

17 August 2011

100,000oz MAIDEN GOLD RESOURCE FOR RESTDOWN PROJECT

CORPORATE DETAILS

Directors

Greg J Wheeler
FCA; SF Fin; GAICD
Executive Chairman

Michael Wilson
B Ec; B Sc (Hons); MAusMM
Executive Technical Director

Gordon Dunbar
B Sc (Hons); M Sc; FAusIMM; FAIG
Non-executive Director

John den Dryver
B E (Mining); M Sc; FAusIMM
Non-executive Director

Assets

Cash & Investments \$4.8 Million

Restdown JV (70%)
2.6Mt @ 1.2g/t Au

Canbelego JV (51%)
1.5Mt @ 1.2% Cu

Yalleen Iron Ore JV (30%)
84.3Mt @ 57.2% Fe

Tunkillia Gold JV (47%)
800,000 oz Au

Company Information:

ASX Code HLX

Shares FPO 204M

Options – Unlisted 17.6M
(53 cents expiring 31/10/2011)

Share Price 7 cents

Market Capitalisation ± \$14 Million

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Restdown JV (HLX 70%; Glencore 30%)

Helix is pleased to announce an initial gold resource estimate for the Restdown Project located 60km SE of Cobar in central New South Wales.

An inferred resource estimation at a 0.3g/t cut-off grade of **2.6Mt @ 1.2g/t Au for 100,000oz** from the resource model at the Sunrise and Good Friday Prospects.

This resource model is based on a sediment-hosted style of mineralisation, with evidence for higher grade pods within the mineralised systems.

The Company is confident it can continue to build on this resource base with the current resource only constrained by the existing drill density and distribution. Mineralisation is open along strike and down dip at both the Sunrise Prospect and Good Friday Prospect, and there is potential these mineralised systems connect.

| Restdown Prospect - Inferred | | | | |
|------------------------------|------------------|------------------|----------------|-------------------|
| Domain | Cu Cut Off Grade | Tonnes | Au grade (g/t) | Contained Au (oz) |
| Sunrise | 0.3 | 2,100,000 | 1.3 | 85,000 |
| | 1.0 | 1,100,000 | 1.9 | 66,000 |
| Good Friday | 0.3 | 470,000 | 0.9 | 13,000 |
| | 1.0 | 80,000 | 1.6 | 4,000 |
| Total (0.3g/t Au Cut) | 0.3 | 2,600,000 | 1.2 | 100,000oz |
| Total (1.0g/t Au Cut) | 1.0 | 1,200,000 | 1.8 | 70,000oz |

Note: Discrepancies in table figures are due to rounding

The resource drilling and modeling process has shown a series of lithological controls, structural directions and pathfinder elements in downhole geochemistry that are assisting in focusing future exploration. Additional drilling is planned for 2H11.

Helix's Managing Director, Greg Wheeler, commented that, "Our initial Resource target of 100,000oz Au has been achieved since securing the ground 12 months ago. The current zone of interest 20km by 9km within our 1,500 km² of tenure provides confidence for further discoveries in a region with nearby operating mines and excellent infrastructure."

The Helix strategy is:

- acquire large tenement holdings in prospective exploration regions
- use of leading edge exploration methodologies and techniques under the guidance of a skilled Board and Management team
- create shareholder wealth whilst managing risks



RESOURCE ESTIMATE – Restdown Gold Project

Resource estimate has been prepared by Helix Resources and has been subject to “Peer Review” by an external resource consultant. The resource estimate has been undertaken applying industry standard estimation techniques.

The Inferred resource for the Restdown Project at a 0.3g/t Cut off grade is:

2.6Mt @ 1.2g/t Au for 100,000 oz

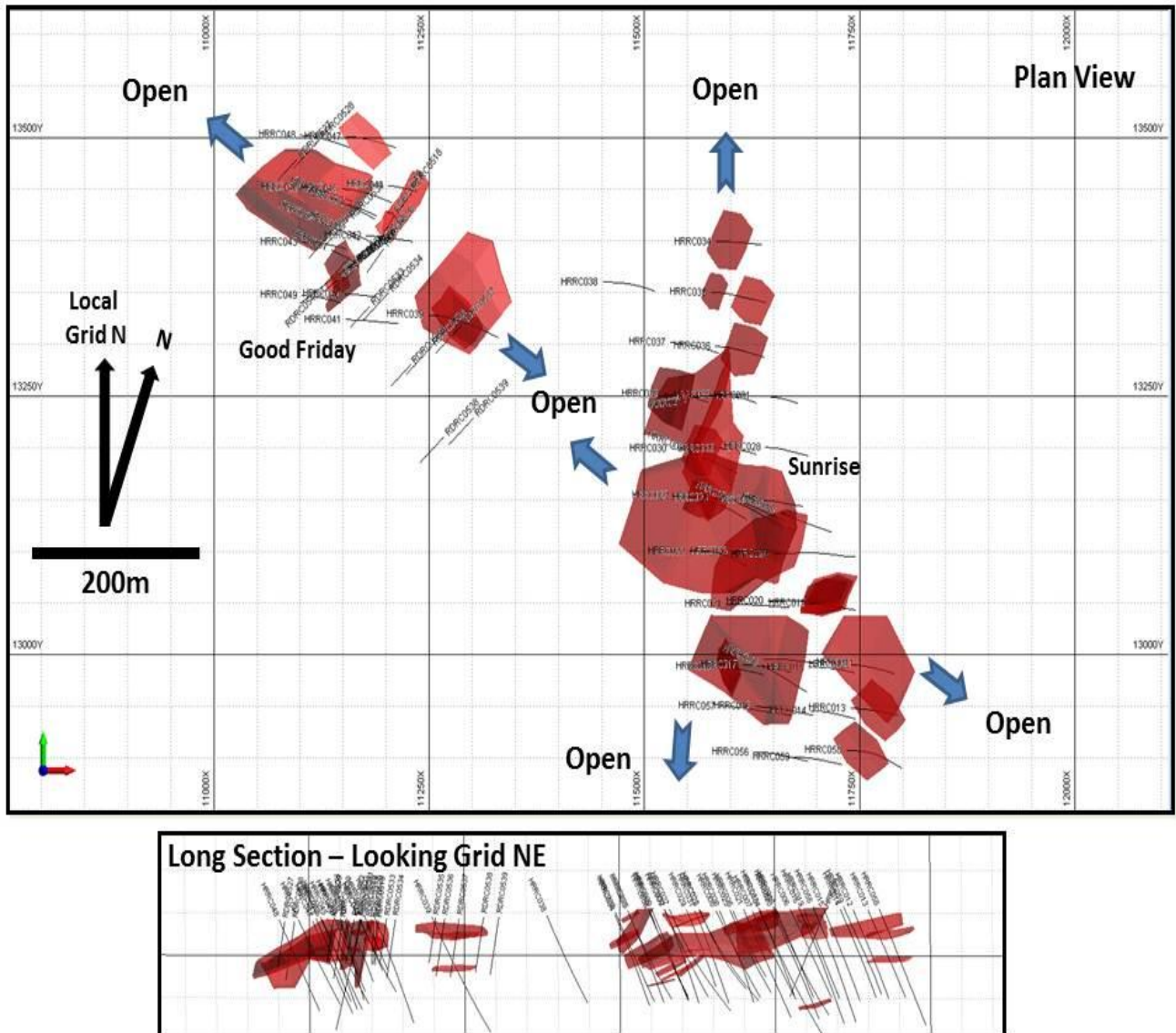


Figure 1: Screen shots of resource model and drill traces at the Good Friday Prospect and Sunrise Prospect (shows potential extensions to mineralisation target areas on Plan View).

Resource Estimation Process**Geological Interpretation**

Three-dimensional geological interpretations have been completed for the deposit. Interpreted geological boundaries are based on drill hole data, surface mapping, surface geochemistry (including soils and trenching) and constraining topography.

A summary of total drilling used to define this estimate is tabulated below.

| Deposit | Number of Drill Holes | Metres Drilled |
|---------------------------|-----------------------|----------------|
| Restdown Project | | |
| Helix 2011 Drilling | 43 RC | 5,284 |
| Helix 2010 Drilling | 10 RC | 1,104 |
| Glencore 2007-08 Drilling | 19 RC and 1 DDH | 1,461 |
| Total | 73 | 7,849m |

Table 1: Drilling included in Resource Model

Reverse Circulation [RC] drilling was the primary drill technique used by both Glencore (2007-08) and Helix (2010-11), with one diamond hole drilled by Glencore in 2008. Representative RC chips and drill core for the Glencore drilling are held in storage at the CSA Minesite. The Helix RC chips are held at the Company's storage shed in Perth.

The Resource Interpretation of the Restdown Project was based on a mineralised alteration envelope (nominal >0.1g/t Au) within a lithological unit, with modelling and interpretation undertaken using Micromine and estimated with Surpac software.

