Glenburgh 2008

The drilling program has successfully identified additional zones of mineralisation at several prospects which are yet to be incorporated into the resource model. Drilling at the eastern end of the Icon Prospect was particularly encouraging with wide zones of mineralisation remaining open along strike to the east.

The 2007/2008 drilling data has been augmented into the project database and is currently with resource consultants for an independent review to establish a new resource estimation for the project.

An internal scoping study examining potential development and mining scenarios for the Glenburgh Project will follow this process. The critical project milestone is to increase the current inferred resource estimation of 1.1Mt @ 3.1g/t for 108,000oz Au to a resource level that can support a stand alone operation.

Table C: Significant Glenburgh RC drilling intercepts 2008 drilling

Hole ID	Prospect	East	North	From (m)	Intercept (Au)
VRC341	Icon	10750	10070	1	5m @ 1.0g/t
VRC342	Icon	10750	10095	0	2m @ 2.2g/t
VRC342				27	14m @ 2.0g/t
VRC342				50	3m @ 1.8g/t
VRC342				92	6m @ 1.2g/t
VRC343	Icon	10750	10130	33	4m @ 1.1g/t
VRC346	Icon	10850	10105	4	4m @ 1.0g/t
VRC347	Icon	10850	10135	48	3m @ 1.4g/t
VRC347				60	25m @ 2.1g/t
VRC347				117	3m @ 2.2g/t (EOH)
VRC348	Icon	10850	10165	98	18m @ 2.2g/t
VRC349	Icon	10950	10075	33	6m @ 1.1g/t
VRC349				46	3m @ 3.8g/t
VRC350	Icon	10950	10100	47	3m @ 1.4g/t
VRC350				81	6m @ 1.1g/t
VRC350				98	3m @ 2.5g/t
VRC351	Icon	10950	10140	113	25m @ 3.1g/t
VRC352	Icon	10950	10180	71	3m @ 5.2g/t
VRC352				88	14m @ 1.1g/t
VRC357	Mustang	14545	9990	46	8m @ 2.3g/t
VRC374	Hurricane	15050	10180	41	2m @ 2.7g/t
VRC378	Hurricane	15150	10190	2	5m @ 1.0g/t
VRC379	Hurricane	15150	10220	41	13m @ 2.0g/t
VRC381	Hurricane	15235	10200	108	2m @ 3g/t
VRC389	Zone 102	15850	9990	9	4m @ 2.7g/t
VRC389				24	2m @ 3.2g/t
VRC390	Zone 102	15850	10030	64	12m @ 3g/t
VRC391	Zone 102	15850	10070	84	2m @ 2.2g/t
VRC391				115	4m @ 20g/t
VRC393	Zone 126	16350	10000	18	2m @ 3g/t
VRC394	NE 4	17050	9890	2	1m @ 5g/t

All holes drill to local grid south at 60 inclination. Significant Intercepts >4 gram x metres for 2008 Glenburgh RC Drilling received to date. (NB all intercepts have been calculated using a 0.5g/t lower cut, minimum 1m interval and max 2m internal dilution)

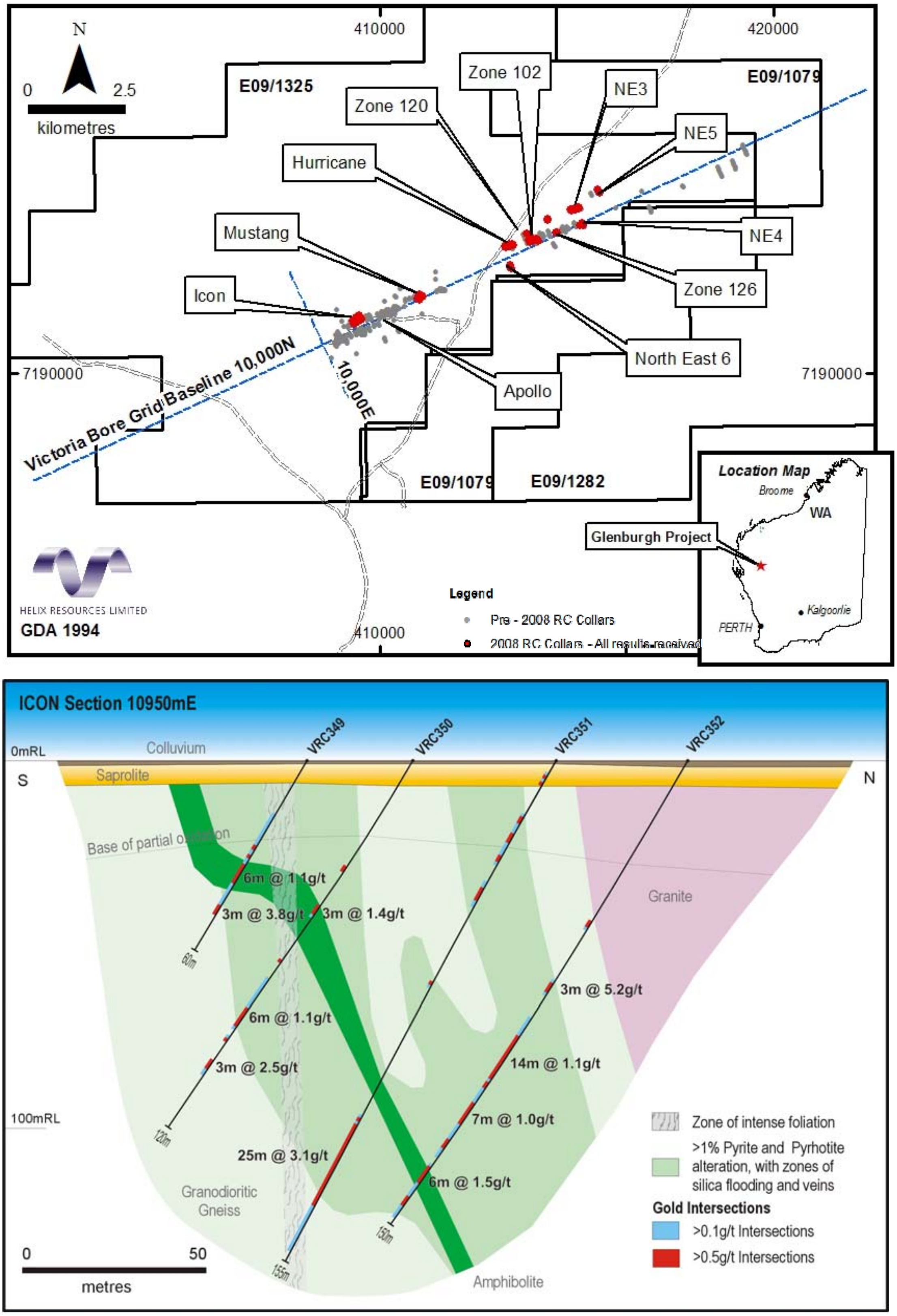


Figure 2: Location plan of recent RC drill collars on Victoria Bore Grid and Icon Section 10950E

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, ELA2006/389 and EL 3335

GOLD

Project Summary

- Resource inventory of 800,000oz Au and 1,600,000oz Ag;
- Minotaur has spent $4.3M and are required to spend $5M to earn 51% by 31 March 2009;
- Exploration targets remain untested.

Project Background

Helix discovered the project in the mid 1990's while exploring for gold under cover in the Gawler Craton of South Australia.

The Tunkillia discovery, which was announced in late 1996, was one of the first gold discoveries in the Gawler Craton and the 20 square kilometre Tunkillia Prospect remains the largest robust gold-in-calcrete anomaly in the region. Subsequent exploration (1998-2002) was carried out in joint venture, initially with Acacia Resources Limited and later with AngloGold Limited following its takeover of Acacia.

In June 2003, Helix finalised the acquisition of AngloGold's 49% interest in the Lake Everard Project, returning 100% ownership of the Project to Helix for the first time since 1998.

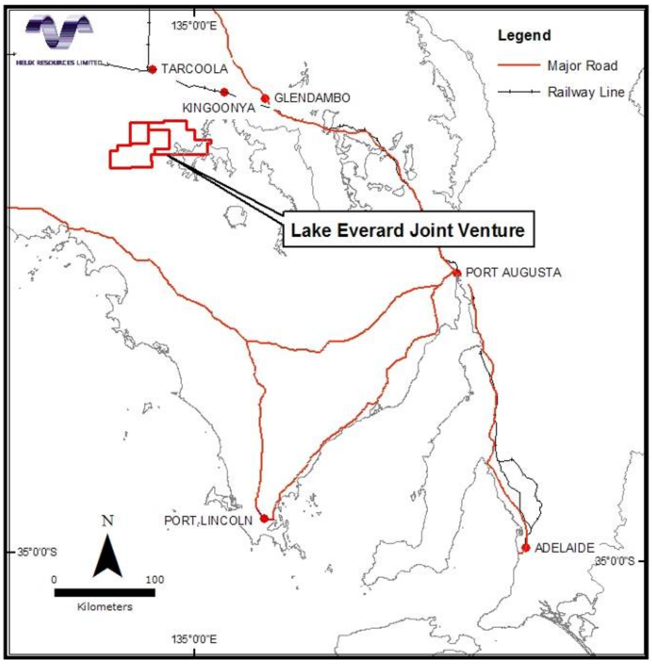


Figure 3: Lake Everard JV location Plan

During 2003/2004 Helix completed a drill out of the Area 223 prospect, estimating a JORC resource of 720,000 ounces of gold.

By mid 2004, it became clear that the Tunkillia Project required a major injection of funds to give the project the critical mass required to enter into a feasibility study. The Helix Board decided at this time to seek a JV partner and in March 2005 Minotaur Exploration Ltd agreed to expend $5M to earn a 51% interest.

Since 2005 Minotaur have spent approximately $4.3M carrying out additional drilling at Area 223 and several brownfields exploration campaigns using geophysics, geochemistry and drilling to test targets. In June 2007, Minotaur released a revised combined measured, indicated and inferred estimate inventory of 800,000oz Au and 1,600,000oz Ag within the Area 223 deposit.

Geology

The Gawler Craton is broadly divided into three main geological units, Archaean crystalline basement, highly deformed Palaeoproterozoic metasediments and granites, and less deformed Mesoproterozoic volcanics, clastic sediments and granite. Almost all gold and copper mineralisation found in the Gawler Craton is directly associated with Mesoproterozoic magmatism.


Tunkillia RC Sampling

The host rocks to the Tunkillia prospect are medium- to coarse-grained granitoids of the Tunkillia Suite, that have been intensely sheared and brecciated within the Yarlbrinda Shear Zone.

In a regional context, the Tunkillia area shows evidence of extensive alteration. Large zones of demagnetisation (alteration of primary magnetite to ilmenite) are observed in aeromagnetic images, from which Helix defined a western and eastern demagnetised zone within the northern Yarlbrinda Shear Zone. Area 223 is located within the western demagnetised zone along which large volumes of fluid were focused, particularly along the margins of the shear zone producing the gold deposit and alteration.

At the prospect scale, gold mineralisation at Tunkillia is associated with zones of intense sericite alteration, and quartz and sulphide veining.

Resources

Oxide:	5.7Mt @ 1.3g/t for 230,000 oz Gold (0.5g/t cutoff)
	Measured: 1.2Mt @ 1.8 g/t Au – 66,000oz
	Indicated: 2.0Mt @ 1.3g/t Au – 86,000oz
	Inferred: 2.5Mt @ 1.0g/t Au – 77,000oz
Primary:	8.6Mt @ 2.1g/t for 570,000 oz Gold (1.0g/t cutoff)
	Indicated: 4.2Mt @ 2.0 g/t Au – 270,000oz
	Inferred: 4.4Mt @ 2.1 g/t Au – 300,000oz
	8.6Mt @ 5.7g/t for 1,600,000 oz Silver (estimated for blocks with >1g/t Au)
	Indicated: 4.2Mt @ 5.7g/t Ag – 770,000oz
	Inferred: 4.4Mt @ 5.7g/t Ag – 810,000oz

The current resource consists of a mineralisation inventory of 800,000oz gold and 1,600,000oz silver to a depth of 200m below surface. Full details of the methodology were released by Minotaur in June 2007.

The resource estimation was made after additional drilling by Minotaur during 2006/2007 highlighted an extended area of gold mineralisation within the oxide zone and increased the level of confidence in the coherence of the oxide zone capping to the Tunkillia mineralisation.

Higher grade intersections are generally spatially associated with a highly weathered mafic dyke which strikes approximately grid N-S through Area 223.

