ASX Quarterly Report

December 2011

Helix Resources Limited

HIGHLIGHTS

- **JOSHUA COPPER PROJECT – CHILE**
  - Diamond rig mobilised and drilling has commenced for 1000m DDH program targeting coincident alteration, IP responses & anomalous copper zones surrounding significant copper porphyry system, Target No.1, and a maiden drill hole into Target No.4.
  - Additional track construction, mapping and channel geochemical sampling completed at Target No.1 in preparation for drilling and sampling and mapping surrounding two of the regional targets during the quarter.
- **RESTDOWN JV – NSW**
  - 1,400m RC drill program at Sunrise Prospect completed late 4Q11 after weather delays– assay results are pending.
  - Ongoing regional soil geochemical sampling confirms strike potential of Restdown gold system, currently over 10km and remains open.
  - Infill geochemical sampling defining multiple prospects beyond the known deposits, being worked up for drill testing in early 2012.
- **REGIONAL PROJECTS – NSW**
  - Regional auger geochemical sampling is continuing on our +2,000km^2 of tenure with multiple copper and gold targets being identified and prioritised for 2012 drill programs.
- **TUNKILLIA GOLD JV – SA**
  - ASX listed Mungana Goldmines Ltd [MUX] has purchased the JV managing company and ±55% JV participant Minotaur Ventures Pty Ltd from Minotaur Exploration [MEP] for ~$6M (Cash and Shares).
  - HLX welcomes MUX as a cashed-up production focused company to manage and progress this significant asset.
  - JV Participants have approved $3M budget for calendar year 2012, HLX has elected not to contribute to this non-managed asset and will assess results from 2012 exploration prior to making future funding commitments.
  - In-situ leaching work proposed by MEP has been terminated.
- **YALLEEN IRON ORE JV – WA**
  - JV Manager API has reported that hydrology studies conducted during the quarter have not identified any fatal hydrological issues that could preclude potential production from the Kumina Creek or Robe Exit Deposits. Development studies are continuing.
- **OLARY FE PROJECT – SA**
  - Initial DTR testing of Olary RC drill cuttings confirm comparable grades and recovery of magnetite to results reported by neighbouring companies targeting Braemar Fe formation in the Olary District.
  - Limited regional drilling (1,500m) has tested <10% of strike potential of the Braemar Formation on the Project with potential exploration target* of 500Mt- 1,500Mt being considered.
  - A 12,000m RC and DDH drill program to facilitate maiden resource estimation for the project is being submitted for government and stakeholder approval.

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

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	**$3.9 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 (45%)	800,000 oz Au

Company Information:

ASX Codes	HLX
Shares FPO	204M
Share Price	*6 cents*
Market Capitalisation	*±$12 Million*

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REVIEW OF OPERATIONS

CHILE - COPPER AND GOLD PROJECTS

Background
Chile is known to host world class copper & gold mineralisation, with Chile presently the largest producer of copper [+5Mtpa], four times as much as the 2nd ranked country Peru.

The mining sector in Chile is one of the pillars of the Chilean economy and copper exports alone account for a 1/3 of its GDP. Chile is a politically stable democracy with strong financial institutions and sound economic policy providing it the strongest sovereign debt rating in South America. Chile is very supportive of foreign investment and Helix considers it an appropriate location to achieve geographic and commodity diversification.

Joshua Project

Background: The Joshua Project is a green-fields discovery by Helix located 40km SE of Teck's Carmen de Andacollo porphyry deposit (400Mt @ 0.38% Cu Reserve) in Region IV Chile. Broad scale mapping carried out 2011 highlighted four (4) target zones, where porphyry intrusions with associated alteration and copper anomalism were identified on the 90km² of tenements. Following this initial work, a small RC drilling program at Target No.1 was undertaken in mid-2011 to confirm the surface copper anomalism continued at depth, the best result returned was **243m @ 0.25% Cu** from surface to EOH, incl. **27m @ 0.51% Cu** + 0.1g/t Au from surface in ARJS-005 (refer September 2011 Quarterly Rpt).

