

HELIX RESOURCES LIMITED

ABN 27 009 138 738

FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2006

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Corporate Directory

Directors

G J WHEELER	Executive Chairman
J DEN DRYVER	Non Executive Director
G DUNBAR	Non Executive Director

Company Secretaries

G J WHEELER
J McNAMARA

Registered Office and Business Address

9 Richardson Street
WEST PERTH WA 6005

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Facsimile: +61 8 9321 3909
Website: www.helix.net.au

Auditors

Bentleys MRI Perth Partnership
Level 1
10 Kings Park Road
WEST PERTH WA 6005

ASX Listing

ASX Code:	Shares	HLX
	Options	HLXO

Share Registry

Advanced Share Registry
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Directors' Report

The Directors present the financial report of the Group, consisting of Helix Resources Ltd ["Company"] and its controlled entities, for the half-year ended 31 December 2006.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in the office for the entire period unless otherwise stated.

Mr Gregory James Wheeler	Executive Chairman – 14 th July 2006 to present Non-Executive Director – 1 July 2006 to 13 th July 2006
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Mr John den Dryver	Non Executive Director
Mr Gordon Dunbar	Non-Executive Director – Appointed 18 th July 2006

The following persons resigned as Directors of Helix Resources Ltd during the half-year:

Mr Robert W Mosig	Executive Chairman – resigned 18 th July 2006
Mr Riccardo EM Vittino	Chief Executive Officer / Company Secretary – resigned 14 th July 2006

REVIEW OF OPERATIONS

As outlined in the 2006 Annual Report, the departure of Executive Directors in July 2006 placed considerable pressure on Directors and Management to re-focus the Company, secure new projects and maximise value for shareholders. After taking cognizance of the "boom" conditions impacting the resource industry, the difficulty in securing staff and after reviewing potential replacement CEO candidates and associated costs to attract them, the Board has concluded the Management and Director team in place is the most appropriate and cost effective way to achieve the strategic direction of the Company. The Board recognizes the team of experienced people should be remunerated at a level to ensure they remain with the Company and is attending to this.

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

Gold – Glenburgh

Helix continued to advance its Glenburgh Gold Project in the Gascoyne Region of WA. Activities have focused on expanding into regional exploration, where sampling is identifying new drilling targets within the Company's 2,500km² ground holding.

Soil sampling, during the November and December field program has continued to identify additional drilling targets from the regional stream sediment gold anomalies. Helix has now identified five anomalous gold mineralised systems with associated base metal anomalism within a 50km radius of the original Victoria Bore Grid ore-bodies, which host 1.1Mt @ 3.1g/t for 108,000oz of Au, and is now planning the drilling program to define the critical number of ounces required to support a stand alone operation. Infill sampling and detailed mapping is currently underway on the regional targets to better define drilling targets planned for first-pass drilling in Q2 of 2007.

Gold - Tunkillia

Joint venture partner Minotaur Exploration Ltd has commenced the process of calculating a new JORC resource for the Area 223 ore-body taking into account the recent Diamond, RC and Slim-line RC drilling completed by Minotaur up to December 2006. This drilling included some significant intersections in the oxide portion of the ore-body outside the previously defined resource as well as covering gaps in the 50m X 30m drilling grid. The additional mineralisation discovered in the shallow oxide zone has the potential to provide the project with additional shallow ounces to the resource, as well as converting previous waste to resources.

In addition, ounces identified at Area 191 from recent drilling have the potential to add positively to the project economics.

Minotaur is continuing a program of slim-line RC drilling to add to knowledge of gold mineralisation in the oxide zone at Area 223, together with a metallurgical study into the leaching characteristics of both the oxide and primary ore types. Initial bottle roll tests have shown that both ore types have positive leaching characteristics, further column tests are now required to confirm this and calculate the expected recovery percentage for both ore types. Whilst these programs are expected to be completed during the first quarter of 2007 and assist in any development decision, Minotaur expend money at their discretion under the JV earn-in, have until March 2009 to expend the \$5 million to earn their 51% and Helix can only release results when made available by Minotaur.

