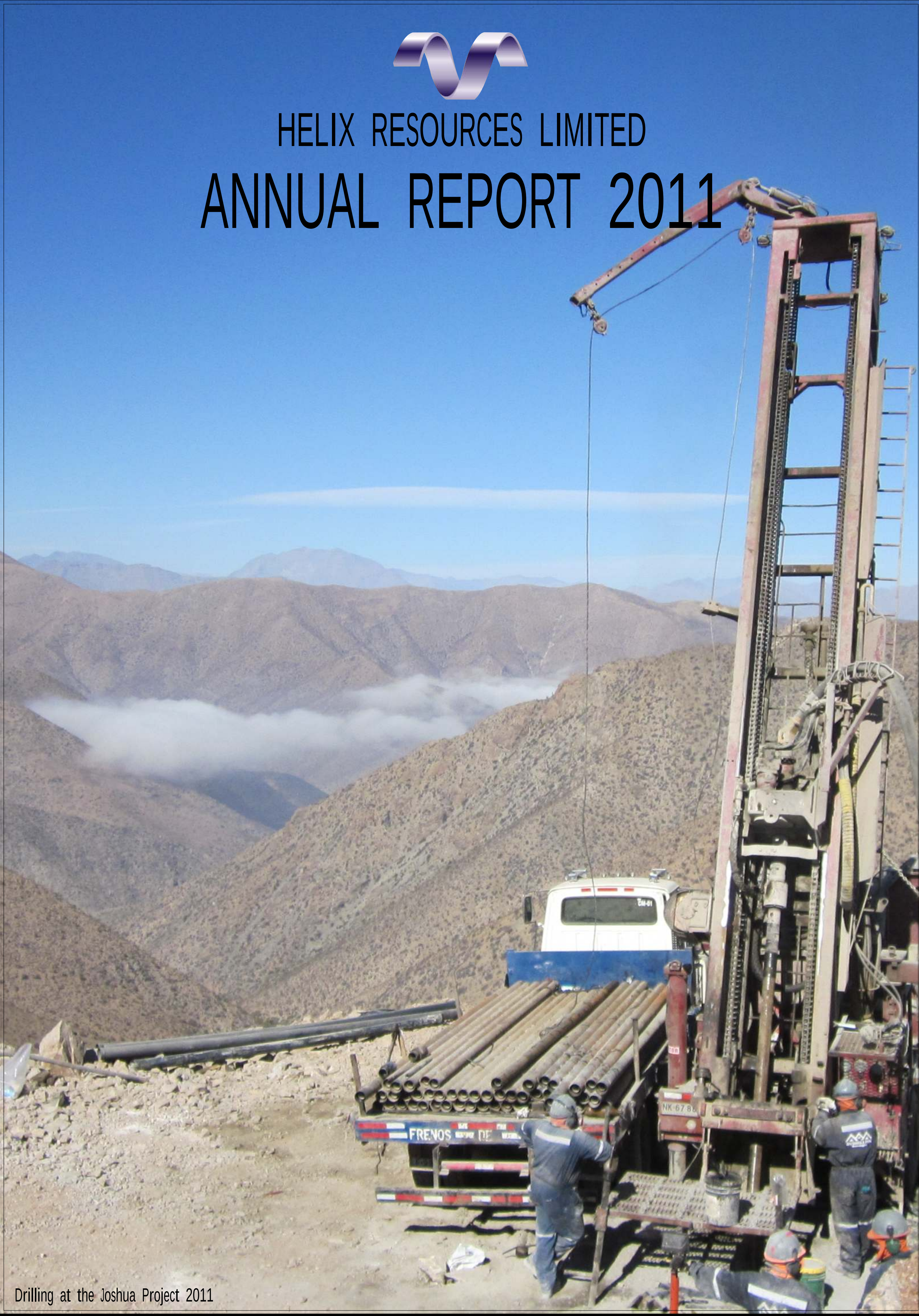
HELIX RESOURCES LIMITED

ANNUAL REPORT 2011



Drilling at the Joshua Project 2011

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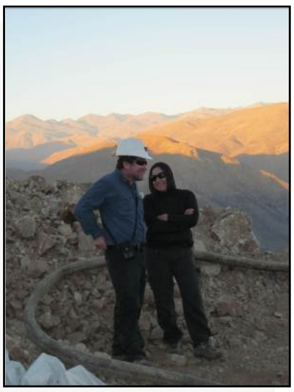

Joshua Project
Chile

Drilling at
Canbelego, NSW

Chairman's Review

Dear Shareholder

I am pleased to present the 2011 Annual Report for the Company.

Helix has had a very successful year of exploration, adding an inferred 100,000 oz gold resource to our NSW Projects, confirming the magnetite potential at our Olary Project in South Australia and commencing our first field season on our exciting projects in Chile; including drilling a copper mineralised porphyry system at the Joshua Project.

Helix has continued with our business strategy of securing large advanced exploration acreage with a particular focus on two key commodities, gold and copper, and utilising leading edge exploration techniques under the guidance of a skilled Board and Management team to create shareholder wealth whilst managing risks.

We have achieved geographical diversity through our operations in Chile and have secured six (6) Projects in which we hold 100%, and are actively seeking to acquire more advanced projects where we can use our exploration and commercial expertise to move the Projects further up the 'value curve'. Our 1st drilling program at the Joshua Copper Project has confirmed excellent copper mineral prospectivity, and our Santiago office now comprises a team of 7.

Shareholders who participated in the non-renounceable Option issue in July 2009 at $0.015 had the potential to realize their investment via ASX trading up to 11 cents in 4Q10. I am pleased that 98% of optionholders exercised them at $0.0508 before 31 May 2011 which raised $2.6M, which means we have ±$4M in liquid assets to continue to advance our Projects.

I would like to thank the Board and Staff for their strong contributions in 2010/11 and ongoing commitment.

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

COPPER & GOLD PROJECTS - NSW

BACKGROUND: Helix has established a significant ground holding in Central NSW covering 1,500km² of tenements through joint ventures it controls and tenement acquisitions. The area has been targeted for its Cu and Au mineral prospectivity, excellent infrastructure [including nearby copper and gold processing plants, some with excess capacity]; and the presence of mining-focused companies in the district (Straits; Mincor; Glencore; YTC; OZ Minerals, Polymetals).

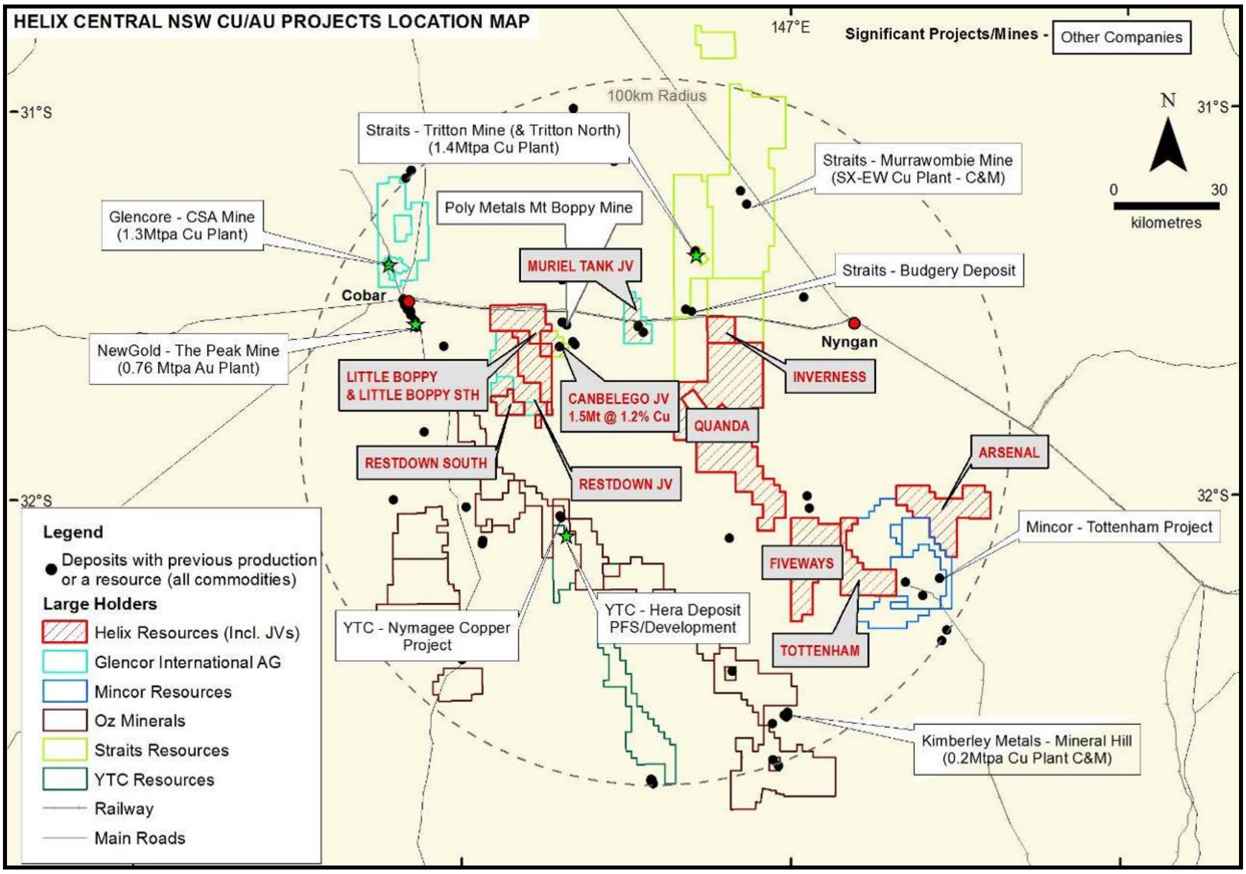

Figure 1: Helix's NSW project location map

RESTDOWN JV & MURIEL TANK JV PROJECTS

EL 6140, EL6501 & EL6739:- Helix Resources 70%; Glencore International AG 30%

The Projects are located 40km to 70 km SE of Cobar in Central Western NSW with the tenement package covering an area of ~278km² (Restdown JV Project 188km², Muriel Tank JV Project 90km²).

RESTDOWN GOLD PROJECT

The Restdown Project is located approximately 20 km SW of the historic Mt Boppy Gold Mine [produced ≈500,000 oz at +10g/t Au] now owned by Polymetals and 40 km to the NW is NewGold's Peak Mine; while YTC's Nymagee and Hera development projects are approximately 30 km S.

Helix drilling on the Restdown JV has confirmed the presence of broad gold intersections associated with altered sediments within a regionally significant anticline. Results illustrate that gold is present at significant grade and widths in the area and gold mineralisation to date is not depth constrained and is open down dip.