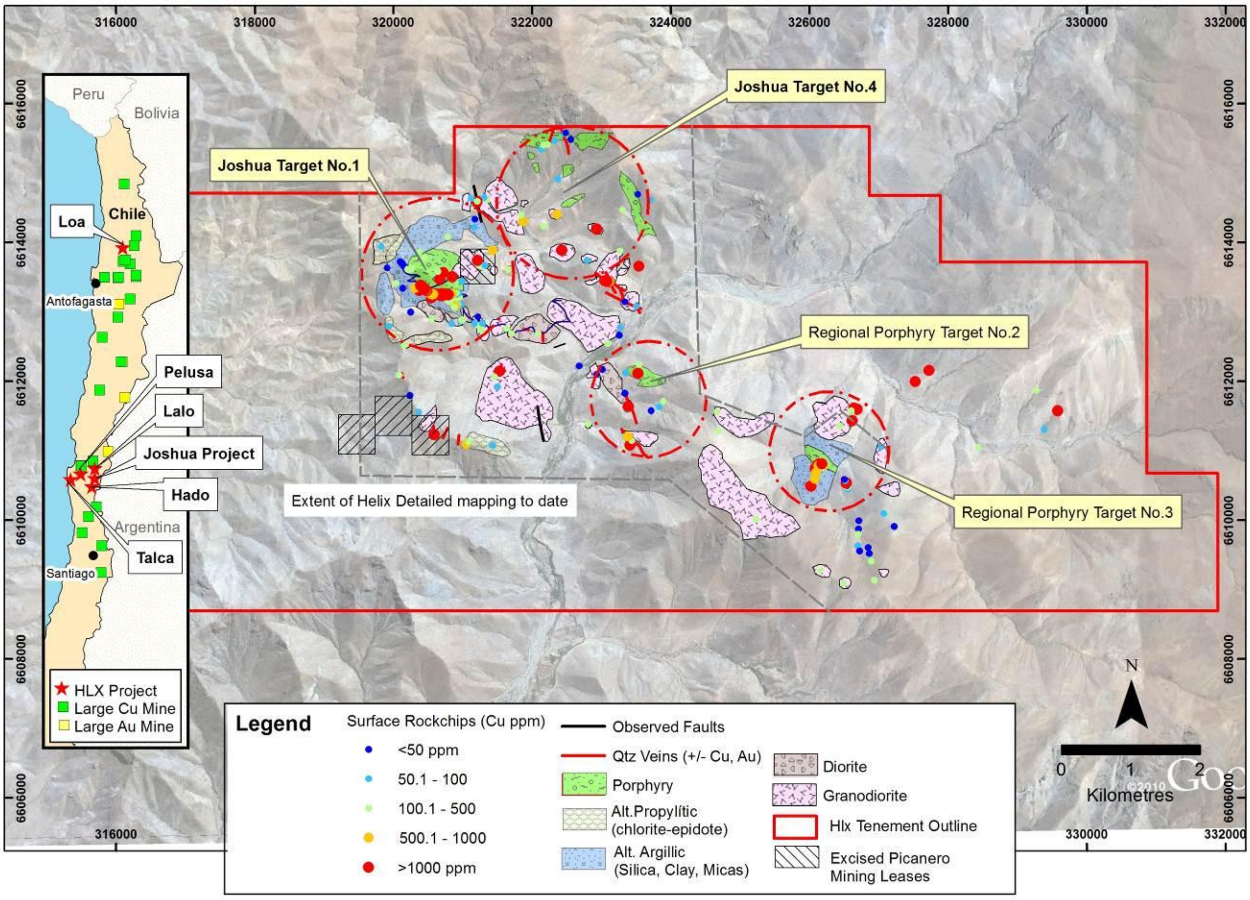


Figure 1: Joshua Project location and geological map

During the quarter, Helix's Chilean team supervised additional track work for the upcoming drill program, undertook 10m composite channel rockchip sampling along the exposed faces of the tracks and additional mapping and petrology to confirm the size potential and geometry of the porphyry system at Joshua Target No.1.

The 3D inversion and interpretation of the IP and magnetics survey during 4Q11 has highlighted encouraging features surrounding the initial target zone at Target No.1. Limited ground magnetics over the same area suggests a classic "doughnut" style response becoming apparent and confirmed the chargeable features have a low magnetic response and are therefore likely to represent sulphide accumulation, which are associated with the argillic/phyllic zones surrounding the potassic core (Figure 2).