TORO URANIUM JV

Project Summary

- JV Partner Toro Energy is earning 51% of the uranium rights of our Gawler Craton tenements by spending $2M prior to 24 March 2009, with $231,000 spent to date.
- Toro Energy have advised they remain in negotiations regarding environmental approvals and heritage clearances prior to drill testing the extensive palaeochannel targets

Project Background

Toro has defined a significant portion of the Kingoonya Palaeochannel System on the Yellabinna JV (EL3335) area utilising airborne EM and plans to explore several "previously unexplored radiometric anomalies" located within a 50 kilometre long target zone along the palaeochannel course.

Historical drilling in the area by Dampier Mining Company for coal confirmed the presence of Tertiary palaeochannel sequences. These sequences contain sands, which may provide porous and transmissive zones for possible uranium bearing solutions, and carbonaceous mudstone lithologies which could provide an important chemical trap component to the roll front model being pursued.

The airborne EM survey conducted by Toro in 2006 resulted in the identification of five priority palaeochannel uranium targets on EL3335.

Toro Energy Ltd is yet to carry out ground based activities as a result of slow negotiations with the South Australian Department of Environment over access permits. This process has delayed exploration activities for over 18 months. The target area is located on the eastern edge of South Australia's Yellabinna Regional Reserve.

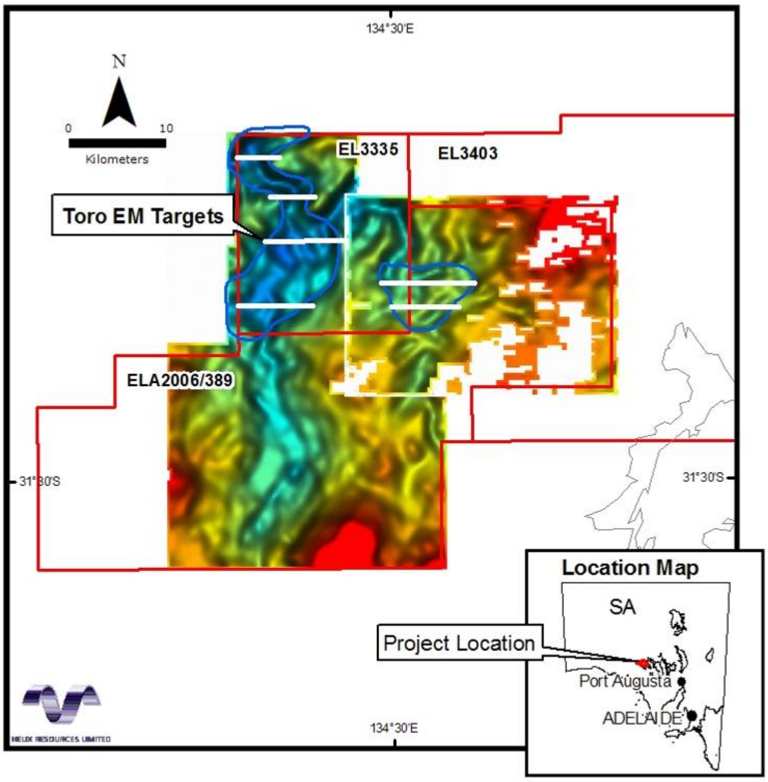


Figure 4: Toro Uranium JV target positions on airborne EM image

PARACHILNA PROJECT - SOUTH AUSTRALIA

Helix Resources Limited 100%

EL3814

<u>Project Summary</u>

- Generative exploration model in historic high-grade copper mining province;
- $100,000 PACE Funding to test exploration model;
- 7,500 line kilometre detailed aeromagnetics survey completed; IP survey underway.

<u>Project Background</u>

The Parachilna Project was identified by Helix for the series of large diapiric domes present in Adelaidean Stratigraphy in the area. Historic copper mines and occurrences are hosted in these structures including the Blinman Copper Mine, where approximately 200,000 tonnes of copper ore grading +5% Cu was mined to a depth of 165m from surface in the late 1800's and early 1900's.

Looking south from historic Blinman mine

<u>Exploration Update</u>

Field work during the year has concentrated on four prospect areas (Blinman North, China Wall, Breakneck Gorge and Mafic Alley). Mapping and sampling was carried out during the 2007-2008 field season. This was followed by a 7,500 line kilometre detailed aeromagnetic survey covering the central portion of the tenement including coverage over the Blinman and Nuccaleena domal structures. An IP survey is presently being carried out on several target zones under shallow cover. This ongoing work is being assessed to define a series of lithological and structural targets for drill testing later in 2008.

The detailed mapping has identified a mineralised dolomitic package similar to the Blinman Mine-type dolomite at several of the prospects as well as numerous other altered sediments with iron enrichment, alteration and copper sulphides visible in rock samples. The mapping suggests the units in the Blinman dome are more continuous and better preserved than the broad regional mapping implies with only localised brecciation (10-50m scale) rather than kilometre scale brecciation. The dome is affected by variable colluvium and carbonate-rich deflated soils cover which may account for the historical "large diapir" interpretation.

Helix's exploration model considers the domes in this region to be dynamic fluid conduits. The possibility of intrusives in or below the domes controlling metal rich alteration fluids in the reactive host sediments is evidenced by the presence of hydrothermal alteration, contact skarn style mineralogy, remobilised high-grade hematite and exotic metal suites (incl. elevated As, Mo, Bi, Sb, Hg, V and Co).

This project has been selected to receive a grant of $100,000 toward drilling under the 2008 South Australian Government sponsored PACE initiative.

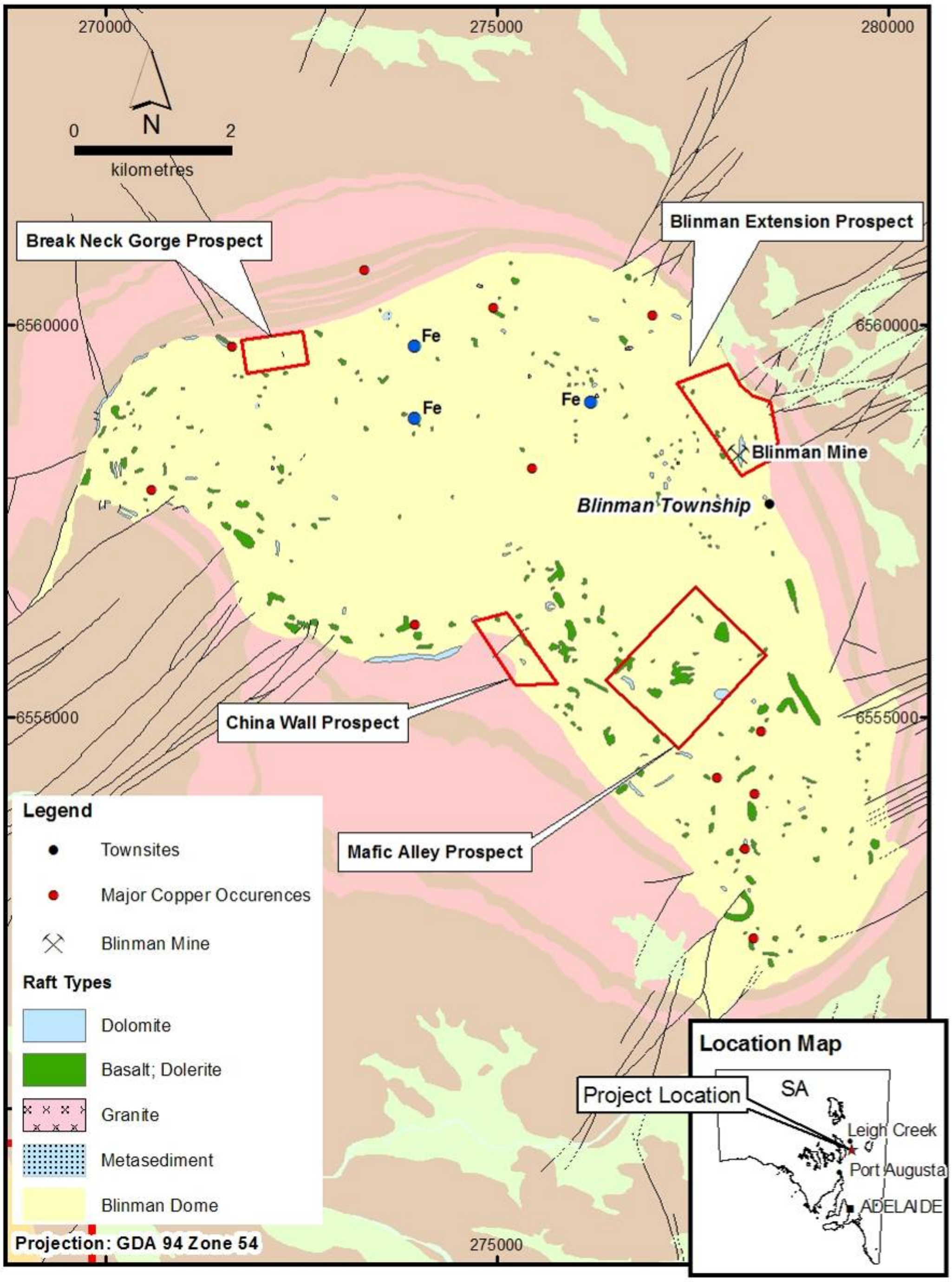


Figure 5: Prospect location plan in the Blinman Dome – Parachilna Project

BOOYEEMA NICKEL JOINT VENTURE – WESTERN AUSTRALIA

E47/1090 and ELA47/1089 (Anglo American earning 80%)

The Company recently announced a Joint Venture Agreement with Anglo American Exploration (Australia) Pty Ltd ["Anglo American"] covering tenements E47/1090 and ELA47/1089, located approximately 50 km south west of Karratha in the West Pilbara region.

Sampling in the West Pilbara

The terms of the JV are as follows:-

- Anglo American to complete a Low Temperature (LT) SQUID EM geophysics survey within 9 months;
- On completion of LT SQUID EM survey, Anglo American has an option to earn an 80% interest in each of the tenements by incurring expenditure of $5 million (inclusive of cost of the LT SQUID EM survey) within 5 years;
- The option would lapse if Anglo American does not expend $2 million within the first 3 years.

<u>Project Background</u>

The Booyeema Project is considered prospective for sulphide nickel accumulations in mafic/ultramafic intrusives under Fortescue Formation cover.

A detailed aeromagnetic survey was completed over the granted tenement in the target area by Helix, as part of the Company's broader base metal exploration strategy for its West Pilbara projects in early 2008. The survey has confirmed and defined several discrete magnetic bodies associated with a regional NE structural corridor. Anglo American will target these anomalies using its LT SQUID EM technology to identify buried metal accumulations for drill testing.

This JV reflects Helix's ongoing strategy of identifying and securing large tenement holdings in frontier exploration regions. Attracting resource major JV partners such as Anglo American provides Helix shareholders with access to cutting-edge technologies and expertise whilst mitigating discovery risks.