Internal dilution was kept to 3m or less, provided continuity of the mineralised envelopes could be maintained and a grade of 0.5g/t Au could be achieved. Zones of lower grade ranging 0.3 to 0.5g/t Au were incorporated into the mineralised envelopes if geological continuity could be maintained.

Mineralised envelopes were constrained by an alteration halo identified in the geological model. The mineralised zones were used to define spatial domains for statistical and geostatistical analysis.

For statistical data analysis, exploration data was composited to 1m downhole lengths (most data was already at this length, with only a small number of RC 2m samples needing to be averaged over 1m lengths from the Glencore drilling).

Assays and Database

Results included in the database for the resource model are from two sources. The 19 RC and 1 DDH holes drilled at Good Friday by Glencore in 2007/2008 were analysed for gold using fire assay technique. The Helix drilling was carried out under supervision of full time Helix employees, samples were collected as 1m riffle split (2-3kg average sample size) and sent to ALS Orange for fire assay determination. All assays returning greater than 5g/t Au were screened fire assays. Drill hole collar locations, down hole surveys, sampling interval data and lithology data was compiled by the geologists supervising the drilling. All data is held in the Company's database.

Resource Model Technique

The block model is an inverse distance model to the power of 2, search radius of 60 metres.

Block Model

Block models were constructed using a parent block size of 5m x 5m x 5m and sub-block cell size of 2.5m x 2.5m x 1.25m. The mineralised envelope was used to constrain the block model.

Density

No density determinations have yet been undertaken on the Restdown mineralisation. This will form part of future work.

Helix has reviewed density determinations for similar gold deposits within the region and from this data has considered it appropriate to use, for this resource estimation, an average density value of 2.5t/m³ for mineralisation in the oxide zone, and 2.8t/m³ for the primary mineralisation (note: Less than 5% of the resource material is reported as primary mineralisation).

Classification

Classification of the resources is based principally on the confidence in the geological interpretation and the density of data. Other criteria coded into the block model such as number of samples, number of holes, run number used to fill block are all assessed in assigning the classification. However due to the use of historic drilling in the estimation and assumed densities, it was considered pertinent to classify the resource as **inferred**.

Cut-off Grades

All resource estimates are reported applying gold cut-off's determined from grade tonnage curves, any individual 1m assay result returning >12g/t Au was cut to 12g/t Au, representing the 99 percentile range.

A 0.3g/t lower cut-off grade for Au has been applied to the resource model with a higher cut off 1.0g/t Au also reported.

| Inferred Restdown Resource Table | | | |
|---|------------------|---------------|----------------|
| Cut Off | Tonnes | Au g/t | Au (Oz) |
| 0.1 | 2,700,000 | 1.2 | 105,000 |
| 0.3 | 2,600,000 | 1.2 | 100,000 |
| 0.5 | 2,200,000 | 1.3 | 90,000 |
| 0.6 | 2,000,000 | 1.4 | 90,000 |
| 0.7 | 1,800,000 | 1.5 | 85,000 |
| 0.8 | 1,600,000 | 1.6 | 80,000 |
| 0.9 | 1,400,000 | 1.7 | 75,000 |
| 1.0 | 1,200,000 | 1.8 | 70,000 |
| 1.1 | 1,100,000 | 1.8 | 65,000 |
| 1.2 | 1,000,000 | 1.9 | 60,000 |
| 1.3 | 1,000,000 | 1.9 | 60,000 |
| 1.4 | 900,000 | 2.0 | 60,000 |
| 1.5 | 800,000 | 2.1 | 55,000 |
| 1.8 | 500,000 | 2.3 | 40,000 |
| 2.0 | 300,000 | 2.5 | 25,000 |

Table 2: Resource Estimation at various cut-off grades (Subject to rounding).

Reporting

The resource estimates have been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition). The resource statement is signed off by Mr Michael Wilson as an employee of Helix Resources Limited. Mr Wilson is a Member of the Australasian Institute of Mining and Metallurgy.