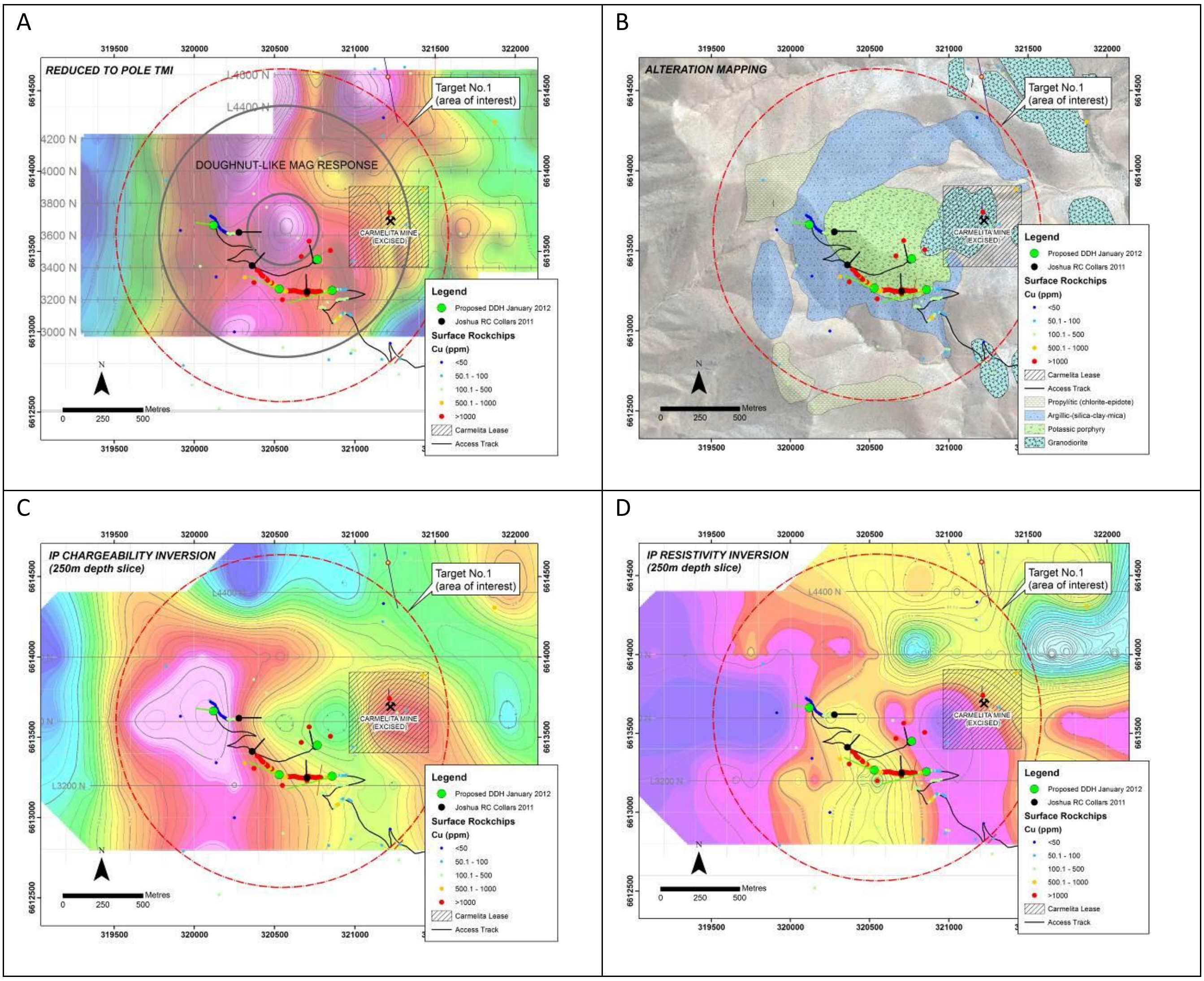


Figure 2: Joshua Project Target No.1: A- RTP total magnetics intensity from ground magnetic survey; B-Alteration mapping on aerial photo; C- 250m depth slice inversion of Chargeability; D- 250m depth slice inversion of resistivity.

Comparing the Joshua Target No.1 system to the classic porphyry model [following a more detailed assessment of alteration and lithology mapping, geophysical interpretation and sampling], it is considered the 1st RC drilling program only partly tested the central potassic dominated low-grade core of the identified system at Target No.1 (Figure 3). The planned DDH drill program currently underway is designed to target the potential “ore zone” positions as detailed below.

