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CORPORATE DIRECTORY

Directors

Dr. G. Michael Folie	Chairman
Robert W Mosig	Managing Director
Anthony R Martin	Executive Director
Ian K Macpherson	Non Executive Director
Bryce E Wauchope	Non Executive Director

Company Secretary
Riccardo E Vittino

Head and Registered Office
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CORPORATE REVIEW

Dear Shareholder,

We are pleased to present the Annual Report of the Company for the year 2004.

Whilst the year has been a positive one overall for the Company, it has also produced its share of challenges. In February, in conjunction with the first JORC compliant ore resource estimation, we announced the acquisition of full ownership of the Tunkillia Gold Project and the commencement of the Tunkillia Gold Project Feasibility Study in the Gawler Craton region of South Australia. However, later in the year, a setback to the early completion of the Feasibility Study (including further exploration) occurred when the Company was forced to suspend all activities at Tunkillia following the under-subscribed Rights Issue offer to all shareholders. Due to the low level of cash available, the Company reassessed the work program at Tunkillia and focussed more on exploration and less on engineering. Furthermore the necessity to carry out an estimated $5.0 million of exploration to advance the project toward a Feasibility Study, contributed to this decision.

> *"The Company has already begun to carry out important and innovative exploration..."*

In October, the Company announced that it had postponed the future development of the Tunkillia Project until such time that Helix finds a suitable joint venture partner. The current resource estimate for this exciting gold project stands at 10.5 million tonnes grading 2.2 g/t for 730,000 ounces of gold. Further activities at the Company's Gawler Craton tenements are definitely warranted, and your Board is hopeful of an early recommencement to the unfinished work.

Exploration has always been a strong focus for the Company over its nineteen years as an Australian Stock Exchange listed junior explorer. During this time, the Company has made many important discoveries from grass roots projects which have often impacted significantly on its share price.

The Company has a quality exploration portfolio. Details on the gold and nickel, copper and platinum group metals prospectivity of the Mt Venn and Narracoota projects are contained in this Annual Report. At the Mt Venn project, for instance there has been very limited exploration since the 1960's nickel boom, yet the project area contains large thicknesses of mafic and ultramafic rocks which have the potential to contain nickel and copper sulphide accumulations as well as platinum group metals.

The Company must now raise further funds as it has already begun to carry out important and innovative exploration at most of the project areas outlined in this report. We plan to address fund raising before the end of 2004 and the Board looks forward to your continued support.

Against the backdrop of a major worldwide reduction in exploration, your Company is confident that it can continue to find new discoveries within Australasia. The Helix exploration team remains committed to success by new project generation which will be partially funded where possible by major mining companies who recognise the importance of the Helix contribution. On this front, I am pleased to advise that negotiations are underway to joint venture our exciting grass roots Loongana Project in the Nullarbor region of Western Australia. Full details are contained in the review of operations in this report.

The Company reported a loss of $4.77 million during the year, related essentially to revaluation of carry forward exploration expenditure. The cash reserves available to the Company at the time of writing are $1.3 million. In view of the limited funds available, negotiations to sell non-core asset

CORPORATE REVIEW

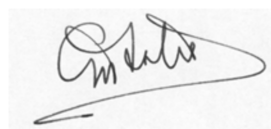
projects are in progress, and their potential sale may provide additional cash as well as new share investments for the Company.

As part of the new focus on exploration a detailed review of the activities of the Company was undertaken resulting in reductions in corporate overheads and salaries.

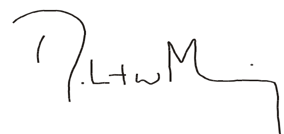
In May of this year the Board appointed Dr Michael Folie as Chairman of Helix Resources. Since then the Chairman and the Managing Director have worked closely on the strategic future planning for the Company. Dr Folie's decision not to seek shareholder ratification of his appointment at the Annual General Meeting to be held in November has been accepted with regret, and the Board acknowledges his thorough and excellent contribution.

As a result of this change, Robert Mosig has been appointed the Executive Chairman and the size and content of the Company's Board of Directors is being reviewed.