Sunrise Prospect

The Sunrise Prospect is defined at a +10ppb Au in soils level as anomalous over a strike of +500m and up to 300m wide, which remains open in all directions.

Better results from the two drilling programs to date included:-

- 13m @ 4.2g/t Au HRRC006
- 18m @ 2.3 g/t Au & 4m @ 4.4g/t Au HRRC008
- 42m @ 1.5g/t Au (incl. 5m @ 3.3g/t, 6m @ 3g/t and 7m @ 2.7g/t) HRRC025
- 32m @ 1.0g/t Au (incl. 5m @ 5.4g/t) HRRC012
- 14m @ 2.0g/t (incl. 5m @ 4.0g/t) HRRC018

and formed the basis of the Inferred resource estimation of **2.6 Mt @ 1.2g/t Au for 100,000 oz Au**.

Details of the resource estimation parameters are outlined in the ASX release dated 17 August 2011.

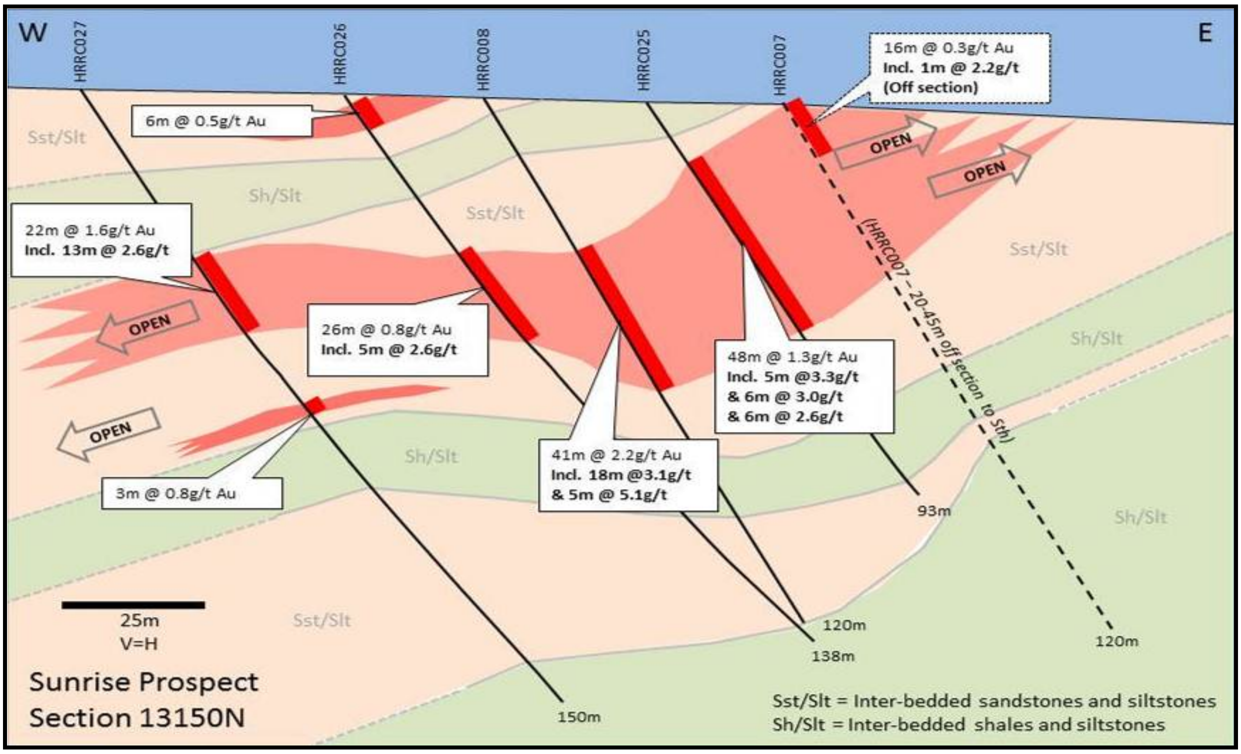

Figure 2: Interpreted cross section of mineralisation and lithology at Sunrise Prospect

Good Friday Prospect

Historical data identified the presence of gold mineralization at Good Friday with one RC drill hole recording 56m @ 11.7g/t Au from 5m including 23m @ 24g/t Au from 32m.

Drilling has confirmed the system is mineralised over a strike of +200m, and open in all directions. The majority of gold results from the RC program are from within the oxide to transition zone. Weathering extends to a depth of 60-70m (the base of oxidation). Gold mineralisation is not depth constrained and may continue down dip. Extensions of these intersections will be tested in future programs. A review of the down-hole geology indicates that the gold mineralisation is hosted in sericite altered sandstones and siltstones, with higher grades correlating well with silica content.

Regional Prospectivity

The excellent results from drilling to date, the existence of historic workings scattered throughout the area; the aeromagnetic survey data and geochemical sampling program results provides confidence the project has the potential to host economic gold mineralisation elsewhere in the identified zone of interest which is +20km long by up to 9km wide (Figure 3).

A series of criteria including lithological controls, interaction of structural directions, and multi-element geochemistry appears to provide the key to higher tenor of gold in the region and these criteria will be used to prioritise targets defined from this regional geochemical sampling for drilling.

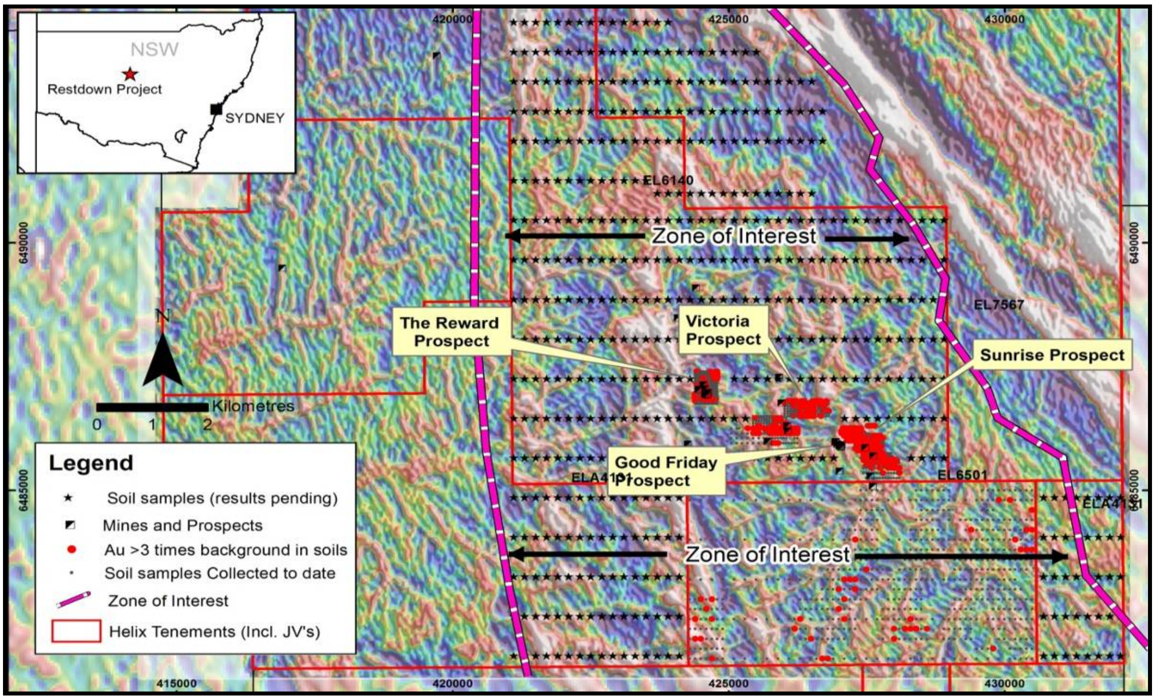

Figure 3: Significant regional prospectivity exists - Zone of interest with soil program on detailed aeromagnetics

CANBELEGO PROJECT JV – NSW

EL 6105:- Helix Resources Ltd 51%, moving to 70%, Straits Resources 49%

Project Summary

The Canbelego Project is located 45km SE of Cobar. Helix to date has defined an Initial inferred resource for the Canbelego Project at a 0.3% Cut off grade of **1.5 million tonnes at 1.2% Cu for 18,000t Contained Copper** (refer ASX announcement 1st October 2010).

Field work is concentrating on defining additional drill targets near the existing resource and in the region to improve technical and economic viability.

FIVEWAYS PROSPECT - NSW

At the 100% owned Fiveways Project, three RC holes were drilled (477m) in 2Q11 to test a series of discrete bulls-eye magnetic anomalies modelled from detailed magnetic surveys undertaken by Helix. Holes were assayed for gold and basemetals with samples collected at 4m intervals. Results returned were encouraging, with anomalous gold (up to 4m @ 0.4g/t Au) and elevated base metals over broad intercepts in the holes drilled.

CHILE - COPPER AND GOLD PROJECTS

Helix has identified Chile as a country with a low rate of ASX listed resource company participation, a suitable risk profile and excellent prospectivity for copper and gold, to add geographical diversification to our exploration and development portfolio. Helix has established a 100% owned Chilean subsidiary with an in-country general manager, an exploration manager, senior geologist and associated staff to progress its current Projects below and secure new Projects:-

Joshua Copper Project

- 100% owned exploration concession targeting Cu/Au porphyry systems.
- Surrounds the Carmelita Mine which is artisanally mining ~2.5% Cu oxide material (Excised).
- 1st RC drill program completed with better drill results:-
  - o 243m @ 0.25% Cu to EOH, incl. 27m @ 0.51% Cu + 0.1g/t Au in ARJS11-005 from 0m
  - o 177m @ 0.15%Cu, incl. 23m @ 0.21% Cu to EOH in ARJS11-004 from 57m
  - o 156m @ 0.20% Cu + 0.1g/t Au in ARJS11-001 from 0m
  - o 147m @ 0.22% Cu + 0.1g/t Au in ARJS11-002
- Interpretation of assays, lithologies, alteration and geochemistry supports our Exploration target* of +400Mt for the Project; and the overall system may be much larger.
- IP survey and ground magnetics are underway to cover the 10km² main target zone.