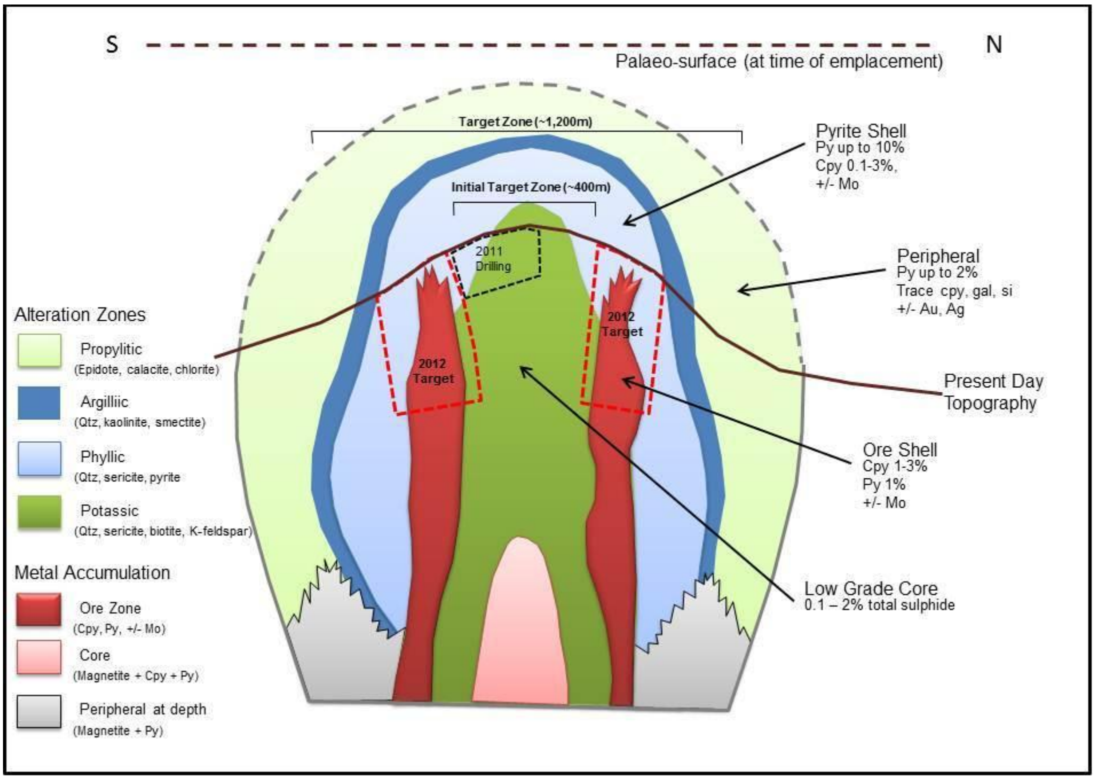


Figure 3: Joshua Target No.1 with respect to idealised cross-section of copper porphyry system (after Lowell and Guilbert, 1970) – not to scale.

Meanwhile rockchip, channel sampling and mapping over the regional targets (No.2, No.3 & No.4) have provided positive indications that these additional targets are also highly prospective for large copper accumulations and warrant increased exploration effort in 2012. Target No.4 will have a 200m diamond drill hole in the current program to start this process.

Additional geophysics is also planned to capture the extent of the target areas and prioritise future exploration following positive drilling results in 1Q12.