Uranium

Toro Energy Ltd has carried out a regional airborne AEM survey on 1 kilometre line spaces covering approximately 920 square kilometres of Helix's Gawler tenements in South Australia. The AEM dataset was processed and a depth to basement-palaeochannel location interpretation was conducted by Toro's geophysical consultants. The survey has identified an approximately 25 kilometre long portion of palaeochannel that appears prospective for uranium. From the AEM survey five (5) priority palaeochannel uranium targets have been identified, and each area will have in the vicinity of 200 holes drilled in fence lines to transect the palaeochannels to fresh basement.

The target area is located on the eastern edge of South Australia's Yellabinna nature reserve, therefore a series of access conditions must be met prior to drilling. Drill planning is currently underway, with fieldwork expected to commence at the end of the fire-ban season. Drilling is expected to commence in the Q2 of 2007, however Toro expend money at their discretion under the JV earn-in, have until mid 2009 to expend the \$2 million to earn their 51% and Helix can only release results when made available by Toro.

Iron Ore

Joint Venture partner Australian Premium Iron ["API"], which comprises AMCI Holdings Australia Pty Ltd and Aquila Resources Ltd, announced in December 2006 the discovery of buried channel iron mineralisation at the West Pilbara – Yalleen Iron Ore JV, which is located approximately 50 kilometres east south-east of the Pilbara township of Pannawonica.

API is spending \$1.5 million prior to April 2009 to earn a 70% interest in the iron ore rights of the tenements held by Helix. Helix can thereafter elect to contribute pro-rata or dilute at \$50,000 per 1% until its JV interest reaches 10%, wherein the Helix interest converts to a royalty of 50 cents per tonne.

The initial drilling results from the 1st target area confirms a mineralised zone of 2,700 metres by 900 metres. Whilst we expect API to commence drilling the other target areas from the Hoist EM survey and prepare a resource estimate as they move down the development path during 2007, API expend money at their discretion under the JV earn-in and Helix can only release results when made available by API.

RESULT

The operating result for the half-year ended 31 December 2006 for the Group was a profit after income tax of \$94,039. (2005: \$3,440,045 loss).

EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2006 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Bentleys MRI Perth partnership, as presented on page 5 of this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'G J Wheeler', is centered on a light gray rectangular background.

G J Wheeler
Executive Chairman

Dated this 19th day of February 2007

AUDITORS' INDEPENDENCE DECLARATION
Under Section 307C of the Corporations Act 2001

To the Directors of Helix Resources Limited

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BENTLEYS MRI PERTH PARTNERSHIP



J W VIBERT
Partner

Dated this 19th day of February 2007.

Condensed Income Statement

HALF-YEAR ENDED 31 DECEMBER 2006

	Notes	Consolidated	
		2006 \$	2005 \$
Revenue from ordinary activities - interest		36,320	34,805
Profit from sale of investments		502,000	78,195
Profit / (Loss) on sale of mineral area		155,000	(183,399)
Tenement Rental Reimbursement		132,271	-
Other Income		13,870	-
Employment costs		(371,521)	(225,715)
Audit and Accountancy		(19,125)	-
Depreciation		(22,202)	(19,933)
Premises costs		(61,392)	(56,962)
Professional fees		(4,461)	(72,583)
Travel and accommodation costs		(572)	(24,323)
Write down of investments		(1,815)	-
Exploration expenditure written off		(245,664)	(2,943,354)
Other expenses from ordinary activities		(18,670)	(26,776)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		94,039	(3,440,045)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		-	-
PROFIT / (LOSS) FOR THE PERIOD		94,039	(3,440,045)
NET PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED		94,039	(3,440,045)
Basic earnings / (loss) per share (cents)		0.09	(3.45)
Diluted earnings / (loss) per share (cents)		0.09	(3.45)

