

DRILL ASSAYS CONFIRM SIGNIFICANT GOLD SYSTEM PRESENT AT RESTDOWN PROJECT, CENTRAL NSW

SUMMARY

- A total of 59 holes ($\pm 6,000\text{m}$) of RC Drilling were completed on the Restdown Gold JV during April 2011 to test extensions and continuity of significant gold results identified in Helix's initial drilling program 4Q10 and to test several regional prospects.
- From the first 15 holes of aqua regia assays received to date (from the southern end of the Sunrise Prospect), all holes intersected mineralisation ($>0.2\text{g/t Au}$) with better results including:-
 - **42m @ 1.5g/t Au from 15m (incl. 5m @ 3.3g/t, 6m @ 3.0g/t and 7m @ 2.7g/t) in HRRC025**
 - **32m @ 1.0g/t Au from 16m (incl. 5m @ 5.4g/t) in HRRC012**
 - **17m @ 1.5g/t from 19m (incl. 4m @ 4.6g/t Au) in HRRC017**
 - **14m @ 2.0g/t Au from 40m (incl. 5m @ 4.0g/t) in HRRC018**
- The width and continuity of grade in these drilling results complement those intersected in the 4Q10 drilling program (13m @ 4.2g/t Au in HRRC006 and 18m @ 2.7g/t Au in HRRC008) giving the mineralisation a strike of +200m with results still to come from the extensions of the mineralised zone.
- Results provide confidence a maiden resource estimation can be completed at Sunrise. All zones returning $>0.1\text{g/t Au}$ are being re-sampled with a riffle splitter at 1m intervals and fire assayed with those results to form the basis for the resource model. The logging of lithology in drill cuttings suggests a good correlation between quartz vein content and higher gold grades.
- Helix, Manager of the JV, has met the \$700,000 expenditure required to earn a 70% interest in the Restdown JV tenements. A JV meeting to discuss an aggressive forward work program is scheduled for June 2011.
- Preliminary Scoping Studies have commenced to investigate development options concurrent with a High Level Environmental Impact Study

REGIONAL PROSPECTIVITY

- A detailed aeromagnetic survey (50m lined spacing) recently completed highlights a large zone of interest (9km wide by +20km long) within a regional-scale fold structure on Restdown. Broad spaced soil geochemistry has confirmed the presence of new areas of gold anomalism to the south of the known prospects and additional soil sampling over the untested extensions to the north (Including extensions into HLX's 100% owned EL7567) will be carried out and interpreted to define targets for drill testing in 3Q11.



Helix Geologist examining drill cuttings from Restdown RC drilling program.