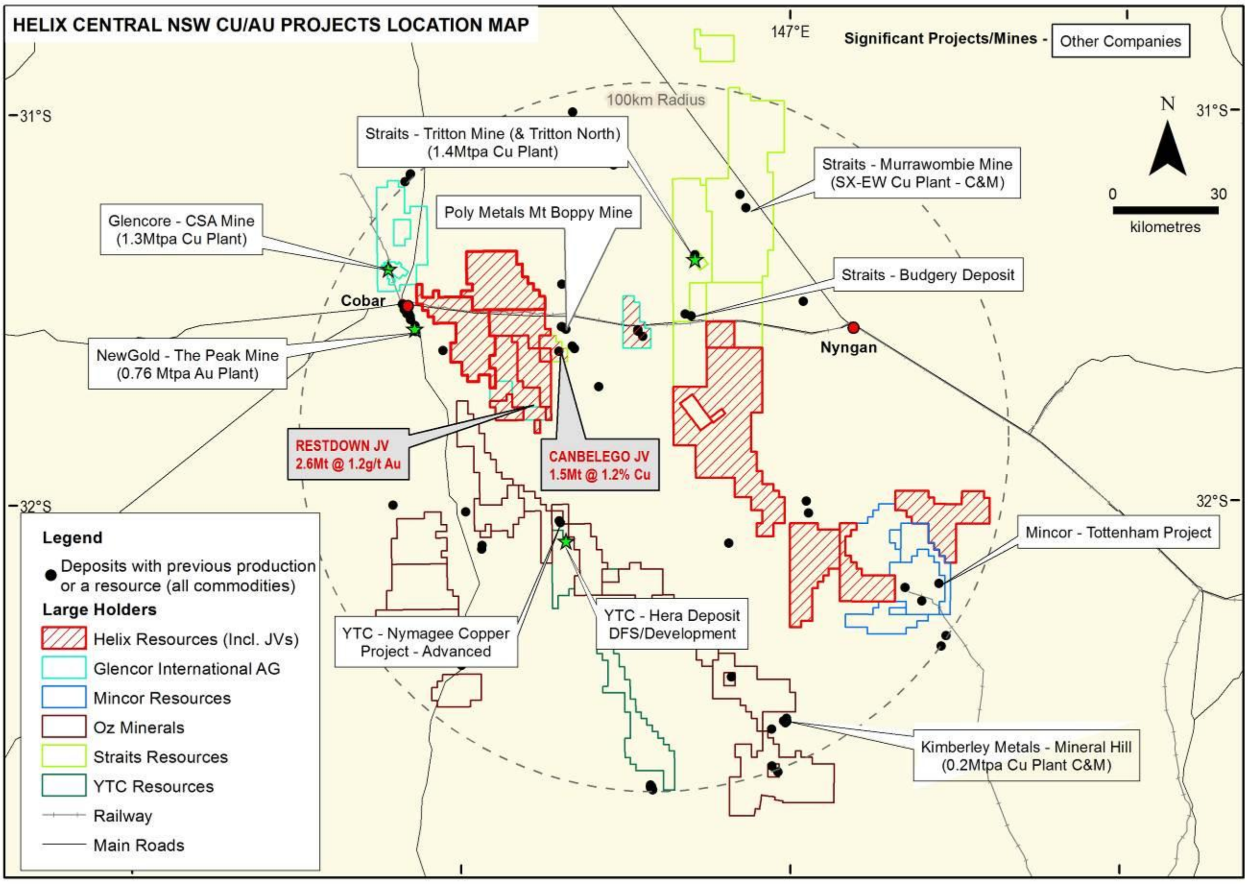
Talca Gold Project

Located in a historically significant gold district, 120km south of La Serena in Region IV, Chile.

- Initial geochemistry and mapping has confirmed regional prospectivity with rock chips up to 15.2g/t Au
- A detailed ground magnetic survey was completed in 2011. Interpretation of the magnetics suggests potential for several gold prospective targets with important 2nd order structures noted [key to gold mineralisation in the district]. Trenching, mapping and sampling are planned for 2012 before prioritising drill positions.
- A Canadian listed entity entered an option agreement 2H11 to purchase an adjacent and along strike portion of the mineral field not controlled by Helix for US$7.5M over 5 years and plan to undertake a significant geophysics and drilling program by end 2Q12. Helix will keep a watching brief on activities in the district to assist in focusing our 2012 exploration.

COPPER & GOLD PROJECTS - NSW

BACKGROUND: Helix has established a significant ground holding in Central NSW covering 2,000km² 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; NewGold, Oz Minerals and Polymetals).



RESTDOWN JV & MURIEL TANK JV PROJECTS

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

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

Restdown Gold Project

The Restdown Project is ±25km SW of the historic Mt Boppy Gold Mine (produced ~500,000 oz at +10g/t Au) now owned by PolyMetals and ±35km N of YTC's Nymagee and Hera development projects. Historic mine records for the Restdown Goldfield report it was active during the late 1800's/early 1900's with gold extracted from silica-rich material at very high grades (records list grades at up to 3kg Au per tonne). Historic workings were limited to hand-dug shafts and pits, with lack of water the major hurdle for the field.

Drilling at the Restdown JV continued during the quarter with 1406m of RC drilling in 12 holes surrounding the resource at the Sunrise Prospect (2.1Mt @ 1.3g/t Au for 85,000oz –Inferred*). The aim of the small program was to step back and test the down dip/plunge of the existing resource and provide a clearer understanding of the key mineralising attributes of the system.

