



## Helix Resources Limited

A.C.N. 009 138 738 Incorporated in Western Australia

3<sup>rd</sup> June 2008

Australian Stock Exchange Limited  
Via Electronic Lodgement

Dear Sirs

### INITIAL INFERRED RESOURCE ESTIMATE OF 112 MILLION TONNES FOR YALLEEN IRON ORE JOINT VENTURE

Helix Resources Limited ("Helix") is pleased to announce an initial inferred iron ore resource estimate has been undertaken for the Kumina Creek and Robe Exit Prospects covering zones of channel iron deposits (CID) on the Yalleen Joint Venture Project located in the West Pilbara region of Western Australia. The Yalleen Joint Venture is 70% API Management Pty Ltd (API) and 30% Helix and is managed by API.

Helix independently commissioned Runge Limited ["Runge"] to prepare the Resource estimate which was based on the information and parameters outlined in Appendix A.

The Joint Venture continues exploration drilling of several other identified iron targets and in-fill drilling on Kumina Creek. Helix considers that this initial resource estimate has scope to be increased with further drilling and inclusion of other identified deposits within the 600km<sup>2</sup> project area.

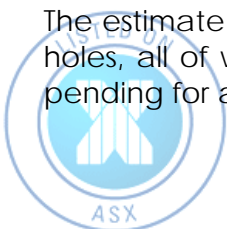
The Runge Mineral Resource Estimates for the Kumina Creek and the Robe Exit Iron Ore deposits are summarised in Table A.

**Table A: Yalleen Project May 2008 Inferred Mineral Resource at 50% Fe Cut off**

Deposit	Tonnes MT	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %	Mn %	MgO %
Kumina Creek	68.7	56.16	6.60	4.20	0.058	0.02	8.23	0.06	0.14
Robe Exit	43.5	54.65	6.84	4.58	0.065	0.01	9.97	0.08	0.16
<b>Grand Total</b>	<b>112.1</b>	<b>55.57</b>	<b>6.69</b>	<b>4.35</b>	<b>0.060</b>	<b>0.02</b>	<b>8.91</b>	<b>0.07</b>	<b>0.15</b>

The Mineral Resource estimate complies with recommendations in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

The estimate is based on data from surface Reverse Circulation (RC) and Diamond (DD) drill holes, all of which all were completed by API. At the time of this estimate, results were still pending for a number of holes.



Drilling at the Kumina Creek deposit has been carried out at 100m hole spacings on 200m section spacings and typically extends to 80m depth. Drilling at the Robe Exit deposit is more broadly spaced and is typically at 200m hole spacings on 400m line spacings.

Mineralised envelopes were created using the logged channel geology and a 50% Fe cut-off grade. The deposits were estimated using a standard Surpac block model with inverse distance squared (ID2) grade interpolation for all elements.

The geological model and grade distribution evident at the Yalleen project conform to well understood CID deposits which are exploited in the region. Drill data is relatively sparse so geological and grade continuity is assumed rather than verified. Consequently the resources have been classified as an Inferred Mineral Resource for each deposit. Further details of this resource estimate are attached as Appendix A.

A resource estimate with a higher grade cut of 55% Fe was also calculated to assess the tonnes and grade on tighter parameters, the estimates are summarised in Table B:

**Table B: Yalleen Project May 2008 Inferred Mineral Resource at 55% Fe Cut off**

Deposit	Tonnes MT	Fe %	SiO2 %	Al2O3 %	P %	S %	LOI %	Mn %	MgO %
Kumina Creek	51.7	56.97	5.91	3.98	0.059	0.02	8.08	0.05	0.13
Robe Exit	18.1	56.22	5.34	4.16	0.065	0.01	9.81	0.08	0.14
<b>Grand Total</b>	<b>69.8</b>	<b>56.78</b>	<b>5.76</b>	<b>4.02</b>	<b>0.061</b>	<b>0.02</b>	<b>8.53</b>	<b>0.06</b>	<b>0.13</b>

No Al<sub>2</sub>O<sub>3</sub> cut-offs have been applied.

Further work is required to be undertaken by the Joint Venture.