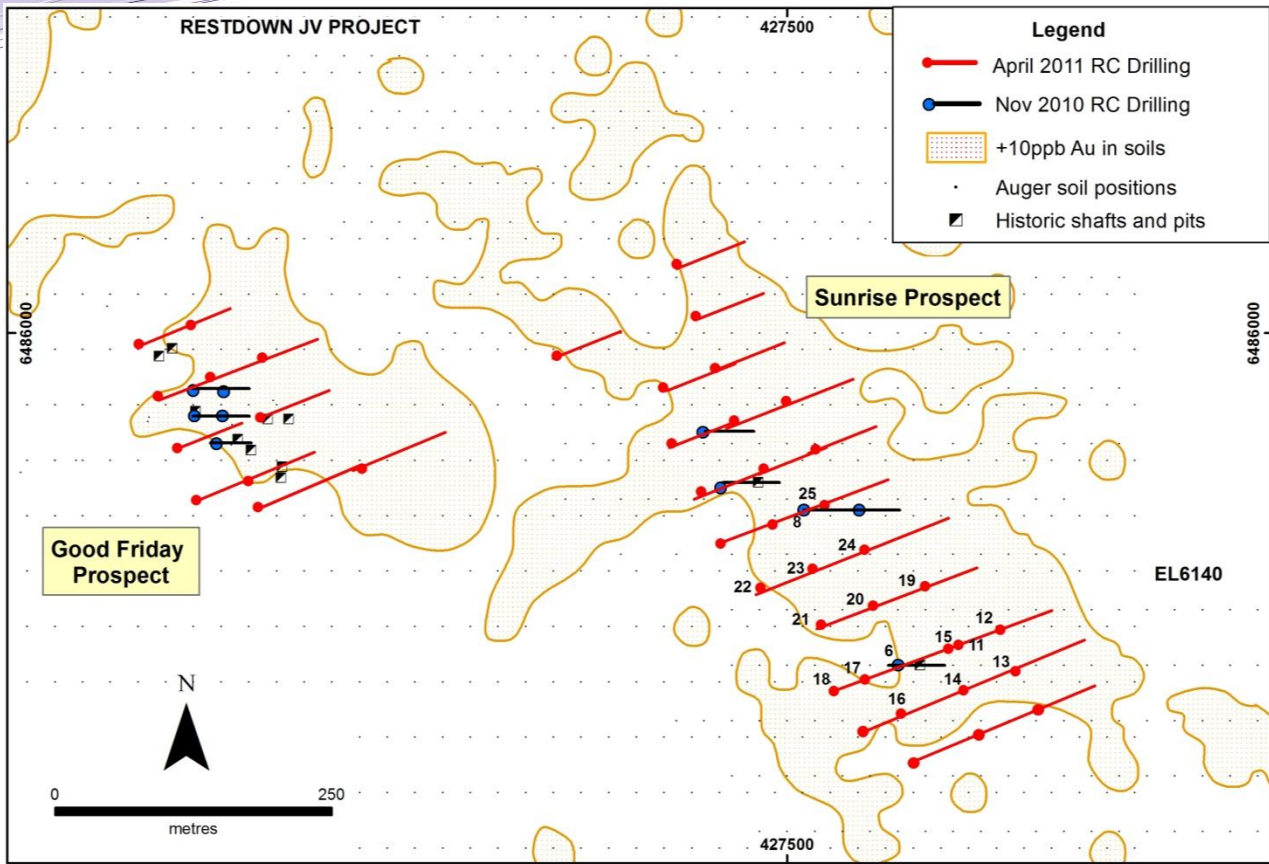


Figure 1: Location of drill holes listed in Table 1 (HRRCO prefix) at Sunrise Prospect, all holes drilled West to East to direction 070° at a dip of 60 degrees (except HRRCO11 drilled to 250° at 60 degrees dip).