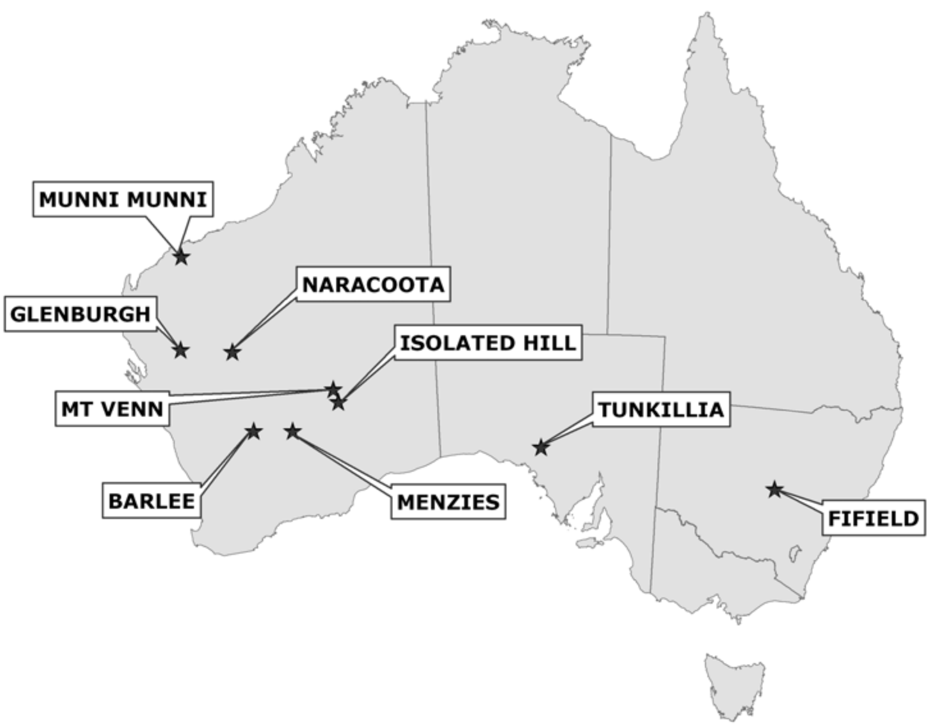
On behalf of the Board, we look forward to meeting as many shareholders as possible at our Annual General Meeting on the30th November, and specifically, your Board looks forward to a commitment to make 2005 a productive and successful year.



Dr G M Folie
Chairman



Robert W Mosig
Managing Director



REVIEW OF OPERATIONS

INTRODUCTION

During the past 12 months the company has made significant advances in its effort to develop the Tunkillia Gold Project at Lake Everard in the Gawler Craton of South Australia. By early 2004 the company had outlined a JORC resource of 730,000 oz of gold at 2.2g/t at the Area 223 prospect. A subsequent Scoping Study indicated that at a gold price of $550 per ounce about 390,000 oz of this resource was mineable at a grade of 2.4g/t by open cut methods. Based on these results the company commenced the preliminary phase of a Feasibility Study, including further resource drilling and technical studies into potential gold mining at Area 223.

Progress on the Feasibility Studies slowed during the later part of the year due to lack of funds provided from an under subscribed Rights Issue.

Exploration during the year at other projects included further drilling at the Highway nickel laterite deposit by Heron Resources and extensive regional diamond exploration sampling by DeBeers in the Munni Munni region. Negotiations were also commenced during the year to secure a joint venture partner for the Loongana Ni, Cu, PGM prospect in the Nullarbor region of Western Australia.

In addition to its well maintained exploration portfolio the Company retains a strong resource base across a selection of commodities and is well positioned to continue to take advantage of future changes in commodity prices.

Resource Inventory

Project	**Commodity**	**Equity**	**Grade and Tonnage**	**Contained Metal**
Lake Everard	Au	100%	10.5Mt at 2.2g/t Au	730,000 oz
Munni Munni	PGM	100%	24.0Mt at 2.9g/t PGM + Au	2,240,000 oz
Glenburgh	Au	100%	1.4Mt at 1.9g/t Au	90,000 oz
Fifield	PGM	100%	10.2Mt at 0.6g/t Pt	200,000 oz
	Ni Co	100%	2.0Mt at 0.18% Co & 0.35% Ni	3600t Co, 7000t Ni
Menzies	Ni Co	40%	6.0Mt at 1.4% Ni & 0.11% Co	84,000t Ni, 6,600t Co

REVIEW OF OPERATIONS

GOLD PROJECTS

LAKE EVERARD
– GAWLER CRATON, SOUTH AUSTRALIA

Helix Resources Limited – 100%

The Lake Everard Gold Project is located 700 kilometres north-west of Adelaide in South Australia's Gawler Craton. The project area of 3,250 square kilometres is comprised 2 Exploration Licences and 1 Exploration Licence application.

The Tunkillia gold deposit is wholly located within the Lake Everard tenement, EL2697. Helix acquired the Project in 1996 to explore for gold in Mesopoterozoic geological settings.