#### **API Comments Regarding the Resource Statement**

API has advised that the stated Resource has not been derived using the modeling techniques normally used by API, which has used the ordinary kriging estimation method for Statements issued on behalf of the Red Hill and Mt Stuart Joint Ventures.

API has indicated it will release a Resource Statement supported by the techniques currently being utilized by API when appropriate.

#### **Yalleen JV Project Background**

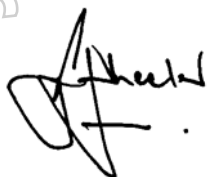
The Yalleen Project is the subject of an iron ore specific exploration and development joint venture with API Management Pty Ltd ("API"). API is a company 50% owned by Aquila Resources Limited ("Aquila") and 50% by AMCI, and dedicated to the development of iron ore resources in the Pilbara. API has earned a 70% interest in the joint venture by sole funding an initial \$1.5 million of exploration and the JV Parties are now contributing in their respective interests.

The Kumina Creek and Robe Exit deposits are located within the Yalleen Iron Ore JV. The deposits lie approximately 50km southeast of Pannawonica, part of the Robe Valley, Western Australia (See figure in Appendix B). Both deposits are channel iron deposits (CID) that are formed by the alluvial and chemical deposition of Fe after erosion and weathering of banded iron formations.



Further details regarding the Yalleen JV are contained in previous ASX releases and the website at [www.helix.net.au](http://www.helix.net.au).

Yours faithfully



**Greg J Wheeler**  
Chairman

The information in this announcement that relates to Mineral Resources is based on information compiled by Mr P Payne who is a member of the Australian Institute of Mining and Metallurgy and an employee of Runge Limited. Mr Payne 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



## Appendix A

### Resource Statement and Parameters

Extracted from the resource report prepared by Runge Limited

#### Yalleen Project May 2008 Inferred Mineral Resource at 50% Fe Cut off

Deposit	Tonnes MT	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	S %	LOI %	Mn %	MgO %
Kumina Creek	68.7	56.16	6.60	4.20	0.058	0.02	8.23	0.06	0.14
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The resource estimate of Kumina Creek was completed using the following parameters:

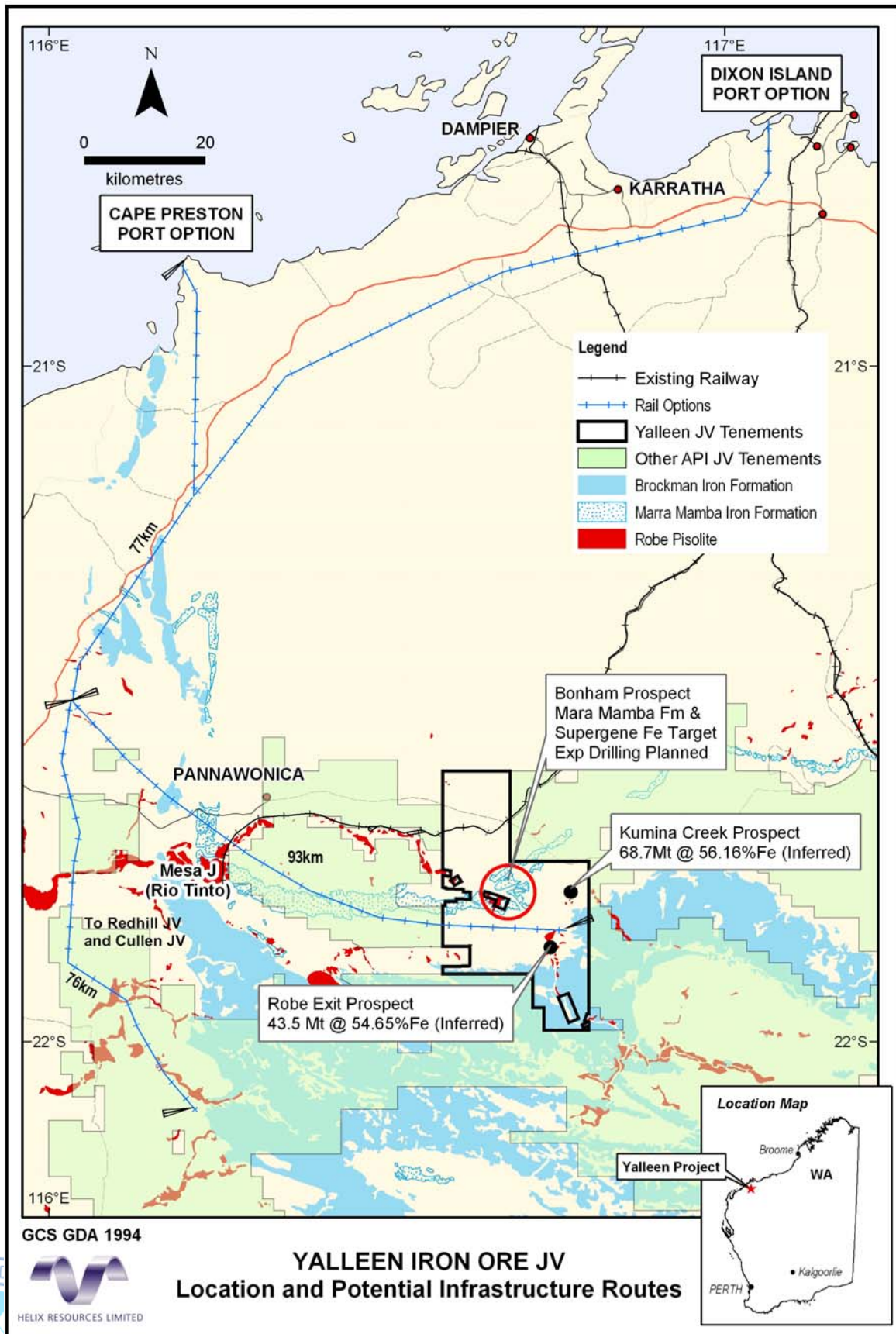
- The Kumina Creek resource area extends over a strike length of 2,750m from 476,500E to 479,250E and is up to 1,000m in width from 7,592,500N to 7,593,500N. The vertical extent of the resource is 70m from near surface at 315mRL to 245mRL.
- The Robe Exit resource area extends over a strike length of 3,200m from 472,200E to 475,400E and is 1,750m in width from 7,585,250N to 7,593,500N. The vertical extent of the resource is 80m from near surface at 310mRL to 230mRL.
- The database contained 340 drill holes including Reverse Circulation (RC), Diamond (DD) and recent Barber drill holes (BDH) drilled late in 2007. A total of 148 drill holes were used to estimate the resources.
- No down hole surveys were recorded and all holes are assumed to remain vertical. The average depth of drill holes in the resource estimates is 35m.
- QAQC data was not reviewed by Runge Limited. However API has a comprehensive QAQC procedure in place for all resource drilling.
- Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P, S, Loi1000, Mn, MgO were assayed using the X-ray fluorescence technique (XRF).
- Interpretations were based on logged geology and a nominal 50% Fe cut off with a minimum down hole length of 2m.
- Samples within the Kumina Creek wireframes were composited to even 1m intervals. Samples within the Robe Exit wireframes were composited to even 2m intervals.
- No high grade cut was applied to Fe or any other elements in the estimates.



- Inverse Distance Squared was used to estimate grade within each of the deposits. An 'ellipsoid' search method was used for both deposits.
- The Kumina Creek estimate used a first pass horizontal search radius of 200m. The vertical search distance was 10m.
- The Kumina Creek block model used block dimensions of 100m NS by 50 EW by 2m vertical with sub cells of 50m by 25m by 1m respectively.
- The Robe Exit estimate used a first pass horizontal search radius of 400m with a vertical search distance of 40m.
- The Robe Exit block model used block dimensions of 100m NS by 100m NS by 2m vertical with sub cells of 25m by 25m by 1m respectively.
- Bulk density data was not provided for either of the deposits. Review of similar type deposits in the Robe Valley resulted in a density of 2.7t/m<sup>3</sup> being applied to the mineralised material.
- The geological model and grade distribution evident at the Yalleen project conform to well understood CID deposits which are exploited in the region. Drill data is relatively sparse so geological and grade continuity is assumed rather than verified. Consequently the resources have been classified as an Inferred Mineral Resource for each deposit. Some peripheral mineralisation at the Robe Exit deposit has been estimated but remains unclassified due the sparseness of drilling and grade variability.



Appendix B



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