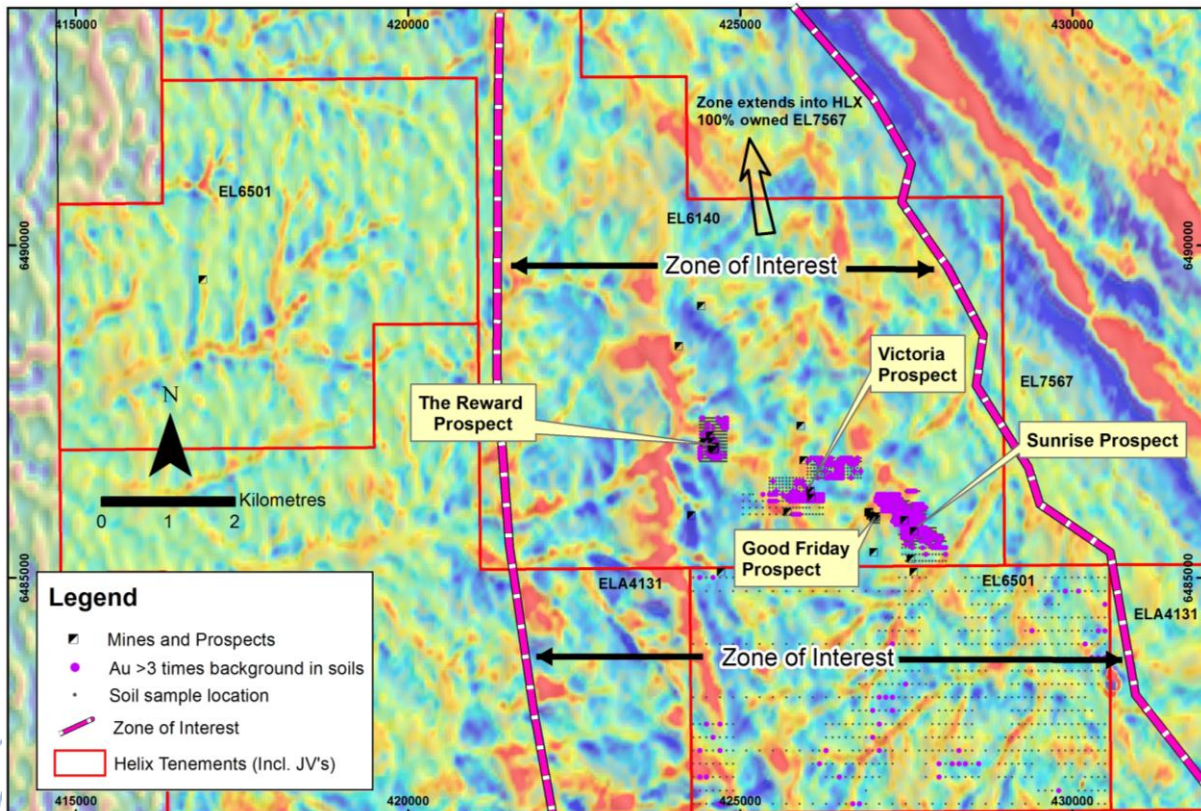


Figure 2: Zone of interest defined by regional folding, historic mining and soil sampling to date

24th May 2011**RESTDOWN JV & MURIEL TANK JV PROJECTS**

EL 6140, EL6501 & EL6739:- Helix Resources 70%; Glencore International AG 30% [subject to expenditure audit]

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

Restdown Gold Project

The Restdown Project is located approximately 20 km southwest of the historic Mt Boppy Gold Mine owned by Polymetals and 40 km to the north west is NewGold's Peak Mine; while YTC's Nymagee and Hera development projects are approximately 30 km to the south.

To date, Helix has drill tested the following four Prospects, with Sunrise and Good Friday being the most advanced:-

- ❖ Sunrise
- ❖ Good Friday
- ❖ Victoria
- ❖ Reward

Auger soil sampling and a recently flown detailed aeromagnetic survey have highlighted an exploration zone of interest exceeding 9km in width and 20km in length extending into Helix's 100% owned EL7567 to the north. This zone of interest hosts the known mineralisation, numerous historic pits and workings and gold in soil anomalies from our regional work to date (Figure 2).

Sunrise Prospect

The Sunrise Prospect is defined at a +10ppb Au in soils level as anomalous over a strike of +800m and up to 300m wide, with the best result of 2g/t Au in auger soils. First pass drilling in October 2010 by Helix intersected broad zones of gold (13m @ 4.2g/t Au in HRRC006 & 18m @ 2.7g/t Au in HRRC008) associated with quartz veining which remained open in all directions.

Upon receipt of aqua regia assays from the current drill program, all intervals returning >0.1g/t Au will be re-sampled at 1m intervals using a riffle splitter and fire-assayed. The technical team will compile this data to complete a maiden resource estimation for the Sunrise Prospect.

Good Friday Prospect

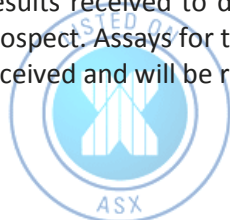
Historical data identified the presence of gold mineralisation at Good Friday with one RC drill hole recording 56m @ 11.7g/t Au from 5m including 23m @ 24g/t Au from 32m.

Drilling in 4Q10 confirmed the system is mineralised over a strike of at least 100m, and open in all directions. A further eleven (11) holes have been drilled at Good Friday to assist in identifying extensions to the known mineralisation and test several targets within the Prospect. Similarly, with the receipt of all assays from this program and re-assay of intervals returning >0.1g/t Au with a riffle splitter and fire assayed, Helix is expecting to estimate a maiden resource for the Good Friday Prospect.

April 2011 Drilling Program

Helix drilling on the Restdown JV has confirmed the presence of broad gold intersections associated with structurally controlled quartz veins in altered sediments within a regionally significant anticline.

Results received to date in Table 1 illustrate that gold is present at significant grade and widths at the Sunrise Prospect. Assays for the remainder of the Sunrise, Good Friday, Victoria and Reward drilling program are yet to be received and will be released as they are made available.