In May 2003, Helix purchased AngloGold's 49% joint venture interest in the Lake Everard Project and then carried out a reverse circulation drilling program.

RESOURCES

Prior to May 2003, a resource review by AngloGold estimated that Area 223 contained approximately 220,000 oz of gold grading 2.5g/t Au. In the second half of 2003 Helix conducted a 14,000 metre infill drilling program to enhance the resource. As a result AMC Consultants calculated the first JORC resource estimate for Area 223 of **10.5 Mt grading 2.2g/t Au containing 730,000 oz**.

Area 223 Resource Estimate

Area 223 Resource	Contained Gold	Classification
5.4Mt @ 2.1g/t	370,000oz	(Indicated)
5.1Mt @ 2.2g/t	360,000oz	(Inferred)
10.5Mt @ 2.2g/t	**730,000oz**	**(JORC)**

The new resource estimate was subjected to additional optimisation studies which indicated that the exploitable resource was 392,000 oz of gold with a head grade of 2.4g/t within an AUD$550 pit shell.

Further studies estimated cash costs of potential production were **AUD$375 per oz** of gold at a stripping ratio of 7.5:1, generating an undiscounted pre-tax cash flow of **$62 million**. Capital costs were estimated at $25 million, producing a net positive cash flow for the project of $37 million (refer table below).

Summary of Area 223 Whittle Optimisation Studies

Gold Price AUD$/oz	**Contained Gold** oz	**Grade Gold** g/t	**Strip Ratio** w : o	**Recovered Gold** oz	**Cash Cost** AUD$/oz	**Undisc Cash Flow** $m	**Nett positive Cash Flow** $m
500	347,000	2.4	7.4	319,000	355	44.9	19.9
550	**392,000**	**2.4**	**7.5**	**362,000**	**375**	**62.0**	**37.0**
600	444,000	2.3	7.9	408,000	400	81.1	56.1

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In May and June 2004 a further 24 RC holes of a planned 40 hole program were drilled into the Area 223 resource. Drilling concentrated on the poorly drilled northern end of the resource and the higher grade Area 223 South zone. The better gold intersections from the drilling program included **15m at 7.7g/t, 5m at 15.3g/t and 3m at 16.9g/t.**

The results confirm that Area 223 South which remains open along strike to the south has potential to provide additional high grade resource (refer Section 110700 mN below).