Typical access tracks – West Pilbara

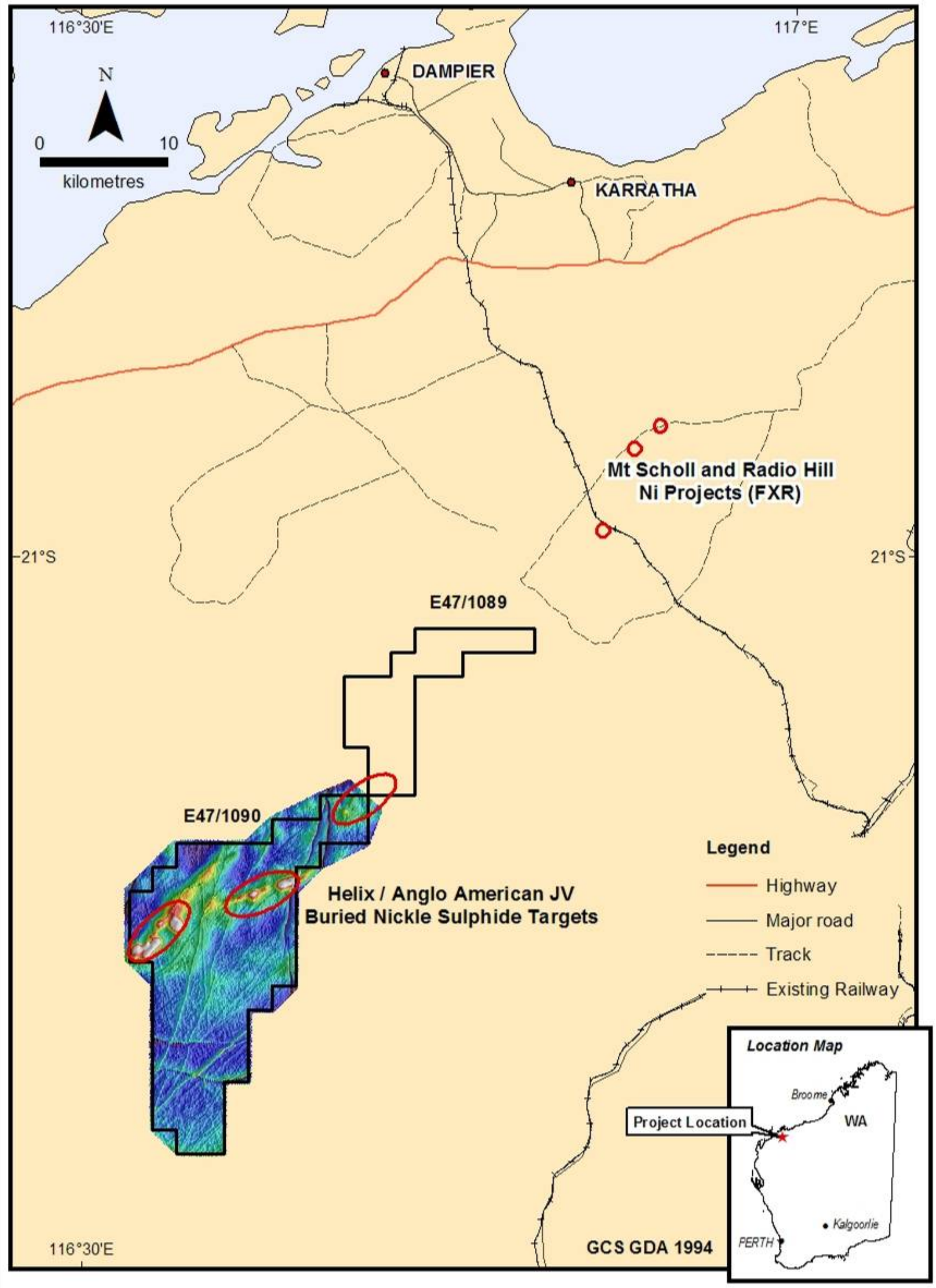


Figure 6: Booyeema Nickel JV location map

WEST PILBARA PROJECT – WESTERN AUSTRALIA

Helix Resources Limited 100%

E47/1075, 1169-1171(All minerals other than Fe - subject to Yalleen JV), 1144-1145

ELA's 47/1146 &1175-76, MLA47/786-794

Rock chip sampling West Pilbara

Background

Helix holds approximately 800 km² of greenfields tenements targeting precious and base metals in a corridor spanning from the Proterozoic Fortescue formation into the Hamersley basin to the South. The projects are prospective for VMS/VHMS style copper-lead-zinc in the mixed volcanic/volcano-sedimentary lithologies of the Fortescue Group and manganese ± base metals in the basal sequences of the Hamersley Group.

Exploration Update

A detailed aeromagnetic survey completed in Q12008 has assisted in defining target areas for the follow up surface geochemistry.

- Area 1 – covering E47/1144 & E47/1145 –VMS/VHMS prospective lithologies over 20km of strike with coincident base metal geochemical anomalism and along strike from Fox Resources' VTEM anomalies on their neighbouring tenements.
- Area 2 – E47/1075 has a continuation of the Area 1 style targets as well as an untested +4km long greater than three times background nickel in a surface geochemistry anomaly.
- Area 3 – E47/1169-1170 Covers a series of sulphur-rich sediments and possibly manganese-rich sequences in the top of the Fortescue Formation and the base of the Hamersley Range sequence.

Field crews will continue to systematically sample the target areas in a series of field campaigns through to the end of 2008.

Fly Camp in the West Pilbara

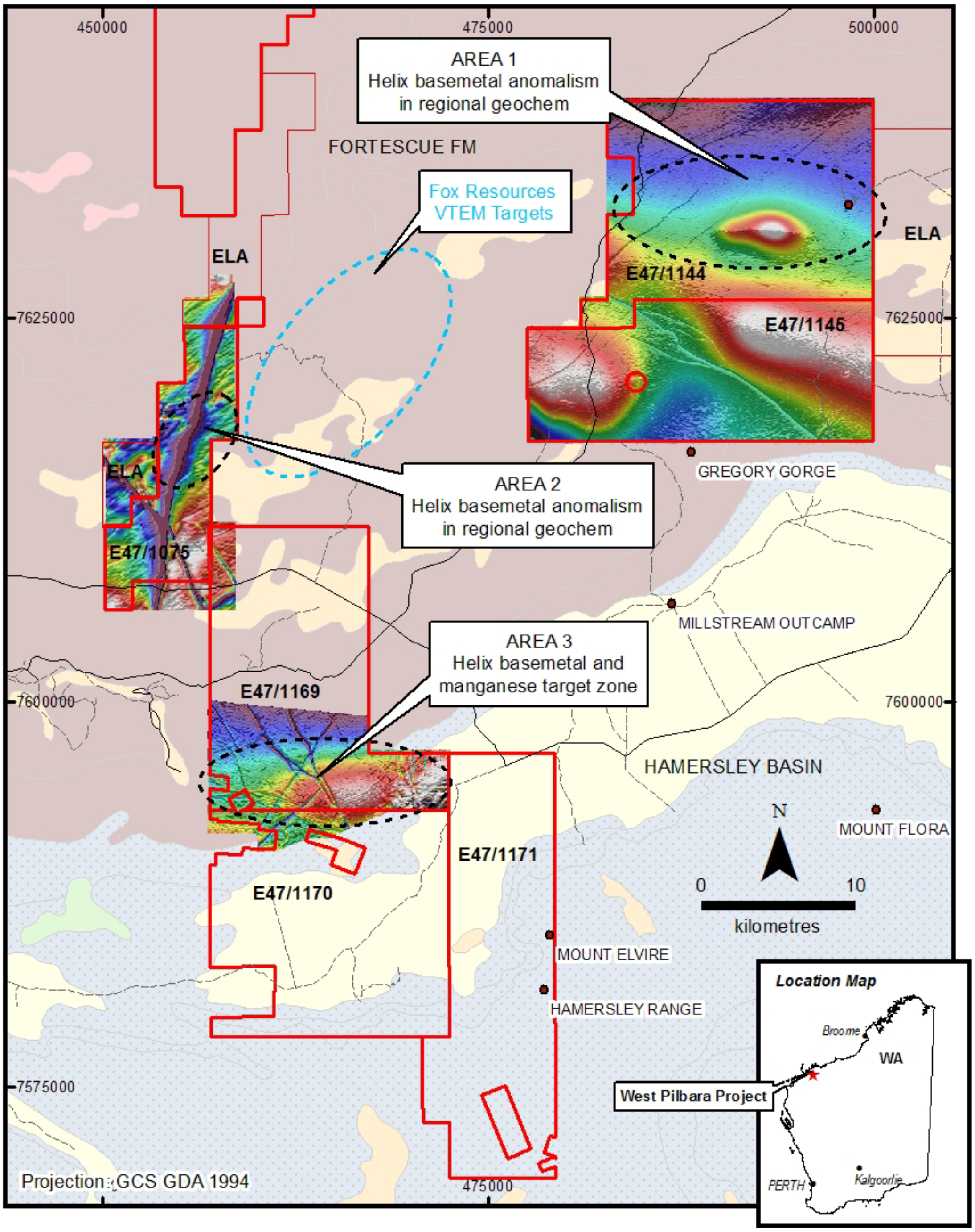
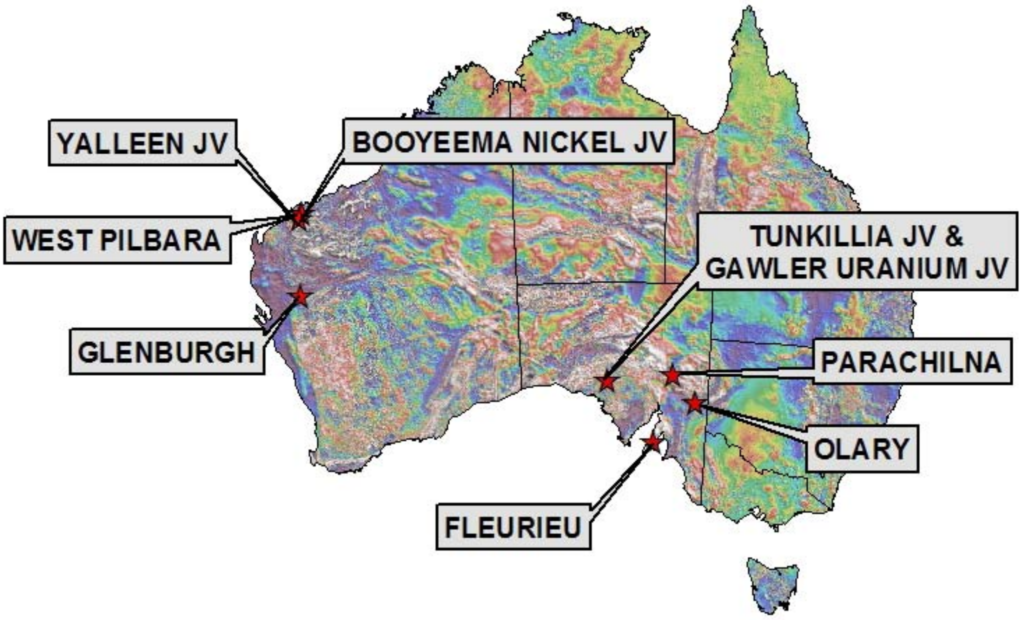


Figure 7: West Pilbara Base Metal Project targets on aeromagnetic images



PROJECT LOCATION MAP

The information in this announcement that relates to exploration results in respect of the Yalleen JV is based on information compiled by Mr Stuart H Tuckey who is a member of the Australian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of Australian Premium Iron Mr Tuckey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

CORPORATE GOVERNANCE

The directors of Helix Resources Limited believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the company assesses its governance practices on an ongoing basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.
The Company has a corporate governance section on the website at www.helix.net.au. The section includes details on the company's governance arrangements and copies of relevant policies and charters.

ASX Corporate Governance Council Best Practice Principles and Recommendations (2nd Edition)

For ease of comparison to the recommendations, the Corporate Governance statement addresses each of the 8 principles in turn. Where the company has not followed a recommendation this is identified with the reasons for not following the recommendation. This disclosure is in accordance with ASX listing rule 4.10.3.

The following table outlines which of the ASX recommendations the Company has not complied with. Reasons for non-compliance are explained in this report.

ASX Recommendation	Description
2.1	A majority of the board should be independent directors
2.2	The chair should be an independent director
2.3	The roles of chair and chief executive officer should not be exercised by the same individual
2.4	The board should establish a separate nomination committee
4.1	The board should establish a separate audit committee
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent director, who is not chair of the board • has at least 3 members
8.1	The board should establish a separate remuneration committee

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY THE BOARD

The board operates in accordance with broad principles set out in its charter which is available from the corporate governance section of the company's website. The directors formally adopted the board charter in August 2006.

Broadly the key responsibilities of the board are:

1. Setting the strategic direction of the company with management and monitoring management implementation of that strategy;
2. Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions;
3. Approving the annual operating budget, annual shareholders report and annual financial accounts;
4. Appointing, monitoring, managing the performance of, and if necessary terminating the employment of the Chief Executive Officer;
5. Approving and monitoring the company's risk management framework;
6. Ensuring compliance with the Corporations Act 2001, ASX listing rules and other relevant regulations.

All directors and key executives reporting to the CEO of the company have been given formal letters of appointment outlining key terms and conditions of their appointment.

Performance evaluations for senior executives are carried out annually by either the Chief Executive Officer or the Technical Director. Performance during the previous 12 months is assessed against relevant performance indicators, and role expectations and goals are set for the following year. Performance evaluations have been completed for all executives during the reporting period in accordance with approved processes.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Board Members

Details of board members, their experience, expertise, qualifications, term in office and independence status are set-out in the Directors' Report. The structure of the board does not comply with ASX recommendation 2.1 in that a majority of the directors are not independent. Currently the board consists of four directors of which Mr Gordon Dunbar and Mr John den Dryver are considered independent within the ASX's definition. The board charter is available from the company's website.

The Company does not comply with ASX recommendations 2.2 and 2.3 in that the Chairman is not an independent director, and the roles of Chairman and Chief Executive Officer are performed by the same person. The board believes the current structure is appropriate at this stage of the company's activities.

The board has formalised various policies on securities trading, disclosure and codes of conduct, which assist in providing a stronger governance framework for the Company. These of course are in addition to the Company's requirements under the Corporations Act 2001 and ASX Listing Rules.

Board structure and composition will be reviewed as and when the company's strategic directions and activities change. The Company will only recommend the appointment of additional Directors to your board where it believes the expertise and value added outweighs the additional cost. During the year no new directors were appointed to the Helix board.

A copy of the Director Nomination and Induction Policy is available from the corporate governance section of the company's website.

Nomination Committee

The company does not comply with ASX recommendation 2.4 in that there is no separate nomination committee. Given the board comprises four directors it has been decided that there are no efficiencies to be gained from forming a separate nomination committee. The current board members carry out the roles that would otherwise be undertaken by a nomination committee and each director excludes himself from matters in which he has a personal interest.