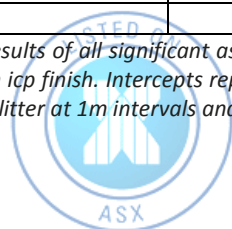


The majority of gold results from the RC program are from within the oxide to transition zone (weathering extends to a depth of 60-70m (the base of oxidation)). Gold mineralisation is not depth constrained and may continue down dip. Extensions of these intersections will be tested in future programs. A review of the down-hole geology indicates that the gold mineralisation is hosted in sericite altered siltstones-sandstones, with higher grades correlating well with quartz vein content.

Table 1: Significant results from Restdown RC Drilling to date

Hole ID	Total Depth	North (MGA94)	East (MGA94)	Prospect	Depth From	Result
HRRC011	117	6485718	427655	Sunrise	10	7m @ 0.3g/t Au
					24	6m @ 0.4g/t Au
HRRC012	117	6485732	427692	Sunrise	16	32m @ 1.0g/t Au
				incl.	27	5m @ 5.4g/t Au
				and	51	2m @ 0.4g/t Au
HRRC013	117	6485694	427706	Sunrise	15	2m @ 0.4g/t Au
				and	66	3m @ 1.9g/t Au
HRRC014	117	6485677	427659	Sunrise	0	3m @ 0.3g/t Au
				and	18	12m @ 0.2g/t Au
HRRC015	120	6485715	427646	Sunrise	16	4m @ 0.6g/t Au
				and	77	6m @ 0.2g/t Au
HRRC016	153	6485656	427603	Sunrise	16	2m @ 0.3g/t Au
				and	25	8m @ 1.0g/t Au
HRRC017	120	6485687	427570	Sunrise	19	17m @ 1.5g/t Au
				Incl.	24	4m @ 4.6g/t Au
HRRC018	117	6485677	427542	Sunrise	8	6m @ 0.2g/t Au
				and	25	2m @ 1.5g/t Au
				and	40	14m @ 2.0g/t Au
				incl.	48	5m @ 4.0g/t Au
HRRC019	117	6485771	427625	Sunrise	0	5m @ 0.2g/t Au
				and	9	14m @ 0.3g/t Au
				and	27	10m @ 0.5g/t Au
				and	44	3m @ 0.2g/t Au
				and	112	2m @ 0.3g/t Au
HRRC020	147	6485754	427578	Sunrise	28	3m @ 0.2g/t Au
				and	59	3m @ 0.3g/t Au
				and	77	2m @ 0.3g/t Au
				and	127	6m @ 0.9g/t Au
				incl.	128	3m @ 1.5g/t Au
HRRC021	147	6485736	427531	Sunrise	23	6m @ 0.2g/t Au
HRRC022	117	6485770	427476	Sunrise	46	23m @ 0.5g/t Au
				incl.	46	2m @ 1.0g/t Au
				incl.	52	2m @ 1.8g/t Au
HRRC023	117	6485787	427523	Sunrise	5	7m @ 0.2g/t Au
				and	17	20m @ 0.3g/t Au
				and	55	17m @ 0.6g/t Au
				incl.	59	4m @ 1.7g/t Au
HRRC024	174	6485804	427570	Sunrise	0	14m @ 0.6g/t Au
				incl.	2	2m @ 3g/t Au
HRRC025	174	6485844	427534	Sunrise	15	42m @ 1.5g/t Au
				incl.	15	5m @ 3.3g/t Au
				incl.	30	6m @ 3.0g/t Au
				incl.	40	13m @ 2.0g/t Au
				and	61	2m @ 0.3g/t Au

Results of all significant assays (>0.1g/t Au) Samples were collected using a 1m spear method and assayed using an aqua regia digest with an icp finish. Intercepts reported have a maximum of 3m of internal dilution. All intervals listed are currently being re-sampled using a riffle splitter at 1m intervals and these samples will be assayed using the fire assay method.



Scoping Study Work Has Commenced

The excellent results from this first batch of drilling assays provides confidence that a resource can be estimated for the Sunrise Prospect and preliminary work has commenced on development scenarios and an Environmental Impact Study.

For further information:

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Competent Persons Statements

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