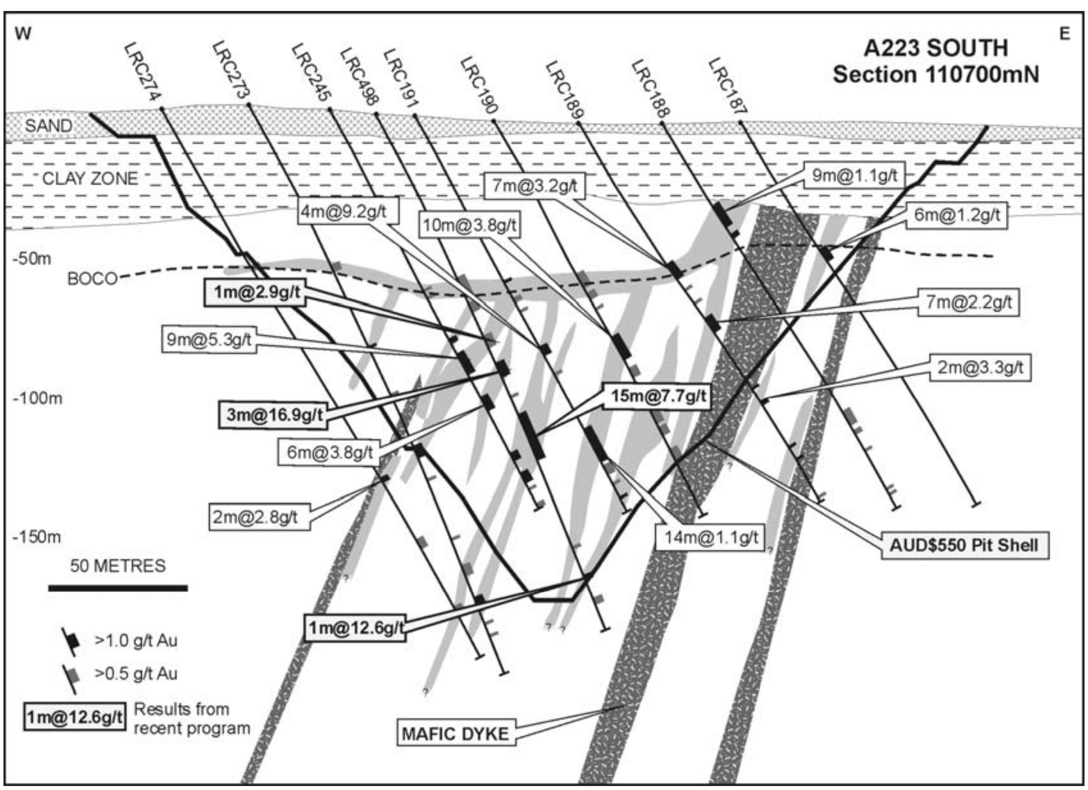
EXPLORATION POTENTIAL

Area 223 covers approximately 5 percent of the entire Tunkillia gold-in-calcrete anomaly. Basement drilling outside of Area 223 is generally sparse, with only a limited number of targets drilled to date. Of the targets drilled, a number have returned intersections greater than 1g/t Au.

Furthermore,the north-westerly trending shear zone which hosts the Area 223 resource has only been drilled on 10 RC traverses over its remaining 7.5km length along strike from the resource.

Elsewhere at Tunkillia, an Induced Polarisation survey has been successful in identifying several new and untested anomalies which may represent potential areas of sulphide and gold mineralisation along strike of Area 223.

Regional calcrete sampling has been completed over two thirds of the total 3,250 sq km under tenure in the Lake Everard region with basement drilling limited to the Tunkillia Anomaly. There are numerous high priority geochemical and geophysical targets still to be explored within the project area.