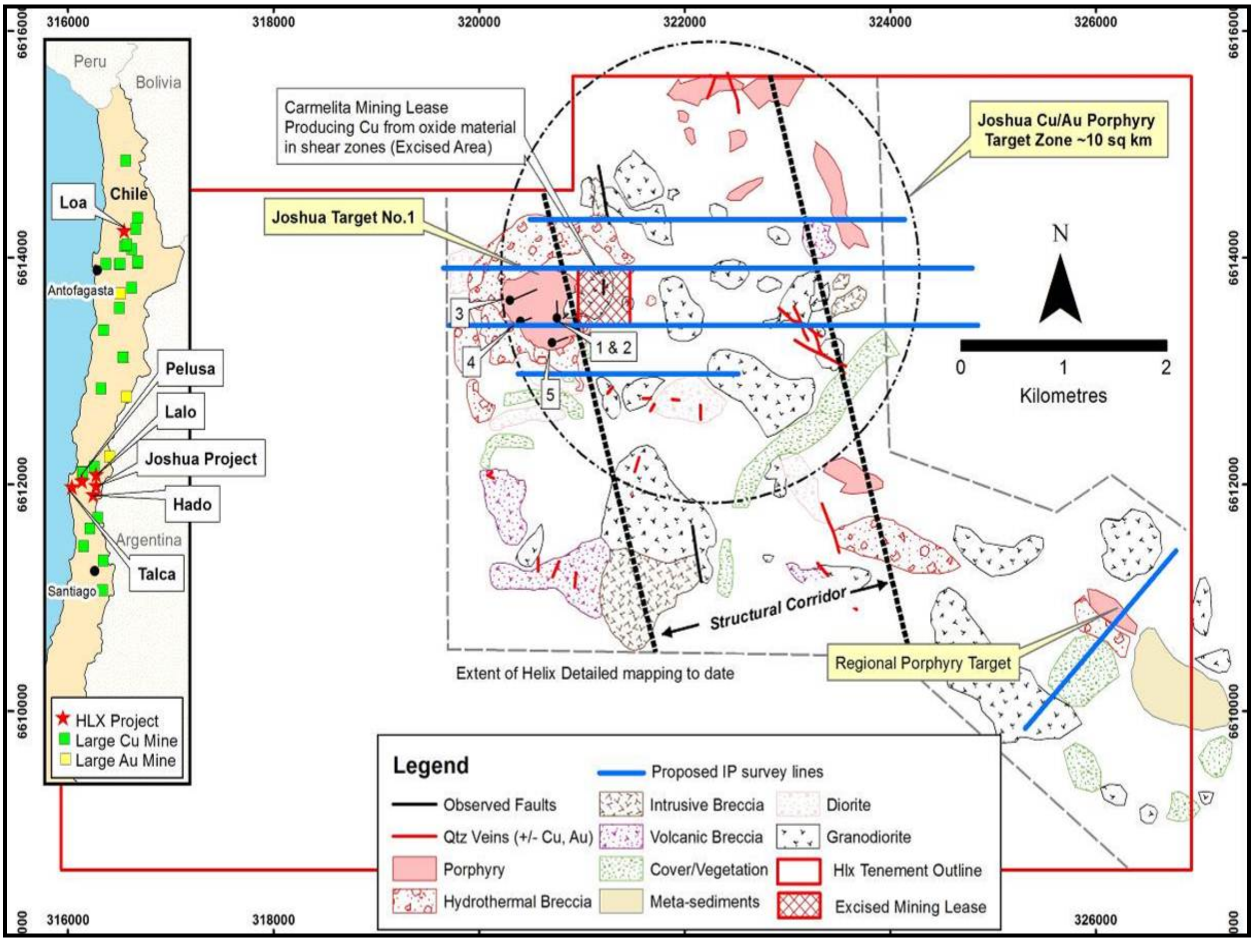

Figure 4 : Joshua Project location and geological map

Talca Gold Project

- 100% owned exploration concession adjacent and along strike to local gold mining operations covering 97km^2 of gold prospective ground within the mining district of Punta De Talca (Region IV). The district has been only ever been artisanally mined, producing +800,000 oz gold since colonial times.
- Opportunity to use modern exploration methods and drilling to assess scope for larger scale developments based on known gold exploited from high-grade quartz tension veins [average >5-10g/t Au] bounded by parallel NW trending shears, traceable for 5-10km along strike.
- Initial geochemistry and mapping has confirmed regional prospectivity with rock chips up to 15.2g/t Au.
- Detailed ground magnetic survey completed to assist with defining structural targets to drill, with trenching expected to assist in defining targets in 4Q11.

Pelusa Gold Project

- 100% owned exploration concessions 15-25km NW of Talca Project
- Area has same geological and structural setting to Talca and has artisanal mining along strike.
- Adds regional upside, if potential for larger tonnage deposits in the Talca goldfield are defined.

Loa Project

- 100% owned exploration concession targeting Cu porphyry systems. Licence 23km^2 situated ~40km west of the Chucquicamata Copper Mine and 40km along strike north of Spence Copper Mine in Region II. The exploration concessions, covering an area with variable shallow cover, were targeted for the possible interaction of major N-S lineaments with secondary NW and NE structures, crucial elements for porphyry emplacement in this region. The project is abutted by BHP, Vale and several local mid-cap mining companies.
- Helix has been in ongoing discussions to source available geophysical platforms to undertake a detailed airborne aeromagnetic survey and an IP survey on the Project to define drill targets

Drilling at Joshua Project, Chile

OLARY PROJECT – SA

Helix Resources Ltd 100% EL4022; EL3956

<u>Summary</u>

- Results from 1st regional 11 hole RC drill program (1500m) testing the magnetite rich Braemar Iron Formation provides confidence a large iron ore system is present
- Better drill results include:
    - 124m @ 31.2% Fe from Surface to EOH in OLRC004
    - 140m @ 29.8% Fe from 4m in OLRC005
- Potential access to the Broken Hill-Port Pirie railway network that transects the Helix tenements

<u>Background</u>

The Olary Region is an emerging iron ore province in the ENE of South Australia. A number of companies have reported encouraging drilling results from various prospects scattered in a belt south of the Barrier Highway from the township of Yunta to the New South Wales border and beyond (refer Figure 5). The iron occurrences are all associated with the folded and deformed Braemar Iron Formation.

Helix has a strategic tenement holding in the area with significant exploration potential and direct access to infrastructure (Rail & Highway) in a region that is being considered as a new frontier for the development of magnetite iron ore.

Helix is in the process of carrying out a series of metallurgical and petrological studies to gain a better understanding of the mineral attributes, possible recoveries and characteristics of the iron ore intersected as well as using the results from the drilling to model the detailed aeromagnetics and determine priority drill targets on the project.

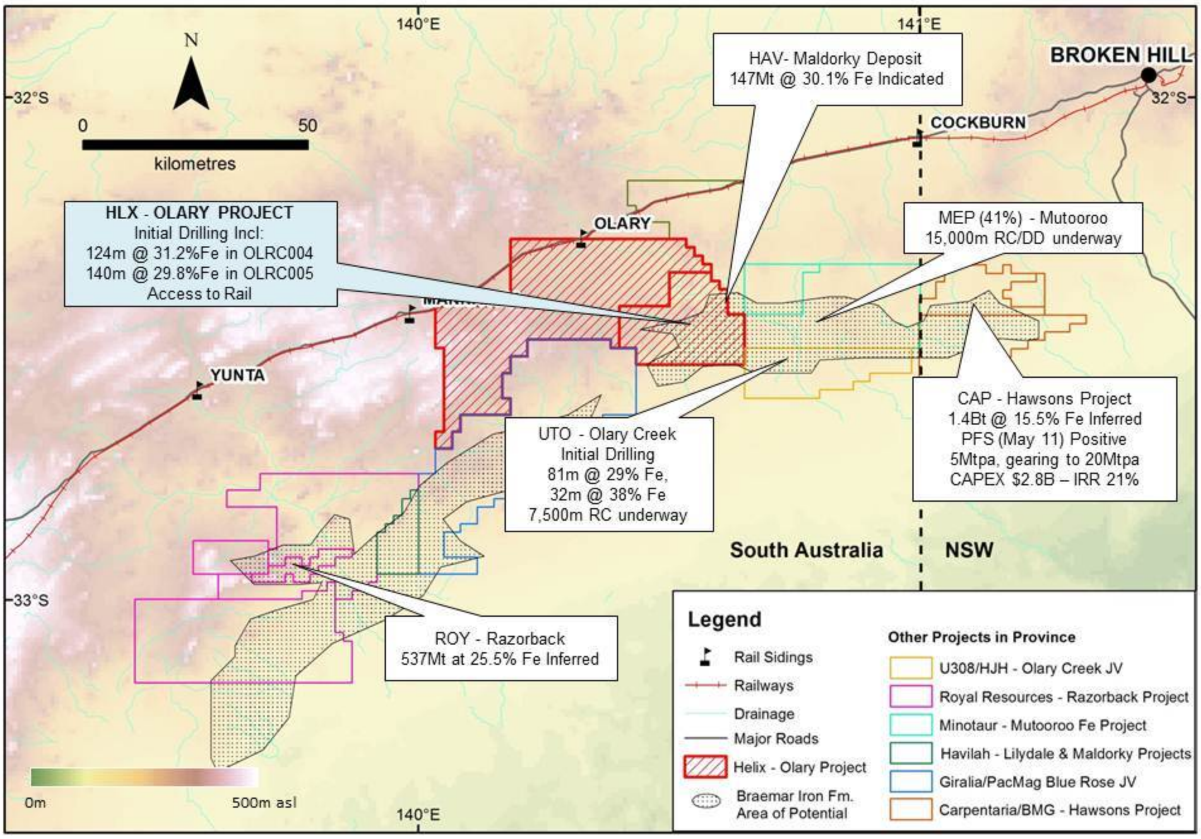

Figure 5: Olary Project location map with other Projects in the region

Table 1: Olary Drilling information- Significant XRF Iron results from RC drilling (>4m @ 20%Fe)

HOLE ID	EAST (MGA-Zn54)	NORTH (MGA-Zn54)	RL(m)	AZI (grid)	DIP	HOLE DEPTH(m)	Depth From	RESULT	COMMENTS
OLRC001	462500	6412370	248	20	-60	120	64m	12m @ 33.2% Fe	
						and	96m	12m @ 33.2% Fe	
OLRC002	464000	6414000	231	0	-90	120	12m	8m @ 20.8% Fe	
						and	104m	16m @ 41.6% Fe	to End of Hole
OLRC003	463720	6413490	248	180	-60	150	52m	36m @ 33.2% Fe	
OLRC004	463365	6414230	247.5	0	-90	124	0m	124m @ 31.2% Fe	to End of Hole
OLRC005	463152	6414373	256	180	-60	150	4m	140m @ 29.8% Fe	
OLRC006	462880	6413800	247	350	-60	120	84m	24m @ 34.7% Fe	
OLRC007	460205	6415765	255.5	210	-60	150	108m	20m @ 34.8% Fe	
OLRC008	461765	6414995	275.5	210	-60	150	-	NSR	Target not reached
OLRC009	460170	6414420	254	185	-60	150	0m	20m @ 30.3% Fe	
						and	56m	60m @ 23.4% Fe	
						Incl.	88m	24m @ 31.8% Fe	
OLRC010	460950	6414290	249	0	-60	150	68m	12m @ 31.5% Fe	
						and	104m	48m @26.0% Fe	to End of Hole
						Incl.	116m	20m @ 31.2% Fe	
OLRC011	461400	6414000	256.5	0	-60	150	16m	20m @ 20.6% Fe	
						and	120	12m @ 35.0% Fe	
					Total Drilled	**1,534m**			

Assays are 4m Spear samples, Samples were sent to Ultratrace Perth for crushing, splitting and fusion XRF analysis, reporting Fe as a percentage. Intercepts are reported from 4m composites with grades >15% Fe, no internal dilution to give total intercept results of >20% Fe.