Drilling was hampered by rig breakdowns and weather delays, with several planned holes not completed at this time. Results from the holes completed are expected over the coming weeks and will be released when available. Additional drilling is planned in early 2012 including testing several new prospects in this exciting gold mineralised belt.

LITTLE BOPPY PROJECT – NSW *[Helix 100%]*

Additional surface sampling was completed during the quarter with 418 samples collected on regional and infill sample lines. The remaining sampling is expected to be completed in 1Q12 with areas prioritised for geophysics and drilling.

Ground geophysics is proposed for the Area 13 and Boppy Broken Hill Prospects to assist in identifying chargeable targets within what is interpreted to be a polymetallic mineralised system. Both Prospects are in proximity to mafic-intermediate volcanic/intrusive centres and returned robust copper and gold anomalies from surface sampling.

Additional ground geophysics is being considered on the Yellow Belly (429650mE/6511300mN) and Red Belly (429400mE/6507300mN) Prospects, pending positive infill soils results and further geological reconnaissance work currently underway. Present indications are for both prospects to be of an epithermal gold style.

Geological reconnaissance and infill surface sampling is also underway at the Black Belly Prospect (Meryula) to follow up gold in soils results of up to 300ppb Au associated with an area of polymetallic anomalism in historic gossan sampling.

CANBELEGO JV – NSW *[Helix Resources 51%, moving to 70% - Straits 49% (Diluting)]*

Following the recent success of Straits at their Avoca Tank Prospect and YTC at their Nymagee Prospect, the evidence for high grade plunging shoots within the broader mineralised footprint is considered a compelling target at Canbelego and warrants further examination. A review of the resource area at the Canbelego Mine Prospect has highlighted several zones below and along strike of the drilling that such un-tested plunges may exist and we plan to test these zones in an upcoming drill program in 1H12.

A ground geophysical survey is planned for the first half of 2012 on the Caballero Prospect to assist in identifying chargeable targets. Caballero is presently defined by a >1.4Km long and 500m wide +50ppm Cu soil anomaly within which CBLRC007 returned an intercept of 72m @ 0.1% Cu (ASX release 24th Nov 2010). CBLRC007 was one of two holes drilled at the Prospect by Helix with no drilling previously undertaken by past explorers.

QUANDA PROJECT – NSW *[Helix 100%]*

Orientation lines of auger soil geochemistry have been completed on the NW corner of the Quanda Project during the quarter. Collection of 420 samples, at 200m spacings on several lines was undertaken to examine the soil profile (thickness and type) in the region and assess the suitability of our quad bike towed auger rig in this area.

Sampling has returned positive results with elevated gold (up to 12ppb) and basemetals (Cu 45ppm, Zn 70ppm) on low backgrounds associated with magnetic complexity in the basement. However the soil profiles, particularly the transported material are thick (5-10m) and therefore a larger vehicle mounted auger is being built to facilitate sampling the rock-soil interface in this region, we anticipate delivery end 1Q12.

OLARY MAGNETITE PROJECT – SA *[Helix Resources Ltd 100% - EL4022; EL3956]*

The Olary region is an emerging iron ore province in the E-NE of South Australia and 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 completed a 10 hole RC program [≈ 1,500m]in 2011 testing the magnetite rich Braemar Iron formation which provided confidence a large iron ore system is present. Better drill results **124m @ 31% Fe** from surface and **140m @ 30% Fe** from 4m were received, with the drilling only testing <10% of the prospective Fe horizons. [refer ASX release 15 August 2011]

The first phase of metallurgical testing on a composited bulk sample from various drill holes shows the material grinds easily, with recovered grades comparable with other explorers in the region. Optimal grind sizes and grind times were chosen to determine mass recovery of iron from the drill samples.

A 12,000m RC and DDH drilling program to determine a maiden Resource has been designed and will submitted to the relevant government departments and stakeholders for approval.

NON MANAGED JOINT VENTURES

TUNKILLIA GOLD PROJECT JV - SA

During the quarter Mungana Goldmines Ltd (MUX) agreed to purchase the JV management company MinVen Pty Ltd and its equity interest in the gold and basemetal rights of the Tunkillia JV from Minotaur Exploration [MEP] for $6M.