REVIEW OF OPERATIONS

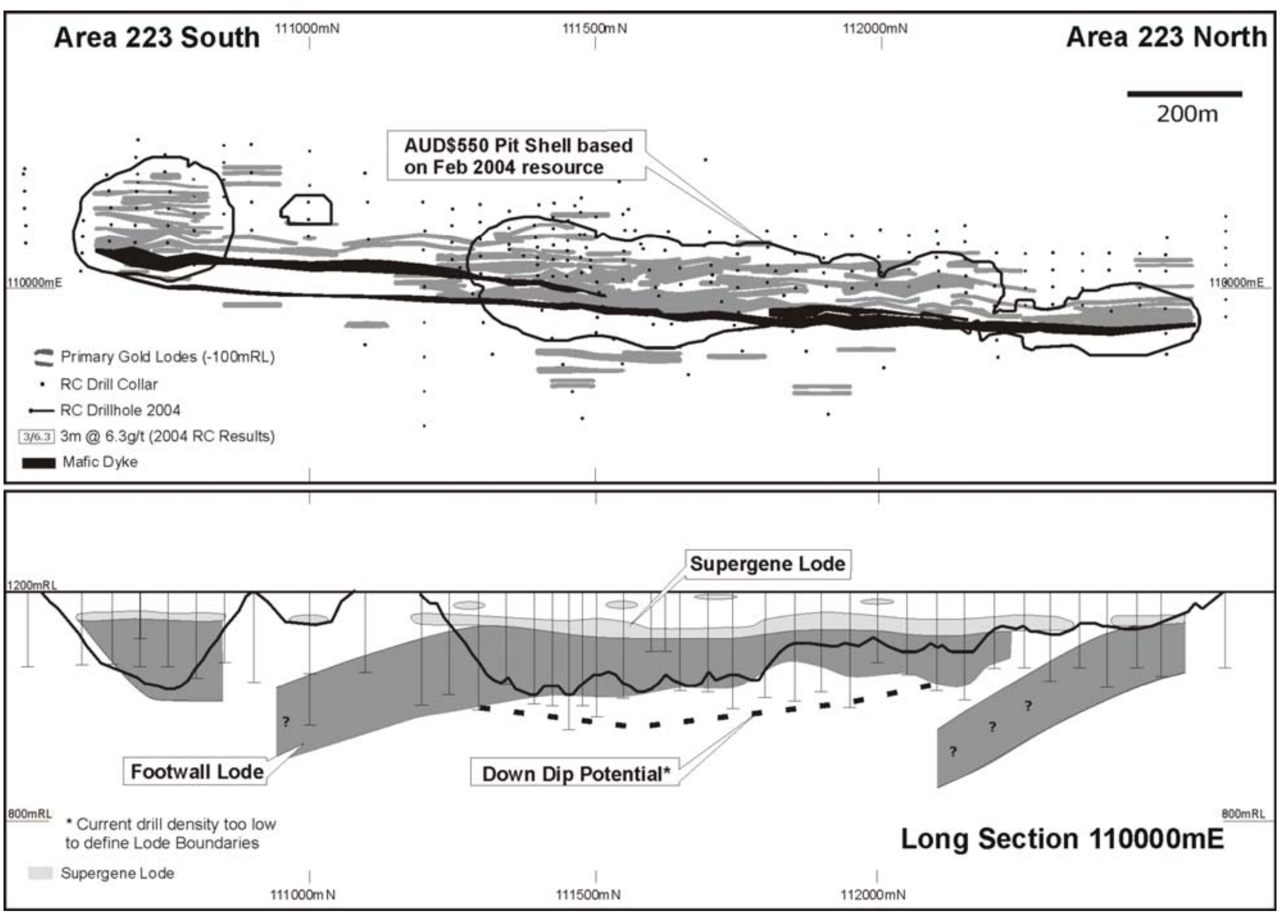
FEASIBILITY STUDIES

Following the appointment of personnel for the Tunkillia Feasibility Study in May 2004, the team carried out a preliminary assessment of the mining characteristics of the Area 223 resource. The aim of this initial study was to re-optimise the resource, incorporating the new drilling results completed in 2004 and open cut mining methods considered applicable to the proposed mining of Area 223.

Studies completed to date indicate that the gold mineralisation at Area 223 is sufficiently continuous and robust to be mined economically at a rate of 70-80,000 oz per annum, although some further infill drilling is required to fully quantify this based on an Indicated resource.

Whilst the current project economic estimations indicate a positive cash flow of approximately $37 million at an AUD$550 gold price, there is a high capital cost requirement for the removal of the 40 to 50 metres of overburden. The total capital cost of plant, infrastructure and overburden removal would be in the order of $35 to 40 million. A longer life project would provide a better return and have lower risk.

Based on the additional exploration potential highlighted by the latest drilling, the study team have recommended that the company conduct further exploration to increase the resource, thereby reducing the project risk associated with the high level of initial debt. Further exploration drilling is planned for 2005 to increase the exploitable resource at Area 223 to at least 550,000 oz.



REVIEW OF OPERATIONS

NARRACOOTA GOLD PROJECT – WESTERN AUSTRALIA

Helix Resources Limited – 90%

The Narracoota Gold Project is located in the southern part of the Peak Hill gold field north of Meekatharra in Western Australia. The project consists of three Exploration Licences which cover a series of large WNW trending structural zones that are prospective for gold mineralisation. Much of the tenement area is covered by overburden to a thickness of 5 metres. Historically, exploration in the region has concentrated on prospects outcropping within these covered areas.

Technical reviews carried out by Helix indicate that the covered areas remain highly prospective for gold mineralisation of a style similar to those at the Fortnum and Peak Hill mines.which occur along the contacts between Proterozoic volcanics and sediments.

The company is planning to carry out a regional geochemical program in October 2004.

GLENBURGH PROJECT – WESTERN AUSTRALIA

Helix Resources Limited – 100%

The Glenburgh Gold Project is located 300 kilometres east of Carnarvon in the Gascoyne Region. The Project was one of Helix's early discoveries, with significant gold mineralisation first identified in 1994 and subsequent drilling delineating a 36 square kilometre mineralised zone.

Exploration for gold at Glenburgh has identified a number of high grade zones over 10 kilometres of strike-length within a large Proterozoic shear zone. In early 2003, drilling to identify the down plunge extensions at the most prospective of these zones, the Apollo Prospect, produced impressive results including 6m at 20.5g/t Au.The current resource at Apollo stands at 57,000oz grading 2.9g/t. These results indicate there is potential to increase the resource with further drilling.

Earlier drilling throughout the project area had identified a number of other zones of high grade gold which are now worthy of further follow-up drilling based on the new plunge direction information obtained from the recent drilling at Apollo.

Shallow vacuum drilling in 2003 immediately east of Apollo provided geochemical evidence that there may also be additional gold lodes buried beneath thin alluvial cover.

Exploration at Glenburgh will continue in early 2005 addressing these new drilling targets.

ISOLATED HILL PROJECT – WESTERN AUSTRALIA

Helix Resources Limited – 100%

The Isolated Hill Project comprises two Exploration Licences covering 393 square kilometres of greenstone belt in the Eastern Goldfields. Located 150km east of Laverton it is adjacent to the prospective Yamarna greenstone belt.

Only 40% of the Isolated Hill greenstone belt has been sampled by previous tenement holders in the 1990's. This work reported geochemical gold up to 420ppb, and outlined two significant gold in soil anomalies which are above the 10ppb level. The anomalies are 2.5km and 1.2km long respectively and have not been drill tested. Follow up work including a program of surface sampling and drill testing is planned for 2005. Further exploration will also include evaluations for nickel and PGM's.