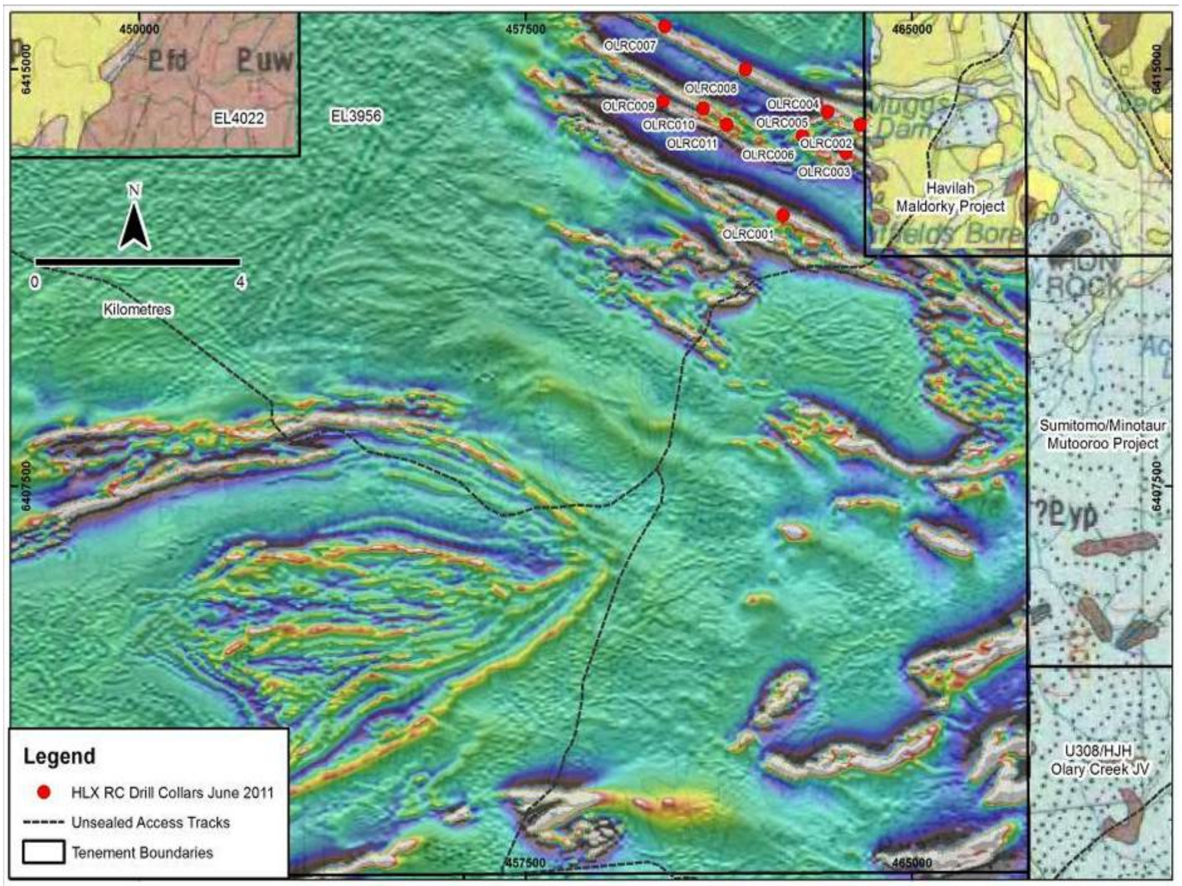

Figure 6: Location of Maiden 11 hole RC Program on detailed first vertical derivative magnetics - magnetic highs represent Braemar Formation targets for future drill testing

YALLEEN IRON ORE JOINT VENTURE – WESTERN AUSTRALIA

Helix Resources Limited (30%), API (AMCI/Aquila) (70%) iron ore rights E47/1169-1171
Helix Resources Limited 100% other minerals

<u>Summary</u>

- JORC Resource based on drilling during 2007/8 currently stands at 84.3Mt @ 57.2% Fe Channel Iron *(refer to appended resources table)*
- Helix prepared Scoping Study in August 2010 reported technical and financial viability for Yalleen Iron Ore Project [refer 17 August 2010 ASX release detailing assumptions and Disclaimer]
- Scoping study indicated nearby potential infrastructure solutions for transporting Yalleen sourced product to port.
- API provided 1Q11 certain information regarding development options but not in a Scoping Study format. Whilst Helix awaits further information from API to determine the impact on their Scoping Study released August 2010, preliminary comments emerging from the API studies include:-
    - A conceptual level mine plan at 8Mtpa ore production rate indicates a potential recoverable resource of 61Mt at an ore strip ratio of 2.65:1
    - A potential product specification comparable to the API's West Pilbara Fines target grades
    - Yalleen ore has the potential to be beneficiated by washing to reduce impurities and improve grade
    - Preferred ore transport options: private heavy haul road [capable of handling 510T trucks] or light rail option to API Stage 1 rail link 75kms W or heavy haul rail to Robe River rail link 12 kms N
- Recent Fe price modeling by API, together with other Pilbara studies in the marketplace, has led Helix to use a LOM average 'real' price of $79/t
- Infrastructure access charge discussions have commenced

Helix awaits release of the WPIOP Stage 1 DFS together with Project Development Approval and Funding updates to determine the impact on the Yalleen JV.

LAKE EVERARD (INCL. TUNKILLIA) PROJECT – SOUTH AUSTRALIA

Helix Resources Limited 46%, Minotaur Exploration Limited 54%
EL 3403, ELA2006/389 and EL 3335 [excluding uranium rights]

GOLD

<u>Project Summary</u>

- Resource inventory of 803,000oz Au and 1,658,000oz Ag (*Refer appended resource table);
- Minotaur continues to sole fund their proposed work programs whilst Helix dilute. Minotaur has to sole fund a further $10M from their initial 51% equity position to dilute Helix to ±24%;

<u>Background</u>

Helix discovered the deposit 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 km² 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.

Since the Project became the subject of an Earn-In & Joint Venture in 2005, Minotaur have spent +$6M carrying out additional drilling at Area 223 and several exploration campaigns using geophysics, geochemistry and drilling. In August 2009, Minotaur released an updated combined measured, indicated and inferred estimate inventory of 803,000oz Au and 1,658,000oz Ag within the Area 223 deposit.

Minotaur advise they continue to complete regional drilling and further geotechnical, structural and metallurgical testing together with economic studies on the Project.

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.

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.

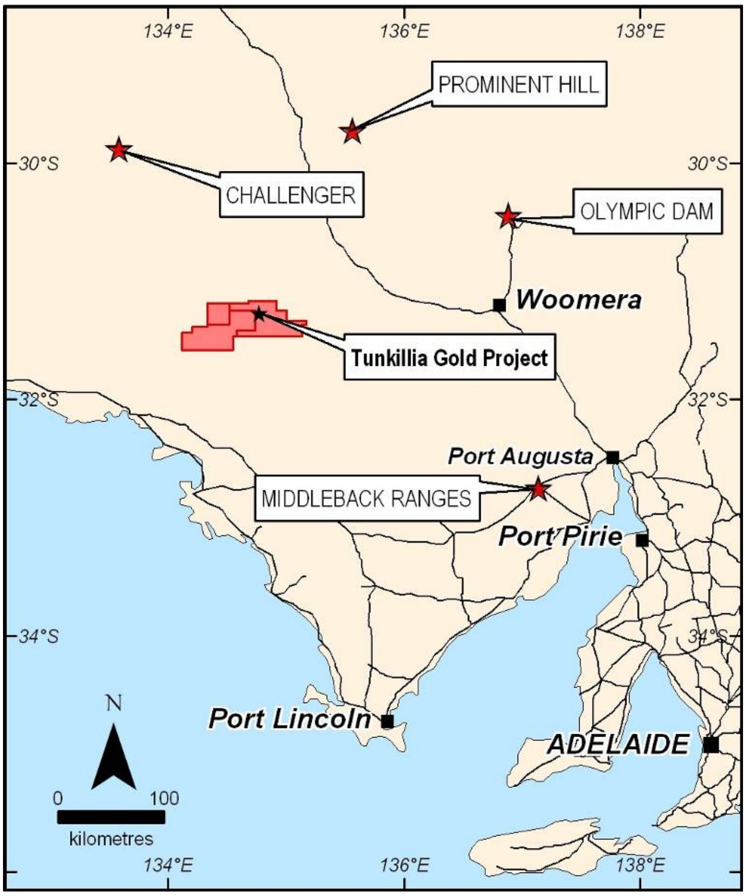

Figure 7: Location of Tunkillia Gold Project

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.

* Note: The term Exploration Target should not be misinterpreted as an estimate of Mineral Resources or Ore Reserves. Whilst the company remains optimistic that it 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 is insufficient drilling or analysis to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Helix Project Locations

Resources

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

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

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

Joint venture with Straits Resources

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

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

Gold	Inferred	Restdown JV, NSW	70% (Managing)	2.6Mt @ 1.2g/t Au for 100,000oz gold (at 0.3g/t Au Cut-off)

Joint Venture with Glencore AG

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

<u>Competent Persons Statements</u>

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M Wilson who is a full time employee of Helix Resources Limited and a Member of The Australasian Institute of Mining and Metallurgy. Mr M Wilson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr M Wilson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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 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 ISO 31000:2009. The company engages an insurance broking 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.

Helix Management and Chile staff, Chile, August 2011

DIRECTORS' REPORT

In respect of the financial year ended 30 June 2011, 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 thirteen 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, FAIG
Non-Executive Director - Appointed 18 July 2006

Mr Dunbar is a consulting geologist with 40 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	Adelaide Resources Limited	18 April 2005 – current
	Gascoyne Resources Limited	5 October 2009 – current
	Centrex Metals Limited	1 March 2011 – current
Gordon Dunbar	Gascoyne Resources Limited	5 October 2009 – current
	Rubianna Resources Limited	13 September 2011 - current

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 $708,373 (2010: $6,885,378).

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 entity's activities are contained in releases to the ASX on a quarterly basis, discussed in a separate section of this Annual Report as well as on our website at www.helix.net.au.

The Company's strategy continues to focus on prospective gold and copper regions and utilising our corporate and geological expertise to create and extract value for the benefit of our shareholders.