Each Director completes an annual formal evaluation of the Board's performance including the Chief Executive Officer and Technical Director. The Chairman conducts an informal evaluation of the board members at least once per annum.

Further information on the performance assessment process for the board and senior executives can be found in the Directors' Report. Details of director's attendance at board, audit committee and remuneration committee meetings are detailed in the Directors' Report.

A copy of the Nomination Committee Charter is available from the corporate governance section of the company's website.

Independent Advice

A director of the Company is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out in the board's charter

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The board adopted a code of business conduct in August 2006. The code has formalised policies and practices that were in place prior to formal adoption of the code by the company. A copy of the code is made available to all employees of the company.

This code expresses certain basic principles that the Company and employees should follow in all dealings related to the Company. They should show the highest business integrity in their dealings with others, including preserving the confidentiality of other peoples' information and should conduct the Company's business in accordance with law and principles of good business practice.

A copy of the code of conduct is available from the corporate governance section of the company's website.

Securities Trading Policy

A formal Securities Trading Policy has been in place since August 2006. Prior to this date there was an understanding among executives of when it was appropriate to trade in the Company's securities. The policy which has now been adopted has been strengthened, as certain key executives ("Restricted Persons") are prevented from trading in the company's shares 2 weeks prior to the announcement of quarterly, half-year and the full-year reports. This is a restriction over and above the requirement to not trade in the Company's securities when in possession of inside information.

A copy of the Securities Trading Policy is available from the corporate governance section of the company's website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer have made the following certifications to the board;

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and group and are in accordance with relevant accounting standards;
- That the reports were founded on a sound system of financial risk management and internal compliance and control.

Audit Committee

The company does not comply with ASX recommendations 4.1 and 4.2 in that there is no separate audit committee, and it is not comprised only of non-executive Directors. Given the board comprises four directors it has been decided that there are no efficiencies to be gained from forming a separate audit committee. The current board members carry out the roles that would otherwise be undertaken by an audit committee.

The board adopted a formal audit charter in August 2006. Prior to this date the audit committee carried out many of the roles and responsibilities outlined in the charter. The charter sets out the roles and responsibilities of the audit committee and contains information on the procedures for the selection and rotation of the external auditor. A full copy of the Audit Committee Charter is available from the corporate governance section of the Company's website.

The board believes the audit committee structure is appropriate given the company's size. The composition of the audit committee will be assessed on an ongoing basis in light of the company's overall board structure and strategic direction.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Continuous Disclosure

The board adopted a formal disclosure policy outlining procedures for compliance with ASX continuous disclosure requirements in August 2006. Informal procedures were in place prior to this time and these have been formulated and strengthened into the written policy. The policy is based upon the Company's desire to promote fair markets, honest management and full and fair disclosure. The disclosure requirements must be complied with in accordance with their spirit, intention and purpose.

The purpose of the policy is to:

- summarise the Company's disclosure obligations;
- explain what type of information needs to be disclosed;
- identify who is responsible for disclosure; and
- explain how individuals at the Company can contribute.

The Company Secretary is responsible for ensuring disclosure of information to the ASX.

A copy of the Disclosure Policy is available from the corporate governance section of the company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Shareholder Communication Strategy

The board adopted a formal shareholder communication guidelines policy in August 2006. The policy formalises many of the practices that were in place already but has also resulted in some additional information being made available on the website.

All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the group's operations, the material used in the presentation is released to the ASX and posted on the company's website. Procedures are in place to determine where price sensitive information has been inadvertently disclosed, and if so, this information is released to the ASX.

The company's website underwent a significant overhaul in 2006 and again in 2008 to make it more user friendly and informative for shareholders and other visitors to the site. The website continues to be updated and refined as appropriate.

The external auditor attends the annual general meeting and is available to respond to questions about the conduct of the audit and content of the independent audit report.

A full copy of the shareholder communication policy is available from the corporate governance section of the company's website.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Risk assessment and management

The company does not have a separate Risk Management committee. Given the current size of the company and board, the directors believe there are no efficiencies in forming a separate committee and the board as a whole performs this role.

The company does not have a single specific risk management policy, but rather, financial and operating risks are addressed through individual approved policies and procedures covering financial, contract management, safety and environmental activities of the company. In addition to financial audits, the company's operations in Australia are subjected to annual Risk Management reviews in accordance with Risk Management Standard AS/NZS 4360: Risk Management. The company engages an insurance brokering firm as part of the company's annual assessment of the coverage for insured assets and risks. The results of all the various reviews and insurances are reported to the board at least annually.

The integrity of Helix's financial reporting relies upon a sound system of risk management and control. Accordingly, the Chief Executive Officer and Chief Financial Officer, to ensure management accountability, are required to provide a statement in writing to the board that the financial reports of Helix are based upon a sound risk management policy.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. A copy of the company's risk management committee charter is available from the corporate governance section of the company's website.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration committee

The Company does not comply with ASX recommendation 8.1 in that it has not established a separate remuneration committee. Given the current size of the company and board, the directors believe there are no efficiencies in forming a separate committee and the board as a whole performs this role. The board of directors reviews and approves recommendations in terms of compensation and incentive plan arrangements for directors and senior executives, having regard to market conditions and the performance of individuals and the consolidated entity.

Remuneration Policies

The Company's remuneration policies are detailed in the Remuneration report in the Directors' Report.

Non-Executive Director Remuneration

Non-executive directors are remunerated by way of director's fees. Apart from compulsory superannuation entitlements, non-executive directors are not eligible to receive retirement benefits.

A copy of the Remuneration Policy is available from the corporate governance section of the company's website.

RC Drilling at Glenburgh 2008

DIRECTORS' REPORT

In respect of the financial year ended 30 June 2008, the Directors of Helix Resources Limited, (the parent entity), submit the financial report. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

DIRECTORS

The following persons held office as Directors of Helix Resources Limited during or since the end of the financial year and up to the date of this report:

Greg J Wheeler BCom; FCA; SF Fin; GAICD
Executive Chairman; Managing Director and Chief Financial Officer – 14th July 2006 to present
Non-Executive Director – 25 October 2004 to 14th July 2006

Mr Wheeler is a Fellow of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia, and has operated in many of the major accounting practices for the past 25 years in Australia and overseas. Greg was a Partner at the Chartered Accounting practices of Grant Thornton [1990 to 1999] and Deloitte Touche Tohmatsu [1999 to 2002], before establishing his own consulting firm in 2002. His skills include:- company and business valuations, advice to directors/shareholders; shareholder wealth strategies, capital raisings and broker presentations, acquisitions and divestitures, corporate governance; commercial negotiations and risk assessment and mitigation.

Michael Wilson B Ec; B Sc (Hons); MAusIMM
Executive Technical Director - 1st June 2007 to present

Mr Wilson has been with the company for twelve years and has played major roles at Tunkillia on the Gawler Craton, South Australia and in the exploration for gold, platinum group metals and base metals in the Proterozoic Terranes of New South Wales and South Australia, and the Proterozoic and Archaean Terranes in Western Australia. Michael's experience includes project management; mineral exploration using geology, geochemistry, geophysics and drilling; ore resource drilling, ore resource estimation and evaluation programs; and monitoring joint venture projects.

Michael leads our team of experienced geologists and technical staff and is also completing his Masters of Business Administration and Masters of Mineral Economics part-time at Curtin University.

John den Dryver BE (Mining) MSc FAusIMM (CP)
Non-Executive Director - Appointed 25 October 2004

Mr den Dryver is a mining engineer with some 30 years mining experience in operational and corporate management. John joined Mount Isa Mines in 1973. In 1982, John joined North Flinders Mines as the Company Mining Engineer. He became the Operations Manager for North Flinders after the mine was commissioned in 1986 and over the next 10 years managed the operations as well as developing the further discoveries in this region including the Callie Mine. In 1987 he was invited to join the Board of North Flinders to become Executive Director-Operations. In 1997 after Normandy Mining took over North Flinders, John was appointed Executive General Manager-Technical leading a team of specialist geologists, mining engineers and metallurgists in operational support, technical review and due-diligence activities. In 2003, after the takeover of Normandy by Newmont Corporation John set up his own mining consultancy business.

Gordon Dunbar BSc (Hons), MSc, FAusIMM (CP), FAIG
Non-Executive Director - Appointed 18 July 2006

Mr Dunbar is a consulting geologist with forty years experience in the Australian minerals industry managing project development, mineral exploration and evaluation programmes, mine geology, financial studies, production assessment and monitoring joint venture projects. Gordon's experience includes exploration and mining geology roles at Kambalda with WMC, the evaluation of the Golden Grove base metal deposit in WA, the Chief Geologist at Rosebery Mine in Tasmania and management roles with BP Australia undertaking financial studies, monitoring the evaluation of the Olympic Dam deposit and as Exploration manager for BP Minerals.

Gordon formed his own consulting group in 1990 to provide advice on exploration, evaluation, mining geology, project assessment and pre-feasibility studies, particularly those involving gold, base metals and nickel. He has worked on projects within Australia and Internationally.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
John den Dryver	Nustar Mining Corporation Limited	23 December 2003 – 31 May 2007
	Adelaide Resources Limited	18 April 2005 – current
Greg J Wheeler	Platina Resources Ltd	28 March 2006 – 31 January 2007

JOINT COMPANY SECRETARIES

Greg J Wheeler	Mr Wheeler is a Chartered Accountant with over 25 years experience in accounting, company secretarial and corporate management.
Joneen McNamara	Mrs McNamara is an Accountant and has completed Chartered Secretaries Australia's Graduate Diploma in Applied Corporate Governance. She is a member of the Institute of Chartered Secretaries and Administrators.

PRINCIPAL ACTIVITIES

The principal activity of the Group constituted by Helix Resources Limited and the entities it controlled during the year consisted of gold, iron ore and base metal mineral exploration. There has been no significant change in the nature of these activities during the year.

FINANCIAL RESULTS

The net consolidated loss of the Group for the financial period, after provision for income tax was $628,512 (2007: $187,904).

DIVIDENDS

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current period.

REVIEW OF OPERATIONS

The Consolidated entities activities are contained in releases to the ASX on a quarterly basis. Highlights include:-

Iron Ore

- JV partner API (Aquila/AMCI) completed their $1.5m expenditure commitment at the Yalleen Iron Ore Joint Venture in November 2007 to earn a 70% interest in iron ore rights. Helix contributing at 30% to expenditure programs.
- Channel iron (CID) and bedded iron (BID) targets identified from the 2006 Hoist EM survey and field mapping confirmed by subsequent drilling which intersected channel iron (CID), at depth and close to surface.
- Yalleen Iron Joint Venture partners complete 10,000m drilling in a $3.2m exploration program for the 2007-2008 field season.
- Runge Ltd commissioned by Helix as Expert who determined an Inferred Resource of 112 Mt @ 55.6% Fe for Kumina Creek and Robe Exit which was released to the ASX 3rd June 2008. This initial resource estimate provides confidence regarding the overall potential of the Yalleen Project once the other identified deposits have been drilled, assessed and included.
- The Bonham target preliminary assessment from API is 8km^2 of goethitic type ore grading up to 52% Fe. Helix has assessed this represents a significant Exploration target and drilling is scheduled for 2008/2009.

Gold

- Glenburgh Project - Two drilling programs occurred during the year on targets defined from gold in soil anomalies at Firebird (up to 2.5g/t Au), Barracuda East (up to 3.1g/t Au), Barracuda South (up to 0.6g/t Au), Challenger (up to 0.8g/t Au) and North East 3 (up to 0.6 g/t Au). The Company expects the drilling will upgrade the existing Resource of 108,000 oz and has commissioned an external consultant to calculate a new Resource.

- Tunkillia Project - JV partner and manager Minotaur Exploration calculated 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. Minotaur have expended ±$4.3 million and are required to expend $5 million prior to 31 March 2009. Minotaur have indicated economic studies are underway.

Uranium

- Uranium JV partner - Toro Energy have advised they still await environmental approvals before testing five (5) priority palaeo-channel uranium targets on Helix's Lake Everard tenements identified in 2007. Toro are required to expend $2 million prior to 24 March 2009 to earn a 51% interest in the uranium rights and to date have expended $230,634.

Base Metals

- A JV with AngloAmerican was concluded with respect to prospective nickel targets on two of our West Pilbara tenements. The terms are AngloAmerican can earn an 80% interest by funding $5 million of expenditure within 5 years.

Generative

- Field examination of the South Australian Adelaidian Projects has identified a series of base metal targets including copper mineralisation on the Parachilna Project, gold/tungsten anomalism at the Fleurieu Project and gold, base metal and uranium targets on our Olary tenements.
- PACE funding approval for $100,000 towards drilling costs for the Blinman prospect has been received and a drilling program is scheduled for 2H08.