A joint venture committee meeting held in late 4Q11 has approved a program budget of $3M for the 2012 calendar year. Proposed work includes ~11,000m of drilling - RC/DDH (8,400m) & RAB (3,000m), including resource/reserve drillout at Area 223 and testing regional targets. Feasibility studies, with environmental baseline assessments and native title negotiations are also planned. In-situ leaching work previously proposed by MEP has been terminated in favour of a more conventional approach.

Helix welcomes the sale of MEP’s interest to a cashed up, production focused entity who shares Helix’s view regarding development of the project in a strong gold market. Helix has elected to dilute for the 2012 program to concentrate funds on Projects owned 100% or managed by Helix. But in doing so, Helix will only dilute from ~45% to ~35% JV equity in the gold and basemetal rights, has the opportunity to contribute once more development focused information comes to hand and retains ownership of the tenements and uranium rights.

YALLEEN IRON ORE PROJECT – WA

API Management Pty Ltd, the JV Manager, has reported that a study carried out by RPS Aquaterra into a ground and surface water risk assessment study covering the Kumina Creek and Robe Exit deposits has returned no fatal flaws. Additional development studies will continue in 1Q12.

DFS and Funding for the API Stage 1 WPIOP, which provides a potential infrastructure and port solution for the Yalleen Project, has been subject to delays and we await further details.

ABOUT HELIX

Helix is a mineral exploration company established in 1986 with a strategy of acquiring large tenement holdings in prospective exploration regions, using leading edge exploration methodologies and techniques under the guidance of an experienced Board & Management team to create shareholder wealth.

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 Aug 2010 reported technical and financial viability.				
Copper	Inferred	**Canbelego JV, NSW**	51% (Moving to 70%)	**1.5Mt @ 1.2% Cu for 18,000t* Contained Cu** (at 0.3% Cu Cut-off)
Joint venture with Straits Resources				
Gold	Inferred	**Restdown JV**	70% (Glencore Contributing 30%)	**2.6Mt @ 1.2g/t Au for 100,000oz** (0.3 g/t Au cut off)
Gold	Oxide	**Tunkillia JV, SA**	45% (Diluting)	
	Measured			1.2Mt @ 1.8 g/t – 66,000 oz
	Indicated			2Mt @ 1.3 g/t – 86,000 oz
	Inferred			2.5 Mt @ 1g/t – 77,000 oz
	Primary			
	Indicated			4.2Mt @ 2 g/t – 270,000 oz
	Inferred			4.4Mt @ 2.1 g/t – 300,000 oz
	Inferred			8.6Mt @ 5.7 g/t – 1.6M oz Silver
	Total			**0.8M oz Au and 1.6M oz Ag***
Mungana Goldmines Ltd purchased Minotaur Ventures Pty Ltd the Tunkillia JV manager and 55% equity holder in January 2012. The JV has approved a $3M exploration budget for 2012 and Mungana has said it wants the project to be production ready in 2014 with initial scope for a conventional open-pit operation and 2Mtpa CIP plant. Helix has elected to dilute, with our equity position expected to be around 35% at the end of the 2012 program spend.				

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

Competent Persons Statements

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

*Note: Any Exploration Target discussed 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Helix Resources Limited

ABN	Quarter ended ("current quarter")
27 009 138 738	31 December 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(1,042)	(1,402)
	(b) development		
	(c) production		
	(d) administration	(68)	(253)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	28	81
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	103	135
	Net Operating Cash Flows	(979)	(1,439)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(13)	(13)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(13)	(13)
1.13	Total operating and investing cash flows (carried forward)	(992)	(1,452)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(992)	(1,452)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	29	29
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	29	29
	Net increase (decrease) in cash held	(963)	(1,423)
1.20	Cash at beginning of quarter/year to date	3,824	4,284
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	2,861	2,861

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	165
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	1,150
4.2	Development	
4.3	Production	
4.4	Administration	305
	Total	**1,455**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	25	218
5.2	Deposits at call	2,836	3,606
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	2,861	3,824

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	EL4812	Granted	0%	100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	204,449,072	204,449,072		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	525,454	525,454		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	17,600,000	Nil	$0.5258	30 October 2011
7.11	**Debentures** *(totals only)*				

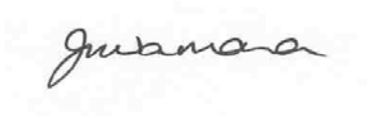
+ See chapter 19 for defined terms.

7.12	**Unsecured notes** *(totals only)*		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.



Sign here: .... Date: 19 January 2012
(Company secretary)

Print name: Joneen McNamara

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.