REVIEW OF OPERATIONS

PLATINUM GROUP METALS AND NICKEL PROJECTS

MUNNI MUNNI PGM PROJECT – WESTERN AUSTRALIA

Helix Resources Limited – 100%

Exploration and development of the Munni Munni PGM project was put on hold in late 2002 due to the dramatic slump in the palladium price. The Company is continuing to investigate the possibility of selectively mining the high grade PGM shoots within the resource. These high grade zones contain over 1.4 million oz of PGM and gold at a grade of 3.3g/t, with widths in places in excess of 5 metres. The Company maintains a positive view on the longer term future of all PGM's and considers Munni Munni a valuable future asset.

MT VENN Ni PGM PROJECT – WESTERN AUSTRALIA

Helix Resources Limited – earning 80%

The Mt Venn project, located east of Laverton in WA, first attracted interest to explorers during the late 1960's nickel boom when Tasminex NL drilled a series of sulphide bearing holes on the margin of a large layered mafic/ultramafic intrusion. The project area is located within a Native Reserve and since the early 1970's the area has been excluded from exploration.

Exploration during the early 1970's discovered a series of surface gossans associated with the magmatic sulphide horizons and analyses of these recorded up to 0.8% Ni and 1% Cu, however, no analyses for PGM's were carried out. Drilling at Mt Venn has also been limited to one small area of the intrusion.

The prominent sulphide horizons at Mt Venn offer an attractive new exploration target for nickel and PGM's in a previously unrecognized PGM region of Western Australia.

MENZIES NICKEL PROJECT – WESTERN AUSTRALIA

Helix Resources Limited 40%

During the year our joint venture partner, Heron Resources Ltd, solely funded 125 holes of reverse circulation drilling, covering 6.5 kilometres of strike of Walter Williams Formation. Extensive ferruginous lateritic ore was encountered. Significant intersections included, 12 metres at 1.63% Ni from 8 metres depth, 12 metres at 1.25% Ni 23 metres depth, 8 metres at 1.38% Ni 4 metres depth and 19 metres at 1.01% Ni 14 metres depth.

Nickel laterite mineralisation has now been verified to exist in the Menzies Highway Project area over a strike length of some 6.5 kilometres and it has potential to make a significant contribution to the ore-feed for the Kalgoorlie Nickel Project which is to be centred at Goongarrie, some 30 kilometres to the south.

REVIEW OF OPERATIONS

LOONGANA Ni PGM PROJECT
Helix Resources Limited – 100%

The Loongana Project is located in Western Australia's Eucla Basin, approximately 475 kilometres east of Kalgoorlie and 30 kilometres north of the Trans-Australia Rail Line. The Project was identified as a potential PGM/nickel exploration opportunity because of the presence of a geophysical anomaly which indicates a large layered mafic/ultramafic complex at depth.

The anomaly is some 100 kilometres long and up to 15 kilometres wide, about three times the size of the Munni Munni complex.

Two diamond drill holes completed at Loongana in 2002/2003 intersected cumulate gabbros, pyroxenites and dunite, confirming the geophysical interpretation of the anomaly and its prospectivity for PGM deposits. Possible exploration models include both the Bushveld style layered mafic/ultramafic hosted PGM targets and Jinchuan/Voisey's Bay style nickel-copper-PGM style mineralisation.

Helix is currently in negotiations with companies who have shown interest in joint venturing into the project for nickel exploration.

DIAMOND EXPLORATION PROJECTS

WEST PILBARA JOINT VENTURE – WESTERN AUSTRALIA
Helix Resources Limited – 100%, De Beers Australia Exploration Limited earning 51%

During the year De Beers conducted an extensive stream sampling program over 4 of the tenements comprising the West Pilbara Joint Venture (proximal to the Munni Munni PGM project) . The sampling produced several areas which contained kimberlitic spinel and De Beers are currently conducting detailed follow-up sampling.

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the practices are appropriate for the Company due to the size of Company operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/about/CorporateGovernance_AA2.shtm.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chairman	1.2
Recommendation 2.3 Role of the Chairman and CEO	1.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Reporting on Principle 2	1.2, 1.4.6, 2.3.2 and the Directors' Report
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	1.1
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Recommendation 7.2 Attestations by CEO and CFO	1.4.11
Recommendation 7.3 Reporting on Principle 7	2.1.3
Recommendation 8.1 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 9.1 Remuneration Policies	2.2.4
Recommendation 9.2 Establishment of Remuneration Committee	2.2
Recommendation 9.3 Executive and Non-Executive Director Remuneration	2.2.4.1 and 2.2.4.2
Recommendation 9.4 Equity-Based Executive Remuneration	2.2.4.1
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Recommendation 10.1 Company Code of Conduct	3

CORPORATE GOVERNANCE

1. Board of Directors

1.1 Role of the Board

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry our its functions, it has developed a Code of Conduct to guide the Directors, the Chief Executive Officer, the Chief Financial Officer and other key executives in the performance of their roles.