Corporate

- The Company placed 17 million shares at $0.485 in December 2007 to AMCI / First Reserve to raise $8.245 million before costs.

The Group reported a loss of $628,512 during the year after writing off $0.292m of carried forward exploration costs and realising $0.184m from investments.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, other than disclosed elsewhere in this Report, there were no significant changes in the state of affairs of the Group that occurred during the period under review.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that 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.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

REMUNERATION REPORT

The Company's Executive Officers' remuneration policy is set to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality. The policy is administered by the Remuneration Committee, which is comprised of all board members. The Executive Officers of the Company are employed under Service Agreements which are all identical in their contents and only differ in remuneration levels. They have durations of thirty six months from 19th June 2008 and renew automatically unless terminated by either the Company by giving a minimum of twelve months notice to the individual; or by the individual by giving six months notice to the Company. Whilst the level of remuneration is not dependent on the satisfaction of any performance condition, the performance of Executives is reviewed on an annual basis.

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of $150,000 approved by shareholders in April 1996. The pool limit is not at present fully utilised. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources where appropriate to ensure remuneration accords with market practice.

The company has largely adopted the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* and decided to remunerate its non-executive directors on an ongoing basis with no accrual or entitlement to a retirement benefit.

Remuneration packages contain the following key elements:
a) Primary benefits – salary / fees and performance based bonuses;
b) Post employment benefits – prescribed retirement benefit; and
c) Equity – share options granted under the executive share option plan as disclosed in note 17 to the financial statements.

The following table discloses the remuneration of the directors and executives of the company:

		Primary			Post Employment		Equity			
2008	Salary & Fees $	Performance Based Payment $	Non Monetary $	Superannuation $	Prescribed Benefits $	Other Retirement Benefits $	Options $	% of Remuneration %	Other Benefits $	Total $
Key Management Personnel										
G J Wheeler	237,200	150,000	-	36,000	-	-	-	-	-	423,200
M H Wilson	171,254	100,000	-	15,413	-	-	-	-	-	286,667
J den Dryver	48,333	-	-	-	-	-	-	-	-	48,333
G Dunbar	48,333	-	-	-	-	-	-	-	-	48,333
Total Key Management Personnel	505,120	250,000		51,413						806,533

KEY MANAGEMENT PERSONNELS' SHARE OPTIONS

Pursuant to approval at Shareholders' meetings, executives and employees are entitled to subscribe for ordinary shares on the terms agreed to by the Shareholders. At the date of this report current directors and executives are entitled to purchase an aggregate of 4,335,000 ordinary shares of Helix Resources Limited according to the following terms:

Key Management Personnel	Number of Executive Options Held	Issuing Entity	Exercise Price	Expiry Date	Number of ordinary shares under option
G J Wheeler	2,000,000	Helix Resources Limited	$0.26	30.11.2008	2,000,000
M H Wilson	70,000	Helix Resources Limited	$0.42	31.03.2009	70,000
M H Wilson	70,000	Helix Resources Limited	$0.46	31.03.2009	70,000
M H Wilson	70,000	Helix Resources Limited	$0.50	31.03.2009	70,000
M H Wilson	1,325,000	Helix Resources Limited	$0.26	30.11.2008	1,325,000
J den Dryver	400,000	Helix Resources Limited	$0.26	30.11.2008	400,000
G Dunbar	400,000	Helix Resources Limited	$0.26	30.11.2008	400,000
Total	4,335,000				4,335,000

DIRECTORS' SHARE AND OPTION HOLDINGS

Director	*Fully Paid Ordinary Shares	*Listed Options^	*Staff Options
G J Wheeler	6,478,839	494,838	2,000,000
M H Wilson	93,133	3,517	1,535,000
J den Dryver	-	-	400,000
G Dunbar	300,000	25,000	400,000

* Directors' interests in ordinary shares and options of the parent entity are shown at the date of this Directors' Report.

^ The listed options are exercisable at $0.30 prior to 30 June 2009.

OFFICERS' INDEMNITY AND INSURANCE

During the year the Company paid an insurance premium to insure the Directors and Officers of the Company and related bodies corporate. The Officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capacities.

The Company has not otherwise, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulations under laws of the Commonwealth and State. The Group has a policy of complying with its environmental performance obligations and at the date of this report, is not aware of any breach of such regulations.

MEETINGS OF DIRECTORS

The number of meetings held during the year by Company Directors (including meetings of committees of Directors) and the number of those meetings attended by each Director was:

	Board of Directors' Meetings		Remuneration Committee Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
G J Wheeler	6	6	1	1	2	2
M H Wilson	6	6	1	1	2	2
J den Dryver	6	5	1	1	2	2
G Dunbar	6	6	1	1	2	2

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 25.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 31 of the financial report.

Dated at Perth this 22nd. day of August 2008.

This report is made and signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors.

Greg J Wheeler
Executive Chairman

Grant Thornton

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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 audit of Helix Resources Limited for the year ended 30 June 2008, 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 audit; and

b No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

J.W.VIBERT
Partner
Perth, WA,
22nd August 2008

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HELIX RESOURCES LIMITED

Report on the financial report

We have audited the accompanying financial report of Helix Resources Limited (the Company) and Helix Resources Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed certain information about the remuneration of directors and executives ("Remuneration disclosures"), required by Accounting Standards AASB 124: Related Party Disclosures, under the heading "Remuneration report" on pages 28 to 29 of the Directors' Report and not in the financial report. We have audited these remuneration disclosures.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the 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 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.

The directors are also responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124 Related Party Disclosures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Auditor's opinion
In our opinion:

a the financial report of Helix Resources Limited and Helix Resources Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b the remuneration disclosures that are contained on the pages 28 to 29 of the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures.

Grant Thornton (WA) Partnership

GRANT THORNTON (WA) PARTNERSHIP
Chartered Accountants

Partner
Perth,WA
22nd August 2008

DIRECTORS' DECLARATION

The Directors declare that:

a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act and Regulations 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and of the Group for the financial year ended 30 June 2008;

c) The directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Greg J Wheeler
Executive Chairman

Signed at Perth this 22nd day of August 2008.

BALANCE SHEET
AS AT 30 JUNE 2008

		CONSOLIDATED		COMPANY	
	Note	2008	2007	2008	2007
		$	$	$	$
Current Assets					
Cash and cash equivalents	2	7,479,985	2,822,200	7,479,985	2,822,200
Trade and Other Receivables	3	372,139	261,946	372,139	261,946
Financial Assets	4	130,800	375,000	130,800	375,000
Total Current Assets		7,982,924	3,459,146	7,982,924	3,459,146
Non-Current Assets					
Financial Assets	4	-	2,000	-	2,000
Property, plant & equipment	6	198,616	170,937	198,616	170,937
Exploration and Evaluation	7	12,158,401	9,201,690	12,158,401	9,201,690
Other	5	103,406	98,000	103,406	98,000
Total Non-Current Assets		12,460,423	9,472,627	12,460,423	9,472,627
Total Assets		20,443,347	12,931,773	20,443,347	12,931,773
Current Liabilities					
Trade and Other Payables	8	185,952	75,862	185,952	75,862
Provisions	9	21,264	11,695	21,264	11,695
Total Current Liabilities		207,216	87,557	207,216	87,557
Non- Current Liabilities					
Provisions	9	54,270	31,585	54,270	31,585
Total Non-Current Liabilities		54,270	31,585	54,270	31,585
Total Liabilities		261,486	119,142	261,486	119,142
Net Assets		20,181,861	12,812,631	20,181,861	12,812,631
Equity					
Share Capital	10	55,824,908	47,844,351	55,824,908	47,844,351
Other Reserves	11	287,187	284,463	287,187	284,463
Accumulated Losses	12	(35,930,234)	(35,316,183)	(35,930,234)	(35,316,183)
Total Equity		20,181,861	12,812,631	20,181,861	12,812,631

Notes to the financial statements are included on pages 39 to 59

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

		CONSOLIDATED		COMPANY	
	Note	2008	2007	2008	2007
		$	$	$	$
Revenue	13	723,451	1,184,299	723,451	1,184,299
Employment Costs		(646,008)	(733,052)	(646,008)	(733,052)
Audit and Accountancy		(31,372)	(37,354)	(31,372)	(37,354)
Corporate Marketing		(27,280)	(8,669)	(27,280)	(8,669)
Directors' Fees		(96,668)	(110,892)	(96,668)	(110,892)
Depreciation	14	(42,631)	(49,214)	(42,631)	(49,214)
Impairment of Exploration and Evaluation Assets		(291,738)	(245,664)	(291,738)	(245,664)
I T Costs		(19,820)	(26,326)	(19,820)	(26,326)
Overhead Allocation to Exploration		117,267	138,219	117,267	138,219
Premises Costs		(153,560)	(138,375)	(153,560)	(138,375)
Professional Services		(20,204)	(46,165)	(20,204)	(46,165)
Travel expenses		(4,839)	(9,434)	(4,839)	(9,434)
Other General and Admin expenses		(135,110)	(105,277)	(135,110)	(105,277)
Loss before income tax		(628,512)	(187,904)	(628,512)	(187,904)
Income tax expense	19	-	-	-	-
Loss from continuing operations		(628,512)	(187,904)	(628,512)	(187,904)
Profit /(Loss) from discontinued operations		-	-	-	-
Loss for the year		(628,512)	(187,904)	(628,512)	(187,904)
Earnings / (Loss) per share					
Basic (cents per share)	21	(0.5)	(0.2)		
Diluted (cents per share)	21	(0.5)	(0.2)		

Notes to the financial statements are included on pages 39 to 59

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	CONSOLIDATED 2008 $	CONSOLIDATED 2007 $	COMPANY 2008 $	COMPANY 2007 $
Cash Flow From Operating Activities					
Payments to suppliers and employees		(898,404)	(675,370)	(898,404)	(675,370)
Interest received		327,948	104,588	327,948	104,588
Other receipts		102,051	147,583	102,051	147,583
Net cash used in operating activities	2(b)	(468,405)	(423,199)	(468,405)	(423,199)
Cash Flow From Investing Activities					
Payments for capitalised exploration & evaluation expenditure		(3,248,449)	(1,232,135)	(3,248,449)	(1,232,135)
Payment for property, plant & equipment		(80,542)	(39,412)	(80,542)	(39,412)
Payment for investments		(900)	-	(900)	-
Proceeds from sale of investments		481,130	511,394	481,130	511,394
Payments for security deposits		(5,406)	306,137	(5,406)	306,137
Net cash used in investing activities		(2,854,167)	(454,016)	(2,854,167)	(454,016)
Cash Flow From Financing Activities					
Proceeds from issue of shares/options		8,300,463	2,548,387	8,300,463	2,548,387
Share issue costs paid		(319,906)	-	(319,906)	-
Net cash provided by financing activities		7,980,557	2,548,387	7,980,557	2,548,387
Net increase in cash held		4,657,985	1,671,172	4,657,985	1,671,172
Cash and cash equivalents at beginning of financial year		2,822,000	1,151,028	2,822,000	1,151,028
Cash and cash equivalents at End of Financial Year	2(a)	7,479,985	2,822,200	7,479,985	2,822,200

Notes to the financial statements are included on pages 39 to 59

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Total equity at the beginning of the financial year	12,812,631	10,216,959	12,812,631	10,217,882
Shares issued during the financial year	7,925,093	2,705,378	7,925,093	2,705,378
Issue of Employee Incentive Options	17,187	-	17,187	-
Exercise or Expiration of options during the financial year	55,462	78,198	55,462	78,198
Loss attributable to members of the parent entity	(628,512)	(187,904)	(628,512)	(187,904)
Adjustment to Opening Equity	-	-	-	(923)
Total equity at the end of the financial year	20,181,861	12,812,631	20,181,861	12,812,631

Notes to the financial statements are included on pages 39 to 59

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and complies with other requirements of the law. The financial report includes separate financial statements for Helix Resources Limited as an individual entity and the Consolidated Entity (Group) consisting of Helix Resources Limited and its subsidiaries.

Accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property. A summary of the Group's significant accounting policies is set out below.

a) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in accounting standards. A list of subsidiaries appears in note 4 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group are eliminated in full.

b) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value. For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

d) Property, Plant and Equipment

Property, plant and equipment is stated at cost and is depreciated at rates based upon their expected useful lives to the Group. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. Expected net cash flows have not been discounted in determining recoverable amount. The depreciation rates used for each class of depreciable assets are:

Plant and equipment	Straight line 10% - 33% Diminishing Value 20% - 40%
Motor Vehicles	Diminishing Value 22.5%

e) Exploration and evaluation

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

(i) the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
(ii) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or

(iii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets will be assessed annually for impairment and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

The income statement will recognise expenses arising from the excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets. Expenditure capitalised under the above policy is amortised over the life of the area of interest from the date that commercial production of the related mineral occurs. In the event that an area of interest is abandoned or if the directors consider the expenditure to be of no value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

f) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

g) Investments

Investments in subsidiaries are held at cost. Other investments are valued at cost or recoverable amount. The carrying amount of investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities. Expected net cash flows have not been discounted in determining recoverable amounts.

h) Non-derivative financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

i) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

j) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provision is made in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provision made in respect of long service leave which is not expected to be settled within 12 months is measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by the employees up to reporting date.