Details of the Resource Estimate parameters are contained in Attachment A

Attachment A – Resource Estimate Parameters

| Restdown Sunrise & Good Friday Deposits | |
|---|--|
| SAMPLING TECHNIQUES AND DATA | |
| Drilling Technique | Reverse Circulation (RC) and Diamond drilling (HQ and NQ core). Holes are dominantly drilled west-east to an Azimuth of 070 with Glencore holes at Good Friday are dominantly drilled east-west to -210, with 11 holes to 080. |
| Sampling Technique | Industry standard sampling techniques were used for all drill methods and ground conditions encountered. RC - On average 2-3kg samples were collected per metre after passing through a riffle splitter. Diamond core- quarter diamond core samples were submitted to the laboratory for analysis for the single hole at Good Friday. Helix and CSA personnel supervised the various drilling and sampling programs. |
| Assays | Assays used in the Resource Estimation were derived from drilling undertaken by Glencore (2007-2008) and Helix (2010-2011) and were determined by the fire assay technique. |
| Drill Sample Recovery | Based on data recorded and RC bag volumes, within the mineralised zones the average recovery is considered to be >95% |
| Geological Logging | Geological logging has been completed on all drilling completed within the resource area. All information from drilling has been recorded using industry appropriate logging and recording systems. The level of detail (stratigraphy, lithology, mineral content) is appropriate for mineral resource estimation. The logging data has been used to develop the geological interpretation and checked, where possible, against geochemical data. |
| Quality of Assay Data & QA/QC | An external commercial laboratory has been used for all analytical testwork. Appropriate sample preparation and assaying procedures have been used. Helix has a systematic QA/QC procedure for all sampling programs. Duplicate samples are inserted within the sample sequence. The QA/QC procedures are designed to monitor all aspects of sampling techniques and analytical reliability. Results from the duplicates have no major issues that would prevent the resource from being classified as Inferred. The accuracy and precision of the data is good. |
| Surveying | All collar locations for the deposits were collected and confirmed in the field by gps or differential gps . |
| Data spacing | Drill holes used in the resource estimation are located on an approximate 50m x 30m grid. |
| Auditing | The geological and assay database is internally audited. Data integrity is checked on upload of all recorded drill, survey, geological and assay data by the Company's in-house data administrator and reviewed by the project geologist and exploration manager prior to use. |
| ESTIMATION AND REPORTING OF MINERAL RESOURCE | |
| Database Integrity | The Helix database is managed by a dedicated Database Manager and has been validated for integrity and completeness. |
| Geological Interpretation | Geological and mineralisation interpretations were completed by Helix staff. The interpretations are based on geological and geochemical information from drill holes and surface mapping and trenching. The data density and regularity are considered adequate for the definition of the geological boundaries which were used to define both geological and mineralised zones for resource estimation purposes |
| Dimensions | The Sunrise Prospect is presently over 500m long has been drilled over a width of 200m at its widest point, the Prospect and hence the model remains open along strike and down dip. The Good Friday Prospects is approximately 300m long and has been drilled to 150m on the widest line, it also remains open along strike and down dip. |
| Estimation and Modelling Technique | The estimation techniques used for the deposits are based on the geostatistical method of inverse distance to the power of 2 using Surpac version 6.1.4 A search radius of 60 metres was used. |
| Variables Interpolated | Gold (Au), other minerals assayed are not considered at the time of modelling to be at sufficient concentrations that would result in economic extraction. |
| Cut-off Parameters | The resource models are not constrained by assumptions about economic cut-off grades, but rather a mineralisation/alteration envelope. The reported resources are based on applying a lower cut-off grade of 0.3g/t Au. A higher cut-off grade of 1.0g/t Au was also used for reporting purposes. |
| Metallurgical Considerations | It has been assumed that the metallurgical domains are primarily governed by the position of the mineralisation and waste boundaries. |
| Bulk Density | Average bulk density values were applied to the resource model on a geological domain basis using values determined from regional gold prospects and mines. An average density value of 2.5t/m ³ was used for the oxide, and 2.8t/m ³ was used for the primary mineralisation. These densities were determined by to be appropriate for the type and style of mineralisation. |
| Classification | Resource classification was primarily based on data density criteria and geological confidence. The deposit was classified as an inferred resource reflecting the early stage assessment and broad space drilling. |
| Accuracy and confidence | All data has been reviewed, subject to random checks and is considered accurate for the level of confidence that has been assigned. The resource model at the Good Friday Prospect is partially based on Glencore's RC & diamond drilling undertaken in 2007-08, drill lithology logs and assays were reviewed for consistency by Helix staff, the downhole surveys are also sourced from the data sets provided by Glencore. It should be also noted that a small tonnage of high grade material was mined during the early 1900's in the vicinity of the resource model at Good Friday, however the wireframe was constructed so as to not include the known stoped areas in the model, any affect on the tonnes and grade is considered negligible. |

Competent Person Statement

The information in this announcement 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.