1.2 Composition of the Board

To add value to the Company the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. The names of the Directors and their qualifications and experience are stated in Directors' Report along with the term of office held by each of the Directors. Directors are appointed based on the specific governance skills required by the Company and on the independence of their decision-making and judgment.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Dr M Folie, Mr I Macpherson, and Mr B Wauchope are all Non-Executive Directors. In addition to being Non-Executive Directors, Dr M Folie, Mr I Macpherson, and Mr B Wauchope also meet the following criteria for independence adopted by the Company.

An Independent Director:

1. is a Non-Executive Director and:
2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member. Or an employee materially associated with the service provided;
5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

1. *Leadership of the Organisation*: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board.

CORPORATE GOVERNANCE

2. *Strategy Formulation*: working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
3. *Overseeing Planning* Activities: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long term budgets.
4. *Shareholder Liaison*: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
5. *Monitoring, Compliance and Risk Management*: overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
6. *Company Finances*: approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.
7. *Human Resources*: appointing, and, where appropriate, removing the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as well as reviewing the performance of the CEO and monitoring the performance of senior management in their implementation of the Company's strategy.
8. *Ensuring the Health, Safety and Well-Being of Employees*: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
9. *Delegation of Authority*: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

1. concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and

CORPORATE GOVERNANCE

2. that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

1.4.5 Education and Induction

New Directors undergo an induction process in which they are given a full briefing on the Company. Where possible, this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include:

- details of the roles and responsibilities of a Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- access to a copy of the Board Charter;
- Guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;
- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

1. communicating effectively with shareholders through releases to the market via ASX, the Company's website, information mailed to shareholders and the general meetings of the Company;
2. giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. making it easy for shareholders to participate in general meetings of the Company; and
4. requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

CORPORATE GOVERNANCE

1.4.9 Trading in Company Shares

The Company has a Share Trading Policy under which Directors and certain employees and their associates may only trade in the Company's securities during the 30 days commencing immediately after each of the following ("trading window"):

- the release by the Company of its half-yearly results to the ASX;
- the release by the Company of its annual results to the ASX;
- the close of the general meeting of the Company; and
- the release by the Company of its Quarterly Reports to the ASX.

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company, of which the market is not aware, that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

1.4.10 Performance Review/Evaluation

Each year the Board conducts an evaluation of its performance. The evaluation for this and past financial years was conducted internally. The Board's performance was measured against both qualitative and quantitative indicators. The objective of this evaluation was to identify strengths and weaknesses and provide best practice corporate governance to the Company. In future years this process may carried out by an external consultant.

1.4.11 Attestations by CEO and CFO

In accordance with the Board's policy, the CEO and the CFO made the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

2. Board Committees

2.1 Audit Committee

The Audit Committee was formed by resolution of the Board. Below is a summary of the role, composition and responsibilities of the Audit Committee. Further details are contained in the Audit Committee's Charter.

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

2.1.2 Composition

The Audit Committee consists of two members. Members are appointed by the Board from amongst the Non-Executive Directors. The current members of the Audit Committee are Mr I Macpherson, and Mr B Wauchope. Mr B Wauchope is the Chairman of the Audit Committee

The Audit Committee held two meetings throughout the year and details of attendance of the members of the Audit Committee are contained in the Directors' Report.

2.1.3 Responsibilities

The Audit Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Audit Committee also recommends to the Board the appointment of the external auditor and each year, reviews the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal.

The Audit Committee is also responsible for establishing policies on risk oversight and management.

CORPORATE GOVERNANCE

2.2 Remuneration Committee

The Remuneration Committee was formed by resolution of the Board.

2.2.1 Role

The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

2.2.2 Composition

Dr M Folie, Mr I Macpherson and Mr B Wauchope are the current members of the Remuneration Committee. Dr M Folie is the Chairman of the Remuneration Committee.

The Remuneration Committee held one meeting throughout the year and details of attendance of the members of the Committee are contained in the Directors' Report.