<u>Mineral Asset Project Highlights include</u>:-

<u>Gold</u>

<u>Restdown Gold Project - NSW - [Helix 70%; Isokind Pty Ltd 30%]</u>
- 1st pass drilling 4Q10 provided 'significant' Au intercepts leading to a 6,000m RC program being completed 2Q11 and a maiden Resource of 2.6Mt @ 1.2g/t Au for 100,000 oz gold.
- Preliminary assessment of economic and technical viability factors has commenced, with additional RC drilling planned 2H11 to increase the Resource, subject to approvals and drill rig availability, as well as test regional targets in the identified 9km by 20km zone of interest.

<u>Muriel Tank Project - NSW- [Helix 70%; Isokind Pty Ltd 30%]</u>
- Rockchip samples to 33 g/t Au and aeromagnetic survey results confirm extensive drill targets and prospectivity. RC drilling scheduled for 2H11 subject to approvals and drill rig availability.

<u>Non-Managed JV - Tunkillia Gold Project - SA</u>
- JV participant and manager Minotaur Exploration continue to fund expenditure whilst Helix dilute from their 46% interest. The project has an existing Resource at Area 223 – comprising a total of 800,000oz Au and 1,600,000oz Ag; and numerous exploration targets to increase the regional size of the Resource.

<u>Copper</u>

<u>Joshua Copper Project - Chile</u>
- Initial 1200m RC drilling program at the priority 1 target confirms copper mineralisation prospectivity. Results including 243m @ 0.25% Cu +0.1g/t Au and 157m @ 0.2% Cu +0.1g/t Au confirm the potential for an Exploration Target* of +400Mt at this prospect
- IP and ground magnetic survey completed and interpretation underway, with diamond drill program scheduled for 4Q11 subject to approvals and drill rig availability.

<u>Canbelego Copper Project- NSW - [Helix 51% and earning 70%; Straits Resources 49% diluting]</u>
- Initial Inferred Resource of 1.5Mt @ 1.2% Cu established 3Q10 and regional geochemical work and drilling to identify additional resources continues during 2H11.

<u>Iron Ore</u>

<u>Non Managed JV - Yalleen Project - WA [API (Aquila/AMCI) 70% / Helix 30%]</u>
- Resource estimate of 84.3 Mt @ 57.2% Fe for Kumina Creek and Robe Exit
- Helix prepared Scoping study August 2010 confirmed technical and economic viability
- API development study work continues

<u>Olary Magnetite Project – SA</u>
- RC drill program confirms potential for a large scale Fe system as evidenced by drilling results including 140m @ 29.8% Fe and 124m @ 31.2% Fe.

Corporate
The Group reported a loss of $708,373 during the year after impairment of $127,805 of carried forward exploration costs.

A placement at $0.11 occurred in November 2010 to raise $2.3M before costs, with an additional $2.7M raised in May 2011 via the exercise of 54M options at $0.0508 which were originally issued to shareholders at $0.015 in 2H09.

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 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 on 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 [AUDITED]

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 identical in their contents and only differ in remuneration levels. They have durations of twenty four months currently expiring June 2013 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 against a number of qualitative and quantitative factors.

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 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) 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			
2011	Salary & Fees $	Perfor-mance Based Payment* $	Non Monetary $	Super-annuation $	Pre-scribed Benefits $	Other Retire-ment Benefits $	Options $	% of Remu-neration %	Other Benefits $	Total $
Key Management Personnel										
G J Wheeler	297,592	73,395	-	33,388	-	-	-	-	-	404,375
M H Wilson	247,300**	50,459	-	22,921	-	-	-	-	-	320,680
J den Dryver	40,000	-	-	-	-	-	-	-	-	40,000
G Dunbar	40,000	-	-	-	-	-	-	-	-	40,000
J McNamara	79,117	11,010	-	8,111	-	-	-	-	-	98,238
Total Key Management Personnel	704,009	134,864*	-	64,420	-	-	-	-	-	903,293

*The bonus paid in April 2011 was to recognise the voluntary reduction by staff in salaries by ±25% during 2009/10 and ±15% during 2010/11 to recognise the GFC and to conserve cash.

**During 2011 the Long Service Leave entitlement of MH Wilson was paid out [$48,000]

Field Mapping at Muriel Tank, NSW

2010	Primary			Post Employment			Equity			
	Salary & Fees $	Perfor-mance Based Payment $	Non Monetary $	Super-annuation $	Pre-scribed Benefits $	Other Retire-ment Benefits $	Options $	% of Remu-neration %	Other Benefits $	Total $
Key Management Personnel										
G J Wheeler	262,040	-	-	23,584	-	-	-		-	285,624
M H Wilson	169,324	-	-	15,239	-	-	-		-	184,563
J den Dryver	40,000	-	-	-	-	-	-		-	40,000
G Dunbar	40,000	-	-	-	-	-	-		-	40,000
J McNamara	50,330	-	-	4,529	-	-	-		-	54,859
Total Key Management Personnel	561,694	-	-	43,352	-	-	-		-	605,046

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 15,500,000 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	8,000,000	Helix Resources Limited	$0.525	31.10.2011	8,000,000
M H Wilson	5,000,000	Helix Resources Limited	$0.525	31.10.2011	5,000,000
J den Dryver	1,000,000	Helix Resources Limited	$0.525	31.10.2011	1,000,000
G Dunbar	1,000,000	Helix Resources Limited	$0.525	31.10.2011	1,000,000
J McNamara	500,000	Helix Resources Limited	$0.525	31.10.2011	500,000
Total	15,500,000				15,500,000

DIRECTORS' SHARE AND OPTION HOLDINGS

Director	*Fully Paid Ordinary Shares	*Staff Options
G J Wheeler	16,873,259	8,000,000
M H Wilson	2,349,700	5,000,000
J den Dryver	600,000	1,000,000
G Dunbar	1,050,000	1,000,000

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

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	3	3	1	1	2	2
M H Wilson	3	3	1	1	2	2
J den Dryver	3	3	1	1	2	2
G Dunbar	3	3	1	1	2	2

NON-AUDIT SERVICES

The auditors did not provide any non-audit services during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 24 of the financial report.

Dated at Perth this 15th day of September 2011.

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

Competent Persons Statements

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

* Note: Exploration Target should not be misinterpreted as an estimate of Mineral Resources or Ore Reserves. Whilst the company remains optimistic that it 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 is insufficient drilling or analysis to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource

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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 2011, 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

GRANT THORNTON AUDIT PTY
LTD Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 15 September 2011

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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'), which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report 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.

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 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 are free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101
Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 whether the financial report is free from material misstatement.

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 Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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.

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 have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

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

- i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 20 to 21 of the directors' report for the year ended 30 June 2011. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Helix Resources Limited for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD Chartered Accountants

C A Becker
Director - Audit & Assurance

Perth, 15 September 2011

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 29 to 54 are in accordance with the Corporations Act 2001 and:-
    a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the group; and
    c. complies with International Financial Reporting Standards as disclosed in Note 1.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:-
    a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;
3. 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;

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Greg J Wheeler
Executive Chairman

Signed at Perth this 15th day of September 2011.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	CONSOLIDATED 2011	2010
		$	$
Current Assets			
Cash and Cash Equivalents	2	4,284,040	3,577,835
Trade and Other Receivables	3	160,969	137,946
Other Financial Assets	4	3,600	57,860
Total Current Assets		4,448,609	3,773,641
Non-Current Assets			
Property, Plant & Equipment	6	94,225	99,856
Exploration and Evaluation	7	9,747,315	6,149,147
Other Financial Assets	5	1,064,000	426,000
Total Non-Current Assets		10,905,540	6,675,003
Total Assets		15,354,149	10,448,644
Current Liabilities			
Trade and Other Payables	8	343,842	135,035
Short Term Provisions	9	107,119	122,541
Total Current Liabilities		450,961	257,576
Non- Current Liabilities			
Other Long Term Provisions	9	65,845	24,469
Total Non-Current Liabilities		65,845	24,469
Total Liabilities		516,806	282,045
Net Assets		14,837,343	10,166,599
Equity			
Share Capital	10	59,145,439	53,571,624
Reserves	11	825,600	1,037,930
Accumulated Losses	12	(45,133,696)	(44,442,955)
Total Equity		14,837,343	10,166,599

Notes to the financial statements are included on pages 33 to 54

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	2010 $
Revenue from Continuing Operations	13	353,478	431,802
Employment Costs		(536,692)	(306,714)
Audit and Accountancy		(31,848)	(32,005)
Corporate Marketing		(45,046)	(9,732)
Directors' Fees		(80,000)	(80,000)
Depreciation	14	(35,381)	(51,298)
Impairment of Exploration and Evaluation Assets	7	(127,805)	(5,818,552)
I T Costs		(41,111)	(20,270)
Overhead Allocation to Exploration		131,119	112,013
Premises Costs		(164,901)	(143,811)
Professional Services		(6,790)	(2,251)
Travel expenses		(18,171)	(4,232)
Profit on Disposal of Fixed Assets		-	16,816
Revaluation of Shares in Listed Companies		240	49,440
Loss on Distribution of Capital at Fair Value		-	(900,000)
Other General and Admin expenses		(105,465)	(126,584)
Loss before income tax		(708,373)	(6,885,378)
Income tax expense	19	-	-
Loss for the year		(708,373)	(6,885,378)
Other Comprehensive Income			
Fair value movements on available for sale financial assets		588,000	176,000
Income tax relating to comprehensive income			-
Other comprehensive income, after tax		588,000	176,000
Total Comprehensive Loss attributable to members of Helix Resources Limited		(120,373)	(6,709,378)
Earnings Per Share			
Basic (cents per share)	21	(0.48)	(5.23)
Diluted (cents per share)	21	(0.48)	(5.23)

Notes to the financial statements are included on pages 33 to 54

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	2010 $
Cash Flow From Operating Activities			
Payments to suppliers and employees		(687,691)	(622,763)
Interest received		203,924	204,460
Other receipts		165,017	301,028
Net cash used in operating activities	2(b)	(318,750)	(117,275)
Cash Flow From Investing Activities			
Payments for capitalised exploration & evaluation expenditure		(3,746,492)	(1,347,962)
Payment for property, plant & equipment		(29,751)	(55,619)
Proceeds from sale of property, plant & equipment		-	32,000
Proceeds / (Payment) for investments		60,081	(100,000)
(Payments) / Proceeds from security deposits		(50,000)	(50,000)
Net cash used in investing activities		(3,766,162)	(1,521,581)
Cash Flow From Financing Activities			
Proceeds from issue of shares and options		4,927,737	858,277
Share issue costs paid		(136,620)	(2,159)
Net cash provided by / (used in) financing activities		4,791,117	856,118
Net increase / (decrease) in cash and cash equivalents held		706,205	(782,738)
Cash and cash equivalents at beginning of financial year		3,577,835	4,360,573
Cash and cash equivalents at End of Financial Year	2(a)	4,284,040	3,577,835