Share-based payments
Share-based compensation benefits are provided to employees via various Share Option Plans.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital. The market value of shares issued to employees for no cash consideration under the Share Plans is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

k) Interest in Joint Venture Operations

Interest in joint venture operations, where material, are brought to account by including in the respective classifications, the Group's share of the individual assets employed and liabilities and expenses incurred.

Details of interests in joint ventures are shown at Note 22.

l) Revenue Recognition

Revenue from the disposal of assets is recognised when the Group has passed control of the goods or other assets to the buyer. Interest on bank deposits is recognised as income as it accrues.

m) Accounts Payable

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

n) Receivables

Other receivables are recorded at amounts due less any specific provision for doubtful debts.

o) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

p) Acquisition of Assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

q) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

r) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

s) Provisions

Mine restoration and rehabilitation costs are provided for at the present value of future expected expenditures required to settle the Group's obligations on commencement of commercial production, discounted using a rate specified to the liability. When this provision is recognised a corresponding asset is also recognised as part of the development costs of the mine to the extent that it is considered that the provision gives access to future economic benefits. On an ongoing basis, the rehabilitation liability is re-measured at each reporting period in line with the changes in the time value of money (recognised as an expense in the income statement and an increase in the provision), and additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability.

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

t) New standards and interpretations which may impact the Company not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. The application date of the new standards is 1 January 2009. The application date for the Company will be 1 July 2009.

AASB Amendment	Standards Affected		Outline of Amendment
AASB 2007–8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.
AASB 101	AASB 101	Presentation of Financial Statements	As above

2. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

For the purposes of the cash flow statement and balance sheet, cash and cash equivalents include cash on hand and in banks, and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Cash at Bank	21,426	20,355	21,426	20,355
Cash on deposit	7,458,559	2,801,845	7,458,559	2,801,845
Total Cash	7,479,985	2,822,200	7,479,985	2,822,200

b) Reconciliation of loss after income tax to cash flows used in operations

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Loss after income tax	(628,512)	(187,904)	(628,512)	(187,904)
Non-cash flows in Loss				
Depreciation	42,631	49,214	42,631	49,214
Impairment of Exploration and evaluation	291,738	245,664	291,738	245,664
Issuance /(Cancellation) of employee options	17,187	234,266	17,187	234,266
(Gain)/loss on sale of investments	(233,831)	(884,579)	(233,831)	(884,579)
Loss on disposal of property, plant and equipment	10,231	3,777	10,231	3,777
Changes in Net Assets and Liabilities				
(Increase)/Decrease in Assets				
(Increase)/decrease in trade and other receivables	(110,193)	231,588	(110,193)	231,588
Increase/(Decrease) in Liabilities				
Increase/(decrease) in trade and other payables	110,090	(110,767)	110,090	(110,767)
Increase/(decrease) in Provisions	32,254	(4,458)	32,254	(4,458)
Net Cash used in Operations	(468,405)	(423,199)	(468,405)	(423,199)

c) Non-cash Transactions

Nil.

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Prepayments - Insurances	37,441	36,589	37,441	36,589
Prepayments – Tenement application and rents	103,969	166,112	103,969	166,112
Other	230,729	59,245	230,729	59,245
Total Current Receivables	372,139	261,946	372,139	261,946

4. FINANCIAL ASSETS

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Current:				
Held for trading financial assets:				
Shares in listed corporations – at fair value through profit or loss	130,800	375,000	130,800	375,000
Total Current Financial Assets	130,800	375,000	130,800	375,000
Non-Current:				
Shares in subsidiaries – at cost (4a)	-	-	-	-
Shares in listed corporations – at cost	-	2,000	-	2,000
Total Non-Current Financial Assets	-	2,000	-	2,000

4(a) Shares in subsidiaries

Name	Country of Incorporation	Percentage Held	Percentage Held
		2008	2007
Hillview Mining NL	Australia	100%	100%
Helix Mining Investment P/L	Australia	100%	100%

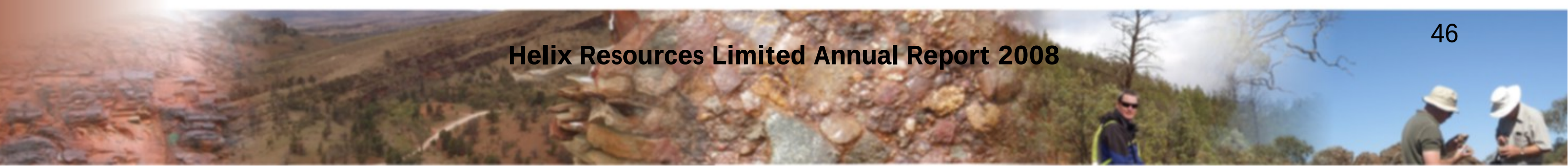
5. OTHER ASSETS

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Non-Current				
Security Deposits	103,406	98,000	103,406	98,000
Total Other Assets – Non-Current	103,406	98,000	103,406	98,000

6. PROPERTY, PLANT AND EQUIPMENT

2008	CONSOLIDATED AND COMPANY Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 30 June 2007	450,296	120,336	570,632
Additions	21,958	58,584	80,542
Disposals	(154,616)	(7,400)	(162,016)
Balance at 30 June 2008	317,638	171,520	489,158
Accumulated Depreciation			
Balance at 30 June 2007	343,891	55,804	399,695
Disposals	(145,326)	(6,458)	(151,784)
Depreciation	25,917	16,714	42,631
Balance at 30 June 2008	224,482	66,060	290,542
Net Book Value			
30 June 2007	106,405	64,532	170,937
30 June 2008	93,156	105,460	198,616

2007	CONSOLIDATED AND COMPANY Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 30 June 2006	432,744	110,583	543,327
Additions	29,658	9,753	39,411
Disposals	(12,106)	-	(12,106)
Balance at 30 June 2007	450,296	120,336	570,632
Accumulated Depreciation			
Balance at 30 June 2006	319,854	38,957	358,811
Disposals	(8,330)	-	(8,330)
Depreciation	32,367	16,847	49,214
Balance at 30 June 2007	343,891	55,804	399,695
Net Book Value			
30 June 2006	112,890	71,626	184,516
30 June 2007	106,405	64,532	170,937



7. EXPLORATION AND EVALUATION EXPENDITURE (NON-CURRENT)

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Balance at beginning of the financial year	9,201,690	8,215,219	9,201,690	8,215,219
Expenditure incurred during the year	3,248,449	1,232,135	3,248,449	1,232,135
Impairment losses	(291,738)	(245,664)	(291,738)	(245,664)
Balance at the end of the financial year	12,158,401	9,201,690	12,158,401	9,201,690

The Directors' assessment of carrying amount was after consideration of prevailing market conditions; previous expenditure carried out on the tenements; and the potential for mineralisation based on both the entity's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole, or part, of the Group's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Group's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
8. TRADE AND OTHER PAYABLES (CURRENT)				
Trade payables	185,952	75,862	185,952	75,862
9. PROVISIONS				
Current				
Employee Benefits	21,264	11,695	21,264	11,695
Balance at end of financial year	21,264	11,695	21,264	11,695
Non -Current				
Employee Benefits	54,270	31,585	54,270	31,585
Balance at end of financial year	54,270	31,585	54,270	31,585
10. SHARE CAPITAL				
131,299,798 Fully Paid Ordinary Shares (2007: 114,101,589)	55,824,908	47,844,351	55,824,908	47,844,351
14,028,013 Listed Options (2007: nil)	-	-	-	-
Balance at end of financial year	55,824,908	47,844,351	55,824,908	47,844,351

	2008		2007	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	114,101,589	47,844,351	95,866,927	45,138,972
Private Placement – 5 Dec 07 @ $0.485	17,000,000	8,245,000	-	-
Share Issue Costs	-	(319,906)	-	-
Exercise of Options to Fully Paid Shares @ $0.30	198,209	55,463	18,234,662	2,705,379
Balance at end of financial year	131,299,798	55,824,908	114,101,589	47,844,351

Listed Options				
Balance at beginning of financial year	-	-	19,139,475	156,992
Options expired during financial year	-	-	(904,813)	-
Options issued during financial year *	14,126,222	-	-	-
Exercise of Options to Fully Paid Shares	(98,209)	-	(18,234,662)	(156,992)
Balance at end of financial year	14,028,013	-	-	-

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends. Listed options carry no votes until converted to fully paid ordinary shares.

* Bonus issue of one free option for every eight shares held, exercisable at $0.30 prior to 30 June 2009.

Capital Management

Management controls the capital of the group in order to maximise the return to shareholders and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

Employee Options

275,000 employee options were issued in November 2007 following approval at the 2007 AGM. The options were valued under Black and Scholes at 6.25 cents each ($17,187) and were in substitute of a cash bonus.

11. OTHER RESERVES

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Options Reserve				
Balance at beginning of financial year	284,463	50,197	284,463	50,197
Issue of Employee Incentive Options	17,187	275,000	17,187	275,000
Exercise of Employees Incentive Options	(5,000)	-	(5,000)	-
Cancellation of Terminated Employee Incentive Options	(9,463)	(40,734)	(9,463)	(40,734)
Balance at end of financial year	287,187	284,463	287,187	284,463

12. ACCUMULATED LOSSES

Balance at beginning of financial year	(35,316,185)	(35,129,202)	(35,316,185)	(35,128,279)
Net Loss attributable to members of the parent entity	(628,512)	(187,904)	(628,512)	(187,904)
Exercise of Employee Incentive Options	5,000	-	5,000	-
Cancellation of Employee Incentive Options	9,463	-	9,463	-
Adjustment to opening balance	-	923	-	-
Balance at end of financial year	(35,930,234)	(35,316,183)	(35,930,234)	(35,316,183)

13. REVENUE

Loss before Income Tax includes the following items of revenue and expense:

	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Operating Activities				
Interest Revenue	457,490	104,588	457,490	104,588
Tenement Rental Reimbursements	26,331	132,270	26,331	132,270
Other	13,577	15,313	13,577	15,313
Total Operating Revenue	497,398	252,171	497,398	252,171
Non-Operating Activities				
Profit from sale of shares in listed companies	183,384	511,394	183,384	511,394
Revaluation of shares in listed companies	52,900	225,000	52,900	225,000
Loss on disposal of fixed assets	(10,231)	-	(10,231)	-
Cancellation of Employee Incentive Options	-	40,734	-	40,734
Total Non – Operating Revenue	226,053	777,128	226,053	777,128
Sale of Mineral Areas				
Profit from Sale of Lake Throssell and Mt Venn East projects to Crusader Holdings NL	-	155,000	-	155,000
Total Revenue from Sale of Mineral Areas	-	155,000	-	155,000
Total Revenues	723,451	1,184,299	723,451	1,184,299

14. LOSS FOR THE YEAR

Expenses

Depreciation of non-current assets: Property, plant and equipment	42,631	49,214	42,631	49,214
Exploration and evaluation expenditure written off	291,738	245,664	291,738	245,664
Operating lease rental expenses: Minimum lease payments	137,587	122,276	137,587	122,276
Loss for the year	(628,512)	(187,904)	(628,512)	(187,904)

15. COMMITMENTS

a) Operating Lease Commitments

Not later than 1 year	40,600	95,000	40,600	95,000
Later than 1 year but not later than 2 years	-	40,000	-	40,000
	40,600	135,000	40,600	135,000

As at balance date there was a balance of 5 months remaining on the office lease and Helix will vacate the premises.

b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the company and Group are required to perform minimum exploration work to meet the requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the company and Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the next twelve months will be tenement rentals of $206,000 (2007:$112,000) and exploration expenditure of $3,600,000 (2007: $2,140,000). JV parties earning their interest in various tenements may effectively meet a portion of these commitment costs.

16. KEY MANAGEMENT PERSONNELS' REMUNERATION

This note should be read in conjunction with the disclosures contained in the Remuneration Report section of the Directors' Report.

The key management personnel of Helix Resources Limited during the year were:

- G J Wheeler – Executive Chairman, CEO and CFO
- J den Dryver – Non-executive Director
- G Dunbar – Non-executive Director
- M H Wilson – Executive Technical Director

The Company's Executive Officers' remuneration policy is set to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality. The policy is administered by the Remuneration Committee, which is composed of all board members. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries. The Executive Officers of the Company are employed under Service Agreements which are all identical in their contents and only differ in remuneration levels. They have durations of thirty six months from 19th June 2008 and renew automatically unless terminated by either the Company by giving a minimum of twelve months notice to the individual; or by the individual by giving six months notice to the Company.