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Balance Sheet

AS AT 31 DECEMBER 2006

	Consolidated	
	31 December 2006	30 June 2006
Notes	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,144,659	1,151,030
Financial Assets	150,000	-
Trade and Other Receivables	306,553	743,088
TOTAL CURRENT ASSETS	1,601,212	1,894,118
NON-CURRENT ASSETS		
Financial Assets	2,000	2,890
Property, plant and equipment	183,749	184,516
Exploration and Evaluation	8,503,098	8,215,219
Other	158,676	154,583
TOTAL NON-CURRENT ASSETS	8,847,523	8,557,208
TOTAL ASSETS	10,448,735	10,451,326
CURRENT LIABILITIES		
Trade and Other Payables	95,246	186,629
Provisions	16,675	25,785
TOTAL CURRENT LIABILITIES	111,921	212,414
NON CURRENT LIABILITIES		
Provisions	24,894	21,953
TOTAL NON CURRENT LIABILITIES	24,894	21,953
TOTAL LIABILITIES	136,815	234,367
NET ASSETS	10,311,920	10,216,959
EQUITY		
Share Capital	45,295,964	45,295,964
Other Reserves	50,197	50,197
Accumulated losses	(35,034,241)	(35,129,202)
TOTAL EQUITY	10,311,920	10,216,959

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

HALF-YEAR ENDED 31 DECEMBER 2006

	\$	\$	\$	\$
	<u>Share Capital</u>			Total
	Ordinary	Options Reserve	Retained Profits	
Balance at 1.7.2005	43,567,055	50,197	(30,366,704)	13,250,548
Shares issued during the year	1,724,925			1,724,925
Loss attributable to members of parent entity			(3,440,045)	(3,440,045)
Balance at 31.12.2005	45,291,980	50,197	(33,806,749)	11,535,428
Balance at 1.7.2006	45,295,964	50,197	(35,129,202)	10,216,959
Adjustment to opening balance			922	922
Shares issued during the year				
Profit attributable to members of parent entity			94,039	94,039
Balance at 31.12.2006	45,295,964	50,197	(35,034,241)	10,311,920

The consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Notes	Consolidated	
		2006	2005
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(299,770)	(411,462)
Interest received		36,320	34,805
Other		17,646	4,909
NET CASH USED IN OPERATING ACTIVITIES		(245,804)	(371,748)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(25,211)	(8,518)
Proceeds from sale of property, plant and equipment		-	16,000
Payments for capitalised exploration and evaluation expenditure		(533,543)	(1,110,857)
Payments for investments		(4,093)	(6,755)
Proceeds from sale of assets		502,000	73,286
Loans to and amounts received from related parties		300,282	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		239,435	(1,036,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	1,916,768
Share and option issue transaction costs		-	(191,844)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	1,724,924
NET INCREASE IN CASH HELD		(6,369)	316,332
CASH AT BEGINNING OF PERIOD		1,151,028	1,635,871
CASH AT END OF PERIOD		1,144,659	1,952,203

The consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the Half-Year Financial Statements

31 DECEMBER 2006

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Helix Resources Limited as at 30 June 2006, as prepared under A-IFRS. It is also recommended that the half-year financial report be considered together with any public announcements made by Helix Resources Limited during the half-year ended 31 December 2006 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of accounting

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including Accounting Standard AASB 134: "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Accounting policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2006 annual financial report.

The Group has taken the exemption available under AASB 1 to only apply AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005.

2. SEGMENT REPORTING

The Group operated predominantly in one geographical segment and one business, being platinum, gold and other base metals exploration and development in Western Australia, South Australia and New South Wales.

3. CONTINGENT ASSETS OR LIABILITIES

There are no contingent assets or liabilities as at the reporting date.

4. EVENTS SUBSEQUENT TO REPORTING DATE

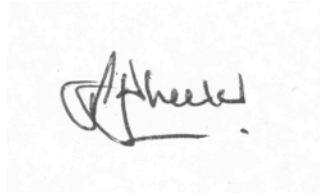
The Directors are not aware of any matter or circumstance that has arisen since 31 December 2006 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Helix Resources Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the Group comply with the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting and give a true and fair view of the financial position as at 31 December 2006 and the performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

A handwritten signature in black ink, appearing to read 'G J Wheeler', is centered on the page. The signature is written in a cursive style with a large initial 'G'.

G J Wheeler
Executive Chairman

Dated this 19th day of February 2007

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HELIX RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Helix Resources Limited which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting an applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Helix Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Helix Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS MRI PERTH PARTNERSHIP



J W VIBERT
Partner

Dated this 19th day of February 2007.