Notes to the financial statements are included on pages 33 to 54

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

CONSOLIDATED	Share Capital			
2011	Ordinary	Other Reserves	Accumulated Losses	Total
	$	$	$	$
Total equity at the beginning of the financial year	53,571,624	1,037,930	(44,442,955)	10,166,599
Shares issued during the financial year	2,277,000	-	-	2,277,000
Share Issue Costs	(136,620)	-	-	(136,620)
Exercise of options during the financial year	3,433,435	(782,698)	-	2,650,737
Expiry of options during the financial year	-	(17,632)	17,632	-
Total Comprehensive Income for the year	-	588,000	(708,373)	(120,373)
Total equity at the end of the financial year	59,145,439	825,600	(45,133,696)	14,837,343

CONSOLIDATED	Share Capital			
2010	Ordinary	Other Reserves	Accumulated Losses	Total
	$	$	$	$
Total equity at the beginning of the financial year	55,815,856	61,600	(37,557,577)	18,319,879
Shares issued during the financial year	48,290	-	-	48,290
Options issued during the financial year	-	800,330	-	800,330
Share Issue Costs	(2,160)	-	-	(2,160)
Exercise of options during the financial year	9,658	-	-	9,658
Capital Distribution via Distribution in-specie	(2,300,020)	-	-	(2,300,020)
Total Comprehensive Income for the year	-	176,000	(6,885,378)	(6,709,378)
Total equity at the end of the financial year	53,571,624	1,037,930	(44,442,955)	10,166,599

Drilling at Canbelego October 2010

Notes to the financial statements are included on pages 33 to 54

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011

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 financial statements for Helix Resources Limited as the Consolidated Entity (Group) consisting of Helix Resources Limited and its subsidiaries.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Accounting policies

Material 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 incorporate the assets, liabilities and results of entities controlled by Helix Resources Limited at the end of the reporting period. A controlled entity is any entity over which Helix Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 4 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

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 Statement of Cash Flows, 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) Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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) 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 reporting 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 reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

(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 reporting 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 statement of comprehensive income 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 statement of comprehensive income 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 reporting 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 statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

h) 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 reporting 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.

i) 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.

j) 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.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument and is net of GST.

k) 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.

l) Receivables

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

m) 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 statement of cash flows 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.

n) Impairment of Non-financial Assets

Non-financial 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).

o) 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 reporting 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 reporting 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.

p) Critical Accounting Estimates and Other Accounting Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group is of the view that there are no critical accounting estimates and judgements in this financial report, other than accounting estimates and judgements in relation to the carrying value of mineral exploration expenditure.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $9.747m.

q) 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 statement of comprehensive income 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.

r) Adoption of New and Revised Accounting Standards

AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

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

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

Hado Project field visit, Chile 2011

2. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

For the purposes of the statement of cash flows and statement of financial position, 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 statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	CONSOLIDATED	
	2011 $	2010 $
Cash at Bank	10,399	21,960
Cash at Bank – Chile	139,581	-
Cash on deposit	4,134,060	3,555,875
Total Cash	4,284,040	3,577,835

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

	CONSOLIDATED	
	2011 $	2010 $
Loss after income tax	(708,373)	(6,885,378)
Non-cash flows in Loss		
Depreciation	35,381	51,298
Impairment of Exploration and evaluation	127,805	5,818,552
(Gain) / Loss on sale of investments	14,940	(5,272)
Gain on revaluation of investments	(240)	(49,440)
Gain on disposal of property, plant and equipment	-	(16,816)
Loss on capital distribution	-	900,000
Changes in Net Assets and Liabilities		
(Increase)/Decrease in Assets		
(Increase)/decrease in trade and other receivables	(23,023)	20,950
Increase/(Decrease) in Liabilities		
Increase in trade and other payables	208,807	5,365
Increase in provisions	25,953	43,466
Net Cash used in Operations	(318,750)	(117,275)

c) Non-cash Transactions

Nil.

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2011 $	2010 $
Prepayments - Insurances	26,406	26,145
Other	134,563	111,801
Total Current Receivables	160,969	137,946

4. OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	2011	2010
	$	$
Current:		
Held for trading financial assets:		
Shares in listed corporations – at fair value through profit or loss	3,600	57,860
Total Current Financial Assets	3,600	57,860

4(a) Shares in subsidiaries

Name	Country of Incorporation	Percentage Held	Percentage Held
		2011	2010
Olary Magnetite Pty Ltd	Australia	100%	-
Oxley Exploration Pty Ltd	Australia	100%	100%
Leichhardt Resources (QLD) Pty Ltd	Australia	100%	100%
Helix Resources (Overseas) Pty Ltd	Australia	100%	100%
Helix Resources Chile Limitada	Chile	100%	100%

5. OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	2011	2010
	$	$
Non-Current		
Security Deposits	200,000	150,000
Available for Sale Financial Assets:		
Shares in Listed Companies	864,000	276,000
Total Other Assets – Non-Current	1,064,000	426,000

Muriel Tank Battery, February 2011

6. PROPERTY, PLANT AND EQUIPMENT

2011	CONSOLIDATED Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 30 June 2010	168,798	164,721	333,519
Additions	20,387	9,363	29,750
Disposals	(65,232)	-	(65,232)
Balance at 30 June 2011	123,953	174,084	298,037
Accumulated Depreciation			
Balance at 30 June 2010	149,629	84,034	233,663
Disposals	(65,232)	-	(65,232)
Depreciation	13,576	21,805	35,381
Balance at 30 June 2011	97,973	105,839	203,812
Net Book Value			
30 June 2010	19,169	80,687	99,856
30 June 2011	25,980	68,245	94,225

2010	CONSOLIDATED Plant & Equipment $	Motor Vehicles $	Total $
Gross Carrying Amount			
Balance at 30 June 2009	165,411	171,520	336,931
Additions	3,387	52,232	55,619
Disposals	-	(59,031)	(59,031)
Balance at 30 June 2010	168,798	164,721	333,519
Accumulated Depreciation			
Balance at 30 June 2009	129,440	96,773	226,213
Disposals	-	(43,847)	(43,847)
Depreciation	20,189	31,108	51,297
Balance at 30 June 2010	149,629	84,034	233,663
Net Book Value			
30 June 2009	35,971	74,747	110,718
30 June 2010	19,169	80,687	99,856

7. EXPLORATION AND EVALUATION EXPENDITURE (NON-CURRENT)

	CONSOLIDATED	
	2011	2010
	$	$
Balance at beginning of the financial year	6,149,147	13,815,868
Expenditure incurred during the year	3,725,973	1,351,831
Sale of Glenburgh Tenements	-	(3,200,000)
Impairment losses	(127,805)	(5,818,552)
Balance at the end of the financial year	9,747,315	6,149,147

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	
	2011 $	2010 $
8. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables	343,842	135,035
9. PROVISIONS		
Current		
Employee Benefits	107,119	122,541
Balance at end of financial year	107,119	122,541
Non -Current		
Employee Benefits	65,845	24,469
Balance at end of financial year	65,845	24,469
10. SHARE CAPITAL		
203,923,618 Fully Paid Ordinary Shares (2010: 131,943,746)	59,145,439	53,571,624
Balance at end of financial year	59,145,439	53,571,624

	2011		2010	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	131,943,746	53,571,624	131,299,886	55,815,856
Captial Distribution via Distribution In - specie	-	-	-	(2,300,020)
Share Issue Costs	-	(136,620)	-	(2,160)
Exercise of Options to Fully Paid Shares @ $0.075	-	-	643,860	57,948
Exercise of Options to Fully Paid Shares @ $0.05*	52,179,872	3,433,435	-	-
Share Placement	19,800,000	2,277,000	-	-
Balance at end of financial year	203,923,618	59,145,439	131,943,746	53,571,624

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.

* Non-renounceable rights issue at $0.015 per option, exercisable at $0.05 before 31 May 2011

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

17,600,000 employee options were issued in October 2008 following approval at the 2008 AGM. The options were valued under Black and Scholes at 0.35 cents each ($61,600) and were in substitute of a cash bonus.

Value at Grant Date [also Issuance Date] of 10th October 2008

A Black & Scholes calculation [www.blobek.com] of the notional value of the Incentive Options is outlined below based on the following assumptions:

a. the Incentive Options expire on 31 October 2011 and are exercisable at $0.55 each;
b. a current price per Share of $0.08;
c. a volatility factor of 70%;
d. an interest rate of 5.38%;
e. a discount factor of 50% has been applied due to the lack of marketability of the Incentive Options;
f. the valuations ascribed to the Incentive Options may not necessarily represent the market price of the Incentive Options at the date of the valuation; and
g. the valuation date for the Incentive Options was 10th October 2008.

Applying the 50% discount factor as described in (e) above, the value for each Incentive Option is therefore $0.0035 at 10th October 2008, the date of issuance.

There were 17,600,000 employee options outstanding at 30 June 2011.

11. OTHER RESERVES

	2011		2010	
	No.	$	No.	$
Listed Options				
Balance at beginning of financial year	53,355,308	800,330	-	-
Options expired during financial year	(1,175,436)	(17,632)	-	-
Options issued during financial year *	-	-	53,999,168	809,988
Exercise of Options to Fully Paid Shares	(52,179,872)	(782,698)	(643,860)	(9,658)
Balance at end of financial year	-	-	53,355,308	800,330

	2011		2010	
	No.	$	No.	$
Employee Incentive Options				
Balance at beginning of financial year	17,600,000	61,600	17,600,000	61,600
Issue of Employee Incentive Options	-	-	-	-
Exercise of Employees Incentive Options	-	-	-	-
Expiry of Terminated Employee Incentive Options	-	-	-	-
Balance at end of financial year	17,600,000	61,600	17,600,000	61,600

The Options Reserve records items recognised as expenses on valuation of employee incentive options.

	CONSOLIDATED	
	2011 $	2010 $
Financial Assets Reserve		
Balance at beginning of financial year	176,000	-
Fair Value of Gascoyne Resources shares	588,000	176,000
Balance at end of financial year	764,000	176,000

The financial asset reserve records revaluation of financial assets.