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of $150,000 approved by shareholders in April 1996. The pool limit is not at present fully utilised. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources to ensure remuneration accords with market practice.

	Primary			Post Employment			Equity		
2007	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
Key Management Personnel									
G J Wheeler	82,900	-	-	-	-	-	100,000	-	182,900
M H Wilson	117,355	7,246	-	10,562	-	-	66,250	-	201,413
J den Dryver	40,000	-	-	-	-	-	20,000	-	60,000
G Dunbar	40,000	-	-	-	-	-	20,000	-	60,000
R W Mosig	1,916	-	-	-	-	-	-	-	1,916
R E Vittino	141,577	-	-	-	-	-	-	-	141,577
Total	423,748	7,246	-	10,562	-	-	206,250	-	647,806

2008	Primary			Post Employment			Equity		
	Salary & Fees	Perfor-mance Based Payment	Non Monetary	Supera-nnuation	Pre-scribed Benefits	Other Retire-ment Benefits	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
Key Management Personnel									
G J Wheeler	237,200	150,000	-	36,000	-	-	-	-	423,200
M H Wilson	171,254	100,000	-	15,413	-	-	-	-	286,667
J den Dryver	48,333	-	-	-	-	-	-	-	48,333
G Dunbar	48,333	-	-	-	-	-	-	-	48,333
Total	505,120	250,000	-	51,413	-	-	-	-	806,533

17. EXECUTIVE SHARE OPTION PLAN

As at 30 June 2008 the Company had issued 4,335,000 share options (30 June 2007 6,250,000). Share options carry no rights to dividends and no voting rights. The difference between the total market value of options issued during the financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining key management personnels' remuneration in respect of that financial year. The amounts are disclosed in remuneration in respect of the financial year in which the entitlement was earned.

Further details are disclosed below:

Executive Share Option Plan		2008 No.	Weighted average exercise price	2007 No.	Weighted average exercise price
Balance at beginning of financial year	(i)	6,625,000	$0.46	3,450,000	$0.46
Cancelled during the financial year	(ii)	(2,290,000)	-	(950,000)	-
Granted during the financial year	(iii)	-	$0.26	4,125,000	$0.26
Exercised during the financial year	(iv)	-	-	-	-
Balance at end of financial year	(v)	4,335,000	$0.46	6,625,000	$0.36

(i) Balance at beginning of financial year

Options - Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 26 May 1999	283,332	283,332	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	283,334	283,334	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	283,334	283,334	-	26/5/99	29/3/09	$0.50	Not valued
Issued 11 Nov 2003	550,001	550,001	-	11/11/03	29/3/09	$0.42	9.36c per option
Issued 11 Nov 2003	550,000	550,000	-	11/11/03	29/3/09	$0.46	8.84c per option
Issued 11 Nov 2003	549,999	549,999	-	11/11/03	29/3/09	$0.50	8.37c per option
Issued 10 April 2007	4,125,000	4,125,000	-	10/4/07	30/11/08	$0.26	5c per option
	6,625,000	6,625,000	-				

(ii) Cancelled during the financial year

Options - Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 26 May 1999	263,332	263,332	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	263,334	263,334	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	263,334	263,334	-	26/5/99	29/3/09	$0.50	Not valued
Issued 11 Nov 2003	500,001	500,001	-	11/11/03	29/3/09	$0.42	9.36c per option
Issued 11 Nov 2003	500,000	500,000	-	11/11/03	29/3/09	$0.46	8.84c per option
Issued 11 Nov 2003	499,999	499,999	-	11/11/03	29/3/09	$0.50	8.37c per option
	2,290,000	2,290,000	-				

Cancelled during the year ended 30 June 2007

Options - Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 26 May 1999	133,333	133,333	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	133,333	133,333	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	133,334	133,334	-	26/5/99	29/3/09	$0.50	Not valued
Issued 11 Nov 2003	183,334	183,334	-	11/11/03	29/3/09	$0.42	9.36c per option
Issued 11 Nov 2003	183,333	183,333	-	11/11/03	29/3/09	$0.46	8.84c per option
Issued 11 Nov 2003	183,333	183,333	-	11/11/03	29/3/09	$0.50	8.37c per option
	950,000	950,000	-				

(iii) Granted during the financial year

There were no options granted during the financial year ended 30 June 2008.

Granted during the year ended 30 June 2007

Options - Series	No.	Grant Date	Expiry Date	Exercise Price $	Fair Value Received $
Issued 10 April 2007	4,125,000	10/4/07	30/11/08	$0.26	-
	4,125,000				-

(iv) Exercised during the financial year

There were no executive options exercised during the financial years ended 30 June 2008 and 2007.

(v) Balance at end of the financial year

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 26 May 1999	20,000	20,000	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	20,000	20,000	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	20,000	20,000	-	26/5/99	29/3/09	$0.50	Not valued
Issued 11 Nov 2003	50,000	50,000	-	11/11/03	29/3/09	$0.42	9.36c per option
Issued 11 Nov 2003	50,000	50,000	-	11/11/03	29/3/09	$0.46	8.84c per option
Issued 11 Nov 2003	50,000	50,000	-	11/11/03	29/3/09	$0.50	8.37c per option
Issued 10 April 2007	4,125,000	4,125,000	-	10/4/07	30/11/08	$0.26	5c per option
	4,335,000	4,335,000	-				

Fair value of consideration received is measured as the nominal value of cash receipts on conversion. The fair value of shares at the date of their issue is measured as the market value at close of trade on the date of their issue. Employee share options carry no rights to dividends and no voting rights. In accordance with the terms of the executive share option plan, options may be exercised at any time from the date the vesting period ends to the date of their expiry.

The difference between the total market value of options issued during a financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining key management personnels' remunerations in respect of that financial year as disclosed in note 16 to the financial statements. The amounts are disclosed in remuneration in respect of the financial years over which the entitlement was earned.

Consideration received on the exercise of executive options is recognised in contributed equity. During the financial year no options were exercised, hence no amount was recognised in contributed equity arising from the exercise of executive options (2007: $nil).

18. RELATED PARTY AND DIRECTORS' DISCLOSURES

a) Other Transactions with key management personnel

The loss from ordinary activities before income tax includes the following items of expenses that resulted from transactions other than remuneration with key management personnel or their personally-related entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Greg Wheeler Consulting Pty Ltd provided professional services to the value of $28,000 (2007 $158,869) payable within 30 days from date of invoice (net of GST). Mr Greg Wheeler, a Director, has significant influence in Greg Wheeler Consulting Pty Ltd. There were no balances outstanding at 30 June 2008 to Mr Greg Wheeler.

Dunbar Resource Management provided professional services to the value of $3,450 (2007 $4,600) payable within 30 days from date of invoice (net of GST). Mr Gordon Dunbar, a Director, has significant influence in Dunbar Resource Management. There were no balances outstanding at 30 June 2008 to Mr Gordon Dunbar.

Den Dryver Mining Consultants Pty Ltd provided professional services to the value of $8,682 (2007 nil) payable within 30 days from date of invoice (net of GST). Mr John den Dryver, a Director, has significant influence in Den Dryver Mining Consultants Pty Ltd. There were no balances outstanding at 30 June 2008 to Mr John den Dryver.

b) Key Management Personnels' Equity Holdings

Fully paid ordinary shares issued by Helix Resources Limited

	Balance @ 1/7/07	Granted as remuneration	Received on exercise of options	Net other change	Balance @ 30/6/08	Balance held nominally
	No.	No.	No.	No.	No.	No.
Key Management Personnel						
G J Wheeler	2,829,501	-	-	1,129,201	3,958,702	-
M H Wilson	15,000	-	-	78,133	93,133	-
J den Dryver	-	-	-	-	-	-
G Dunbar	100,000	-	-	200,000	300,000	-
Total	2,944,501	-	-	1,407,334	4,351,835	-

Executive Share Options issued by Helix Resources Limited

	Bal @ 1/7/07	Granted as remuneration	Exercised	Other change	Bal @ 30/6/08	Bal vested @ 30/6/08	Vested but not exerciseable	Vested and exercisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Key Management Personnel									
G J Wheeler	2,000,000	-	-	-	2,000,000	2,000,000	-	2,000,000	-
M H Wilson	1,535,000	-	-	-	1,535,000	1,535,000	-	1,535,000	-
J denDryver	400,000	-	-	-	400,000	400,000	-	400,000	-
G Dunbar	400,000	-	-	-	400,000	400,000	-	400,000	-
Total	4,335,000	-	-	-	4,335,000	4,335,000	-	4,335,000	-

Each executive share option converts into 1 ordinary share of Helix Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option.

During the financial year, no executive share options were exercised by key management personnel.

Further details of the options granted during the year are contained in note 16 and 17 to the financial statements.

Listed Share Options issued by Helix Resources Limited

	Bal @ 1/7/07	Granted as remuneration	Exercised	Other change	Bal @ 30/6/08	Bal vested @ 30/6/08	Vested but not exerciseable	Vested and exercisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Key Management Personnel									
G J Wheeler	-	-	-	494,838	494,838	494,838	-	494,838	494,838
M H Wilson	-	-	-	3,517	3,517	3,517	-	3,517	3,517
J denDryver	-	-	-	-	-	-	-	-	-
G Dunbar	-	-	-	25,000	25,000	25,000	-	25,000	25,000
Total	-	-	-	523,355	523,355	523,355	-	523,355	523,355

19. INCOME TAX	CONSOLIDATED		COMPANY	
	2008	2007	2008	2007
	$	$	$	$
Accounting loss before tax from continuing operations	(628,512)	(187,904)	(628,512)	(187,904)
Accounting loss before tax from discontinuing operations	-	-	-	-
Accounting loss before tax	(628,512)	(187,904)	(628,512)	(187,904)
Income Tax Expense to Accounting Loss				
Tax expense at the statutory income tax rate of 30%	(188,554)	(56,371)	(188,554)	(56,371)
Sundry non-deductible (deductible) expenses				
- non-deductible expenses	1,329	-	1,329	-
- revaluation of investments	(15,870)	(66,956)	(15,870)	(66,956)
- taxable gain on sale of tenements	54,000	(12,713)	54,000	(12,713)
- employee incentive options	5,156	82,500	5,156	82,500
Benefit of tax losses and temporary differences not brought to account	143,939	53,540	143,939	53,540
Income tax expense	-	-	-	-
Income Statement				
Current income tax charge	(1,031,556)	(306,962)	(1,031,556)	(306,962)
Deferred income tax				
Relating to origination and reversal of temporary differences	887,617	253,422	887,617	253,422
Current year tax losses not recognised in the current period	143,939	53,540	143,939	53,540
Income tax expense reported in income statement	-	-	-	-
Unrecognised Deferred Tax Balances:				
Unrecognised deferred tax asset losses	13,266,510	12,185,130	12,669,266	11,587,886
Unrecognised deferred tax assets other	36,341	19,256	36,341	19,256
Unrecognised deferred tax liabilities	(3,713,916)	(2,809,213)	(3,713,916)	(2,809,213)
Net Unrecognised deferred tax assets	9,588,935	9,395,173	8,991,691	8,797,929

20. SEGMENT INFORMATION

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.

21. EARNINGS PER SHARE

	COMPANY	
	2008	2007
	Cents Per share	Cents Per share
Basic loss per share	(0.5)	(0.2)
Diluted loss per share	(0.5)	(0.2)

Basic Loss per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2008	2007
	$	$
Earnings / (loss) (a)	(628,512)	(187,904)

	2008	2007
	No.	No.
Weighted average number of ordinary shares (b)	123,713,739	100,425,592

(a) Earnings used in the calculation of basic earnings per share is net loss after tax of $628,512 (2007 : $187,904).

(b) The executive share options are not considered to be potential ordinary shares and are therefore excluded from the weighted average number of shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).

Diluted Loss per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2008	2007
	$	$
Earnings (a)	(628,512)	(187,904)
	12 months to 30 June 2008	12 months to 30 June 2007
	No.	No.
Weighted average number of ordinary shares and potential ordinary shares (b)	123,713,739	100,425,592

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of $628,512 (2007: $187,904).