12. ACCUMULATED LOSSES

Balance at beginning of financial year	(44,442,955)	(37,557,577)
Net Loss attributable to members of the parent entity	(708,373)	(6,885,378)
Expiry of Listed Options	17,632	-
Balance at end of financial year	45,133,696	(44,442,955)

13. REVENUE

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

	CONSOLIDATED	
	2011 $	2010 $
Operating Activities		
Interest Revenue	203,401	174,398
Tenement Rental Reimbursements	72,775	65,818
Other	92,242	186,314
Total Operating Revenue	368,418	426,530
Non-Operating Activities		
Profit / (Loss) on sale of investments	(14,940)	5,272
Total Non – Operating Revenue	(14,940)	5,272
Total Revenues	353,478	431,802

14. LOSS FOR THE YEAR

Expenses

	CONSOLIDATED	
	2011	2010
	$	$
Depreciation of non-current assets: Property, plant and equipment	35,381	51,298
Impairment of exploration and evaluation expenditure	127,805	5,818,552
Operating lease rental expenses: Minimum lease payments	151,811	132,914
Loss for the year	708,373	6,885,378

15. COMMITMENTS

a) Operating Lease Commitments

Not later than 1 year	123,444	99,756
Later than 1 year but not later than 2 years	36,307	104,744
Later than 2 years but not later than 5 years	-	22,321
	159,751	226,821

The lease is for a 4 year term with a 2 year option to extend. As at reporting date there was a balance of 1 year and 3 months remaining on the office lease.

b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is 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 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 $66,280 (2010:$83,305) and exploration expenditure of $2,274,000 (2010: $1,250,000). JV parties are expected to fund $1,000,000 of these commitment costs.

16. KEY MANAGEMENT PERSONNELS' REMUNERATION

Please refer to disclosures contained in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2011 $	2010 $
Short term employee benefits	838,873	561,694
Post-employment benefits	64,420	43,352
Other long-term benefits	-	-
Termination benefits	-	-
Share Based payments	-	-
Total	903,293	605,046

17. EXECUTIVE SHARE OPTION PLAN

As at 30 June 2011 the Company had issued 15,500,000 share options (30 June 2010 15,500,000). 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		2011 No.	Weighted average exercise price	2010 No.	Weighted average exercise price
Balance at beginning of financial year	(i)	15,500,000	$0.525	15,500,000	$0.525
Cancelled during the financial year	(ii)	-	-	-	-
Expired during the financial year	(iii)	-	-	-	-
Granted during the financial year	(iv)	-	-	-	-
Exercised during the financial year	(v)	-	-	-	-
Balance at end of financial year	(vi)	15,500,000	$0.525	15,500,000	$0.525

(i) Balance at beginning of financial year

Options - Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 9 Oct 2008	15,500,000	15,500,000	-	9 Oct 2008	31 Oct 2011	$0.525	0.35c per option
	15,500,000	15,500,000	-				

(ii) Cancelled during the financial year

There were no options cancelled during the financial years ended 30 June 2011 and 2010.

(iii) Expired during the financial year

No options expired during the financial year ended 30 June 2011 and 2010.

(iv) Granted during the financial year

There were no options granted during the financial year ended 30 June 2011 and 2010.

(v) Exercised during the financial year

There were no executive options exercised during the financial years ended 30 June 2011 and 2010.

(vi) Balance at end of the financial year

Options Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 9 Oct 2008	15,500,000	15,500,000	-	9/10/08	31/10/11	$0.525	0.35c per option
	15,500,000	15,500,000	-				

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 (2010: $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 $nil (2010 $60,000) 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 2011 to Mr Greg Wheeler.

b) Transactions with Gascoyne Resources Limited

Helix Resources provided equipment rental, accommodation and employee services to Gascoyne Resources on normal commercial terms and conditions to the value of $90,389 (2010: $168,785). There was no outstanding balance at 30 June 2011 (2010: $6,103).

c) Key Management Personnels' Equity Holdings

Fully paid ordinary shares issued by Helix Resources Limited

2011	Balance @ 1/7/10 No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance @ 30/6/11 No.	Balance held nominally No.
Key Management Personnel						
G J Wheeler	7,248,839	-	9,624,420	-	16,873,259	-
M H Wilson	233,133	-	2,116,567	-	2,349,700	-
J den Dryver	-	-	600,000	-	600,000	-
G Dunbar	300,000	-	750,000	-	1,050,000	-
J McNamara	94,833	-	47,417	-	142,250	-
Total	7,876,805	-	13,138,404	-	21,015,209	-

2010	Balance @ 1/7/09 No.	Granted as remuneration No.	Received on exercise of options No.	Net other change No.	Balance @ 30/6/10 No.	Balance held nominally No.
Key Management Personnel						
G J Wheeler	7,248,839	-	-	-	7,248,839	-
M H Wilson	233,133	-	-	-	233,133	-
J den Dryver	-	-	-	-	-	-
G Dunbar	300,000	-	-	-	300,000	-
J McNamara	94,833	-	-	-	94,833	-
Total	7,876,805	-	-	-	7,876,805	-

Executive Share Options issued by Helix Resources Limited

2011	Bal @ 1/7/10 No.	Granted as remuneration No.	Exercised No.	Other change No.	Bal @ 30/6/11 No.	Bal vested @ 30/6/11 No.	Vested but not exerciseable No.	Vested and exercisable No.	Options vested during year No.
Key Management Personnel									
G J Wheeler	8,000,000	-	-	-	8,000,000	8,000,000	-	8,000,000	-
M H Wilson	5,000,000	-	-	-	5,000,000	5,000,000	-	5,000,000	-
J denDryver	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
G Dunbar	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
J McNamara	500,000	-	-	-	500,000	500,000	-	500,000	-
Total	15,500,000	-	-	-	15,500,000	15,500,000	-	15,500,000	-

2010	Bal @ 1/7/09	Granted as remuneration	Exercised	Other change	Bal @ 30/6/10	Bal vested @ 30/6/10	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	8,000,000	-	-	-	8,000,000	8,000,000	-	8,000,000	-
M H Wilson	5,000,000	-	-	-	5,000,000	5,000,000	-	5,000,000	-
J denDryver	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
G Dunbar	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
J McNamara	500,000	-	-	-	500,000	500,000	-	500,000	-
Total	15,500,000	-	-	-	15,500,000	15,500,000	-	15,500,000	-

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 17 to the financial statements.

Listed Share Options issued by Helix Resources Limited

2011	Bal @ 1/7/10	Granted as remuneration	Exercised	Other change	Bal @ 30/6/11	Bal vested @ 30/6/10	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	9,624,420	-	9,624,420	-	-	-	-	-	-
M H Wilson	2,116,567	-	2,116,567	-	-	-	-	-	-
J denDryver	600,000	-	600,000	-	-	-	-	-	-
G Dunbar	750,000	-	750,000	-	-	-	-	-	-
J McNamara	47,417	-	47,417	-	-	-	-	-	-
Total	13,138,404	-	13,138,404	-	-	-	-	-	-

2010	Bal @ 1/7/09	Granted as remuneration	Exercised	Other change	Bal @ 30/6/10	Bal vested @ 30/6/10	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	-	-	-	9,624,420	9,624,420	9,624,420	-	9,624,420	-
M H Wilson	-	-	-	2,116,567	2,116,567	2,116,567	-	2,116,567	-
J denDryver	-	-	-	600,000	600,000	600,000	-	600,000	-
G Dunbar	-	-	-	750,000	750,000	750,000	-	750,000	-
J McNamara	-	-	-	47,417	47,417	47,417	-	47,417	-
Total	-	-	-	13,138,404	13,138,404	13,138,404	-	13,138,404	-

19. INCOME TAX	CONSOLIDATED	
	2011	2010
	$	$
Accounting profit / (loss) before tax from continuing operations	(708,373)	(6,885,378)
Accounting profit / (loss) loss before tax from discontinuing operations	-	-
Accounting profit / (loss) before tax	(708,373)	(6,885,378)
Reconciliation of Income Tax Expense / (Benefit) to Accounting Profit / (Loss)		
Prima facie tax payable / (benefit) at Australian rate of 30% (2010 – 30%)	(201,065)	(2,065,613)
Prima facie tax payable / (benefit) at Chilean rate of 20%	(7,631)	-
Adjusted for tax effect of the following:		
- non-deductible expenses	1,637	697
- revaluation of investments	(72)	(14,832)
- taxable gain on sale of investments	10,350	1,575
- loss on capital distribution	-	270,000
- taxable gain on expiry of options	5,290	-
- capital raising costs put to equity	(28,066)	(31,380)
Current year tax losses not recognised in current period	219,557	1,839,553
Income tax expense / (benefit)	-	-
Statement of Comprehensive Income		
Current income tax charge	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	(966,643)	(2,321,276)
Current year tax losses not recognised / (recognised) in the current period	966,643	(1,839,553)
Prior year tax losses recognised in current period	-	(481,723)
Income tax expense / (benefit) reported in statement of comprehensive income	-	-
Unrecognised Deferred Tax Balances:		
Australian deferred tax asset losses	14,212,583	13,254,063
Chilean deferred tax asset losses	227,631	-
Australian deferred tax assets other	58,734	56,036
Australian deferred tax liabilities	(2,596,777)	(1,847,484)
Chilean deferred tax liabilities	(220,000)	-
Net Unrecognised deferred tax assets	11,682,171	11,462,615

20. SEGMENT INFORMATION

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

The Group is managed on the basis it is a mineral exploration company operating predominately in the geographical region of Australia, mainly in Western Australia, New South Wales and South Australia, with a developing operation in Chile which currently represents ±10% of mineral asset expenditure. The mineral assets held via outright ownership or joint venture are considered one business segment and the minerals currently being targeted include gold, copper, iron ore and other base metals. Decisions are made on a prospectivity basis, not a geographical or commodity basis.

	Australia		Chile		Total	
	2011	2010	2011	2010	2011	2010
Current Assets						
Cash	4,144,460	3,577,835	139,580	-	4,284,040	3,577,835
Non-Current Assets						
Mineral Assets	8,736,964	11,868,251	1,138,156	99,448	9,875,120	11,967,699
Impairment	(89,649)	(5,818,552)	(38,156)	-	(127,805)	(5,818,552)
Carrying Amount	8,647,315	6,049,699	1,100,000	99,448	9,747,315	6,149,147

21. EARNINGS PER SHARE

	COMPANY	
	2011	2010
	Cents Per share	Cents Per share
Basic loss per share	(0.48)	(5.23)
Diluted loss per share	(0.48)	(5.23)

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:

	2011	2010
		$
Earnings / (loss) (a)	(708,373)	(6,885,378)

	2011	2010
	No.	No.
Weighted average number of ordinary shares (b)	147,916,287	131,653,710

(a) Earnings used in the calculation of basic earnings per share is net loss after tax of $708,373 (2010: $6,885,378).

(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:

	2011	2010
	$	$
Earnings (a)	(708,373)	(6,885,378)
	12 months to 30 June 2011	12 months to 30 June 2010
	No.	No.

Weighted average number of ordinary shares and potential ordinary shares (b)	147,916,287	131,653,710

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of $708,373 (2010: $6,885,378).

(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:

	2011 No.	2010 No.
Executive options	15,000,000	15,000,000
Listed options	-	53,355,308

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	46.2% (2010: 48.32%) (Minotaur Exploration)	Gold
Yalleen	30% (2010: 30%) (API Management Pty Ltd 70% Iron Ore rights)	Iron Ore
Restdown JV	70% (2010: 0%) (Isokind Pty Ltd)	Gold
Canbelego	51% (2010: 51%) (Straits Resources)	Copper / Gold

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 as follows:

	Yalleen JV 30%	Tunkillia JV 46.2%	Restdown JV 70%	Canbelego JV 51%
Non-Current Assets				
Mineral Assets	2,623,169	3,012,234	1,414,212	530,942
Impairment	-	-	-	-
Carrying Amount	2,623,169	3,012,234	1,414,212	530,942

The recoverability of the carrying amount of the mineral assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Drill sampling at Canbelego October 2010

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
	%	$	$	$	$	$
2011						
Financial Assets						
Other Receivables (incl tenement appl.)		-	-	-	160,969	160,969
Held for trading assets		-	-	-	3,600	3,600
Cash and cash equivalent assets	5.25	2,284,040	2,000,000	-	-	4,284,040
Security deposits and deposits at financial institutions	6.03	-	200,000	-	-	200,000
Available for sale assets		-	-	-	864,000	864,000
		2,284,040	2,200,000	-	1,028,569	5,512,609
Financial Liabilities						
Trade Payables (all payable within 30 days)	-	-	-	-	343,842	343,842
		-	-	-	343,842	343,842

		Floating Interest Rate Maturity				
	Average Interest Rate	Fixed Interest Rate	Less than 1 year	More than 1 Year	Non Interest Bearing	Total
	%	$	$	$	$	$
2010						
Financial Assets						
Other Receivables (incl tenement appl.)		-	-	-	137,946	137,946
Held for trading assets		-	-	-	57,860	57,860
Cash and cash equivalent assets	5.0%	1,077,835	2,500,000	-	-	3,577,835
Security deposits and deposits at financial institutions	3.75%	-	150,000	-	-	150,000
Available for sale assets		-	-	-	276,000	276,000
		1,077,835	2,650,000	-	471,806	4,199,641
Financial Liabilities						
Trade Payables (all payable within 30 days)		-	-	-	135,035	135,035
		-	-	-	135,035	135,035

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 Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

— quoted prices in active markets for identical assets or liabilities (Level 1);

— inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

— inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2011	Level 1	Total $
Financial Assets		
Held for trading assets	3,600	3,600
Available for sale assets	864,000	864,000
	867,600	867,600

2010	Level 1	Total $
Financial Assets		
Held for trading assets	57,860	57,860
Available for sale assets	276,000	276,000
	333,860	333,860

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

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. The Board is responsible for the financial risk management.

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 2011, 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 $79,000 (2010: $79,000) and an increase in equity by $79,000 (2010: $79,000). 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 $79,000 (2010: $79,000) and a decrease in equity by $79,000 (2010: $79,000).

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.

24. EMPLOYEE BENEFITS

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

	CONSOLIDATED	
	2011	2010
	$	$
Provision for employee benefits:		
Current (Note 9)	107,119	122,541
Non-Current (Note 9)	65,845	24,469
	172,964	147,010
	No	No
Number of employees at end of financial year	9	6

25. CONTINGENT LIABILITIES

Bank Guarantees

The Company may be required to issue bank guarantees to secure tenement holdings. The Company currently has bank guarantees to the value of $87,000 (2010: $77,085).

Mineral Rent Resource Tax

In the absence of legislation on this matter the Company is unable to determine whether any liability exists.

Carbon Tax

On 10 July 2011, the Commonwealth Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan". Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation must be voted on and passed by both houses of Parliament. In addition, as the Group will not fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. Directors expect that this will not have a significant impact upon operation costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

26. REMUNERATION OF AUDITORS

	2011 $	2010 $
a) Auditor of the Parent Entity		
Auditing the financial report	23,923	21,555
	23,923	21.555

The auditor of Helix Resources Limited for the 2011 financial year is Grant Thornton Audit Pty Ltd.

Drilling at Good Friday Prospect, Restdown April 2011

27. HELIX RESOURCES LIMITED PARENT COMPANY INFORMATION

	Note	2011	2010
		$	$
Assets			
Current Assets		4,309,028	3,773,641
Non-current Assets		11,045,121	6,675,003
Total Assets		15,354,149	10,448,644
Liabilities			
Current Liabilities	8, 9	450,961	257,576
Non-current Liabilities	9	65,845	24,469
Total Liabilities		516,806	282,045
Equity			
Issued Capital		59,145,439	54,371,954
Accumulated Losses		(45,133,696)	(44,442,955)
Reserves			
Options Reserve		61,600	61,600
Financial Assets		764,000	176,000
Total Equity		14,837,343	10,166,599
Financial Performance			
Loss for the year	14	(708,373)	(6,885,378)
Other comprehensive income		588,000	176,000
Total Comprehensive Income		(120,373)	(6,709,378)

28. SUBSEQUENT EVENTS
There has not been any matter or circumstance, other than 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 on the Group in future financial years.

29. ADDITIONAL COMPANY INFORMATION
Helix Resources Limited is a listed public company, incorporated and operating in Australia.

Registered Office
Suite 7, 29 Ord Street
WEST PERTH WA 6005
Tel (08) 9321 2644

Principal Place of Business
Suite 7, 29 Ord Street
WEST PERTH WA 6005
Tel (08) 9321 2644

The financial report for Helix Resources Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on the 15 September 2011.

AS AT 14th SEPTEMBER 2011

NUMBER OF SHARES HELD

Spread of Holdings	Number of Shareholders	Number of Shares
1–1000	80	30,325
1,001–5,000	195	615,976
5,001–10,000	322	2,783,392
10,001–100,000	790	29,685,529
100,001 and over	231	170,808,396
Total	1,618	203,923,618

Number of shareholders holding less than a marketable parcel	400	1,503,076

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

	Shareholder	Number of Shares	% of Issued Capital
1	Yandal Investments	21,172,514	10.38
2	Gee Vee Pty Ltd	16,873,259	8.27
3	Rubicon Nominees Pty Ltd	13,063,829	6.41
4	Brisbane Investments Ltd	13,063,829	6.41
5	Wythenshawe Pty Ltd	5,089,102	2.50
6	BTX Pty Ltd	4,681,293	2.30
7	Blamnco Trading Pty Ltd	4,000,000	1.96
8	Berne No 132 Nominees Pty Ltd	3,702,600	1.82
9	Niddrie Holdings Pty Ltd	3,003,673	1.47
10	Penoir Pty Ltd	3,000,000	1.47
11	Technica Pty Ltd	2,784,999	1.37
12	JP Morgan Nominees Australia	2,605,661	1.28
13	MH Wilson	2,349,700	1.15
14	HJH Nominees Pty Ltd	2,040,000	1.00
15	Mr Bulent Besim	2,000,000	0.98
16	BJF Capital Pty Ltd	2,000,000	0.98
17	Loxden Pty Ltd	1,800,000	0.88
18	Aotea Minerals Ltd	1,630,000	0.80
19	Warramboo Holdings	1,364,213	0.67
20	Zero Nominees Pty Ltd	1,306,802	0.64
	Top 20 Total	107,531,474	52.74

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
Yandal Investments Pty Ltd	21,172,514	10.38
Gee Vee Pty Ltd	16,873,259	8.27
Rubicon Nominees Pty Ltd	13,063,829	6.41
Brisbane Investments Ltd	13,063,829	6.41

DIRECTORS' INTEREST IN SHARE CAPITAL

Director	Fully Paid Ordinary Shares	Staff Options
G J Wheeler	16,873,259	8,000,000
M H Wilson	2,349,700	5,000,000
J den Dryver	600,000	1,000,000
G Dunbar	1,050,000	1,000,000
Total	20,872,959	15,000,000

TENEMENT SCHEDULE

Tenement	Name	Mineral	Ownership
NSW COPPER & GOLD PROJECTS (INCL. CANBELEGO AND RESTDOWN JV's)			
EL6105	Canbelego	Copper/Gold	HLX 51% (earning 70%), Straits 49%
EL6140	Restdown	Gold/Copper	Helix 70%, Glencore 30%
EL6501	South Restdown	Copper/Gold	Helix 70%, Glencore 30%
EL6739	Muriel Tank	Gold/Copper	Helix 70%, Glencore 30%
EL7438	Quanda	Copper/Gold	HLX 100%
EL7439	Fiveways	Copper/Gold	HLX 100%
EL7482	Little Boppy	Copper/Gold	HLX 100%
EL7565	Arsenal	Copper/Gold	HLX 100%
EL7566	Tottenham	Copper/Gold	HLX 100%
EL7567	Restdown	Copper/Gold	HLX 100%
EL7619	Inverness	Copper/Gold	HLX 100%
EL7745	Koree	Copper/Gold	HXL 100%
QUEENSLAND COPPER & GOLD PROJECTS			
EPM18363	Landsborough	Copper/Gold	HLX 100%
EPM18373	Saxby 2	Copper/Gold	HLX 100%
EPM18374	Saxby 1	Copper/Gold	HLX 100%
LAKE EVERARD (INCL. TUNKILLIA)			
EL4596	Yellabinna	Gold/Uranium/Basemetals	HLX 100%, Minotaur 51% all minerals other than uranium
ELA2010/183	Lake Everard	Gold/Uranium/Basemetals	HLX 100%, Minotaur 51% all minerals other than uranium
EL4495	Lake Everard West	Gold/Uranium/Basemetals	HLX 100%, Minotaur 51% all minerals other than uranium
OLARY MAGNETITE			
EL3956	Devonborough Downs	Gold/Copper/Iron Ore	HLX 100%
EL4022	Olary	Gold/Copper/Iron Ore	HLX 100%
YALLEEN IRON ORE PROJECT			
E47/1169-I	Yalleen	Iron ore/Basemetals	HLX 100%, API Management Pty Ltd 70% iron ore rights
E47/1170-I	Yalleen	Iron ore/Basemetals	HLX 100%, API Management Pty Ltd 70% iron ore rights
E47/1171-I	Yalleen	Iron ore/Basemetals	HLX 100%, API Management Pty Ltd 70% iron ore rights

Abbreviations and Definitions used in Schedule:

EL, EPM or E — *Exploration Licence* *ELA* — *Exploration 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

Suite 7, 29 Ord Street

West Perth Western Australia 6005

PO Box 825 West Perth Western Australia 6872

Telephone: +61 8 9321 2644

Facsimile: +61 8 9321 3909

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

Level 6, 225 Clarence Street

Sydney NSW 2000

PO Box Q1736 Queen Victoria Building NSW 1230

+61 2 8096 3502

Auditor

Grant Thornton Audit Pty Ltd

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

CODE: HLX