(b) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2008	2007
	No.	No.
Executive options	4,335,000	6,625,000
Listed options	14,028,013	-

22. INTEREST IN JOINT VENTURES

The parent entity has entered into the following unincorporated joint ventures:

Joint Venture Project	Percentage Interest	Principal Exploration Activities
Tunkillia	100% (2007: 100%) Diluting to 49% (Minotaur Exploration)	Gold
Lake Everard Uranium	100% (2007: 100%) Diluting to 49% (Toro Energy)	Uranium
Yalleen	30% (2007: 100%) (API Management Pty Ltd 70% Iron Ore rights)	Iron Ore

The joint ventures are not separate legal entities but are contractual arrangements between the participants for sharing costs and output and do not in themselves generate revenue and profit. Exploration expenditure is the only asset of the joint ventures. The Group's interest in exploration expenditure in the above mentioned joint ventures is included in note 7 and at 30 June 2008 is $1,071,078 (2007 : $107,356).

23. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The Group's exposure to interest rate risk and effective weighted average interest rate for classes of financial assets is set out below:

		Floating Interest Rate Maturity				
	Average Interest Rate	Fixed Interest Rate	Less than 1 year	More than 1 Year	Non Interest Bearing	Total
	%	$	$	$	$	$
2008						
Financial Assets						
Other Receivables (incl tenement appl.)		-	-	-	372,139	372,139
Cash and cash equivalent assets	7.4%	479,985	7,000,000	-	-	7,479,985
Security deposits and deposits at financial institutions	6.3%	-	103,406	-	-	103,406
		479,985	7,103,406	-	372,139	7,955,530
Financial Liabilities						
Trade Payables (all payable within 30 days)		-	-	-	185,952	185,952
		-	-	-	185,952	185,952
2007						
Financial Assets						
Other Receivables (incl tenement appl.)		-	-	-	261,946	261,946
Cash and cash equivalent assets	5.5%	2,822,000	-	-	200	2,822,200
Security deposits and deposits at financial institutions	6.0%	-	98,000	-	-	98,000
		2,822,000	98,000	-	262,146	3,182,146
Financial Liabilities						
Trade Payables (all payable within 30 days)		-	-	-	75,862	75,862
		-	-	-	75,862	75,862

Other than those classes of assets and liabilities denoted as "listed" in note 4, none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is managed by investing cash with major financial institutions in both cash on deposit and term deposit accounts.

Interest Rate Risk Sensitivity Analysis

At 30 June 2008, the effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by $103,000 (2007:$40,000) and an increase in equity by $103,000 (2007: $40,000). The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by $103,000 (2007: $40,000) and a decrease in equity by $103,000 (2007: $40,000).

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the Group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner.

Credit Risk

Credit Risk refers to the risk that counterparty will default on, its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures risk on a fair value basis.

The maximum credit risk on financial assets of the Group which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at balance date. The market value of listed equity investments has been disclosed in Note 4 to the financial statements. For unlisted equity investments, the net fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

24. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

	CONSOLIDATED		COMPANY	
	2008 $	2007 $	2008 $	2007 $
Provision for employee entitlements:				
Current (Note 9)	21,264	11,695	21,264	11,695
Non-Current (Note 9)	54,270	31,585	54,270	31,585
	75,534	43,280	75,534	43,280
	No	No	No	No
Number of employees at end of financial year	9	9	9	9

25. REMUNERATION OF AUDITORS

	2008 $	2007 $	2008 $	2007 $
a) Auditor of the Parent Entity				
Auditing the financial report	19,125	18,000	19,125	18,000
	19,125	18,000	19,125	18,000

The auditor of Helix Resources Limited for the 2008 financial year is Grant Thornton (WA) Partnership.

26. ADDITIONAL COMPANY INFORMATION

Helix Resources Limited is a listed public company, incorporated and operating in Australia.

Registered Office	Principal Place of Business
9 Richardson Street	9 Richardson Street
WEST PERTH WA 6005	WEST PERTH WA 6005
Tel (08) 9321 2644	Tel (08) 9321 2644

The financial report for Helix Resources Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the directors on the 22nd day of August 2008.

AS AT 11th AUGUST 2008

NUMBER OF SHARES HELD

Spread of Holdings	Number of Shareholders	Number of Shares
1–1000	171	102,581
1,001–5,000	545	1,799,585
5,001–10,000	415	3,502,671
10,001–100,000	834	29,827,211
100,001 and over	132	96,067,838
Total	2,097	131,299,886

Number of shareholders holding less than a marketable parcel	335	378,818

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

	Shareholder	Number of Shares	% of Issued Capital
1	FRC AMCI Intermediate BV	13,063,829	9.95
2	AMCI Investments Pty Ltd	13,063,829	9.95
3	Yandal Investments Pty Ltd	11,172,514	8.51
4	Wythenshawe Pty Ltd	8,000,000	6.09
5	Aquila Resources Ltd	7,681,293	5.85
6	Gee Vee Pty Ltd	6,478,839	4.93
7	Blamnco Trading Pty Ltd	2,000,000	1.52
8	Technica Pty Ltd	1,856,666	1.41
9	Warramboo Holdings Pty Ltd	1,750,000	1.33
10	Zero Nominees Pty Ltd	1,456,802	1.11
11	ANZ Nominees Ltd	1,370,980	1.04
12	Niddrie Holdings Pty Ltd	1,229,115	0.94
13	Cairnglen Investments Pty Ltd	1,200,000	0.91
14	Mr Maxwell Alfred Kippe	900,000	0.69
15	Skiptan Pty Ltd	890,000	0.68
16	Fortis Clearing Nominees Pty Ltd	864,347	0.66
17	Loxden Pty Ltd	800,000	0.61
18	Vermar Pty Ltd	700,000	0.53
19	Mr Abdelaziz Soliman	687,200	0.52
20	The Whitfield S/F Account	450,000	0.34
	Top 20 Total	75,615,414	57.57

VOTING RIGHTS

One vote for each ordinary share held in accordance with the Company's Constitution.

SUBSTANTIAL SHAREHOLDERS

Shareholder	Number of Shares	% of Issued Capital
FRC AMCI Intermediate BV	13,063,829	9.95
AMCI Investments Pty Ltd	13,063,829	9.95
Yandal Investments Pty Ltd	11,172,514	8.51
Wythenshawe Pty Ltd	8,000,000	6.09
Aquila Resources Ltd	7,681,293	5.85

DIRECTORS' INTEREST IN SHARE CAPITAL

Director	Fully Paid Ordinary Shares	Listed Options	Staff Options
G J Wheeler	6,478,839	494,838	2,000,000
M H Wilson	93,333	3,517	1,535,000
J den Dryver	-	-	400,000
G Dunbar	300,000	25,000	400,000
Total	6,872,172	523,355	4,335,000

NUMBER OF OPTIONS HELD

Spread of Holdings	Number of Shareholders	Number of Shares
1–1000	782	340,613
1,001–5,000	662	1,543,555
5,001–10,000	154	1,072,284
10,001–100,000	174	4,216,950
100,001 and over	24	6,854,523
Total	1,796	14,027,925

PERCENTAGE HELD BY 20 LARGEST OPTIONHOLDERS

	Shareholder	Number of Shares	% of Issued Capital
1	Yandal Investments Pty Ltd	1,396,564	9.96
2	Wythenshawe Pty Ltd	1,025,001	7.31
3	Aquila Resources Ltd	709,467	5.06
4	Gee Vee Pty Ltd	494,838	3.53
5	Mr Manuel Arthur Samios	297,639	2.12
6	Blamnco Trading Pty Ltd	250,000	1.78
7	Warramboo Holdings Pty Ltd	250,000	1.78
8	Ms Tara Louise King	250,000	1.78
9	Technica Pty Ltd	232,083	1.65
10	PDS Management Pty Ltd	210,000	1.50
11	Mr C & Mrs S Bass	200,000	1.43
12	Ms Vanessa Adrienne Waghorn	199,820	1.42
13	Zero Nominees Pty Ltd	182,100	1.30
14	Mr Kym Anthony Burke	158,125	1.13
15	Niddrie Holdings Pty Ltd	153,639	1.10
16	Forbar Custodians Ltd	151,250	1.08
17	Sandwich Holdings Pty Ltd	150,000	1.07
18	Karalco Pty Ltd	132,500	0.94
19	Mr GD & Mrs AM Riley	125,000	0.89
20	Halyburton Super Fund	124,500	0.89
	Top 20 Total	6,692,526	47.72

TENEMENT SCHEDULE

Tenement	Name	Mineral	Ownership
LAKE EVERARD			
EL3403	Lake Everard	Gold, base metals, Uranium	HLX 100%, Minotaur earning 51% all minerals other than uranium, Toro earning 51% uranium rights
EL3335	Yellabinna	Gold, base metals, Uranium	HLX 100%, Minotaur earning 51% all minerals other than uranium, Toro earning 51% uranium rights
ELA2006/0389	Lake Everard West	Gold, base metals, Uranium	HLX 100%, Minotaur earning 51% all minerals other than uranium, Toro earning 51% uranium rights
PARACHILNA			
EL3814	Mt Elkington	Copper, Gold, base metals	HLX 100%
ADELAIDIAN			
ELA2006/0570	Fleurieu	Copper, Gold, base metals	HLX 100%
EL3956	Devonborough Downs	Copper, Gold, base metals	HLX 100%
EL4022	Olary	Copper, Gold, base metals	HLX 100%
GLENBURGH GOLD			
EL09/1079	Glenburgh	Gold, base metals	HLX 100%
EL09/1281	Warrigal	Gold, base metals	HLX 100%
EL09/1282	Carradarra Well	Gold, base metals	HLX 100%
EL09/1283	Deep Well	Gold, base metals	HLX 100%
EL09/1284	Challenger	Gold, base metals	HLX 100%
EL09/1285	Minga	Gold, base metals	HLX 100%
EL09/1286	Yalbra Well	Gold, base metals	HLX 100%
EL09/1287	Willagrad Bore	Gold, base metals	HLX 100%
EL09/1288	Garden Well	Gold, base metals	HLX 100%
EL09/1289	Rabbit Bore	Gold, base metals	HLX 100%
EL09/1325	Glenburgh	Gold, base metals	HLX 100%
PL09/0424		Gold, base metals	HLX 100%
PL09/0425		Gold, base metals	HLX 100%
PL09/0426		Gold, base metals	HLX 100%
PL09/0427		Gold, base metals	HLX 100%
BOOYEEMA NICKEL JV			
EL47/1089	Munni Munni South	Nickel	HLX 100% , Anglo American earning 80%
EL47/1090	Munni Munni South	Nickel	HLX 100% , Anglo American earning 80%
WEST PILBARA			
EL47/1075	Munni Munni South	Gold, base metals	HLX 100%
EL47/1144	Pinderi Hills	Gold, base metals	HLX 100%
EL47/1145	Pinderi Hills	Gold, base metals	HLX 100%
ELA47/1146	Cooya Pooya	Gold, base metals	HLX 100%
ELA47/1775	Munni Munni	Gold, base metals	HLX 100%
ELA47/1776	Munni Munni	Gold, base metals	HLX 100%
MLA47/0786	Munni Munni	Gold, base metals	HLX 100%
MLA47/0787	Munni Munni	Gold, base metals	HLX 100%
MLA47/0788	Munni Munni	Gold, base metals	HLX 100%
MLA47/0789	Munni Munni	Gold, base metals	HLX 100%

Tenement	Name	Mineral	Ownership
WEST PILBARA			
MLA47/0790	Munni Munni	Gold, base metals	HLX 100%
MLA47/0791	Munni Munni	Gold, base metals	HLX 100%
MLA47/0792	Munni Munni	Gold, base metals	HLX 100%
MLA47/0793	Munni Munni	Gold, base metals	HLX 100%
MLA47/0794	Munni Munni	Gold, base metals	HLX 100%
YALLEEN IRON ORE JOINT VENTURE			
EL47/1169-I	Yalleen	Iron ore, base metals	HLX 100%, API Management Pty Ltd 70% iron ore rights
EL47/1170-I	Yalleen	Iron ore, base metals	HLX 100%, API Management Pty Ltd 70% iron ore rights
EL47/1171-I	Yalleen	Iron ore, base metals	HLX 100%, API Management Pty Ltd 70% iron ore rights

Abbreviations and Definitions used in Schedule:

EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Lease	MLA	Mining Lease Application
PL	Prospecting Licence	PLA	Prospecting Licence Application

CORPORATE DIRECTORY

Directors

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

Australian Business Number

27 009 138 738

Head and Registered Office

9 Richardson Street

West Perth Western Australia 6005

PO Box 825 West Perth Western Australia 6872

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Email: helix@helix.net.au Website: www.helix.net.au

Share Registry

Advanced Share Registry

150 Stirling Highway

Nedlands Western Australia 6009

PO Box 1156 Nedlands Western Australia 6909

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

Auditor

Grant Thornton (WA) Partnership

Level 1, 10 Kings Park Road

West Perth Western Australia 6005

Telephone: +61 8 9480 2000

Facsimile: +61 8 9322 7787

Stock Exchange

The Company Securities are quoted on the Australian Stock Exchange Limited

CODES: HLX and HLXO