2.2.3 Responsibilities

The responsibilities of the Remuneration Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the Chief Executive Officer, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and making recommendations to the Board on any proposed changes and undertaking an annual review of the Chief Executive Officer's performance, including, setting with the Chief Executive Officer goals for the coming year and reviewing progress in achieving these goals.

2.2.4 Remuneration Policy

The Senior Executives' Remuneration Policy was approved by resolution of the Board in 2003 and the Non-Executive Director Remuneration Policy was also approved by resolution of the Board in 2003.

2.2.4.1 Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in share/option schemes with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. Details of the remuneration, including both monetary and non-monetary components, for each of the Executives during the year are included in the Directors' Report.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments.

2.2.4.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

Non-Executive Directors are entitled to statutory superannuation.

CORPORATE GOVERNANCE

2.2.5 Current Director Remuneration

The aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders in 1996 and is currently $150,000. Details of the remuneration received by all of the Company's Directors are contained in the Directors' Report.

2.3 Nomination Committee

2.3.1 Role

The role of a Nomination Committee is to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

As the whole Board only consists of five members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.2 Responsibilities

The responsibilities of a Nomination Committee include devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors for review by the Board. The Nomination Committee would also oversee management succession plans including the CEO and his/her direct reports and evaluates the Board's performance and makes recommendations for the appointment and removal of Directors.

2.3.3 Criteria for selection of Directors

Directors are appointed based on the specific governance skills required by the Company. Given the size of the Company and the business that it operates, the Company aims at all times to have at least one Director with experience in the Company's industry, appropriate to the Company's market. In addition, Directors should have the relevant blend of personal experience in:

- accounting and financial management;
- legal skills; and
- CEO-level business experience.

3. Company Code Of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has an established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code includes the following.

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

CORPORATE GOVERNANCE

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages it employees to strive to do the same.

Responsibilities to the Community

As part of the community the Company:

- is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs;
- encourages all employees to engage in activities beneficial to their local community; and
- supports community charities.

Responsibility to the Individual

The Company is committed to keeping private information from employees, clients, customers, consumers and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations

Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code

The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

DIRECTORS' REPORT

In respect of the financial year ended 30 June 2004, the Directors of Helix Resources Limited, (the parent entity), submit the financial report. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

DIRECTORS
The following persons held office as Directors of Helix Resources Limited during or since the end of the financial period:

Dr G. Michael Folie BE (Civil), DIC, MSc (Econ) PhD
Non-Executive Chairman
Appointed 16 April 2004
Dr Folie is currently Deputy Chairman of InterOil Corporation and Chairman of Regis Resources NL and the Institute of Public Affairs. He was previously a senior executive with Shell Australia Limited and its subsidiaries from 1979 where he was involved in all aspects of Shell's Australian businesses, including investments in coal, alumina, gold, LNG, oil refineries and chemical plants. From1990 to 1994 Dr Folie was a director of Shell Australia, and was the Executive Director responsible for Billiton Australia activities (alumina, gold, base metals and exploration) and Shell Coal – the third largest Australian producer. From 1994, he was the founding Managing Director and CEO of ASX listed gold explorer and producer Acacia Resources Limited. Dr Folie was previously a director of the Export Finance and Insurance Corporation ("EFIC"), an arm of the Australian Federal Government from 1994 to 1997. Dr Folie has a PhD in Civil Engineering from Southampton University and an MSc in Economics from the London School of Economics.

Robert W Mosig MSc, FAusIMM, FAICD
Managing Director – Executive Director
Appointed 1 July 1985
Mr Mosig is a Geologist with over 25 years experience in platinum group metals, gold and diamond exploration within Australasia.

Anthony R Martin BSc (Hons), MAusIMM
Director Exploration – Executive Director
Appointed 20 July 1998
Mr Martin is a Geologist with over 15 years experience in the mining and exploration industry in Australia.

Ian K Macpherson BCom, CA
Non-Executive Director
Appointed 26 August 1985
Mr Macpherson is a Chartered Accountant with over 20 years experience in the resources, financial and corporate advisory industries. He is a Director of Ord Group Pty Ltd, Chartered Accountants, a Non-Executive Chairman of Visiomed Limited and Preston Resources Limited and Non-Executive Director of Navigator Resources Limited and Precious Metals Australia Limited.

Bryce E Wauchope FCA, FAICD
Non-Executive Director
Appointed 10 March 1993
Mr Wauchope has had over 45 years experience in finance, banking, mining and industrial resources sectors.

Ewen W J Tyler
Appointed 23 January 1996, retired 16 April 2004

PRINCIPAL ACTIVITIES
The principal activity of the economic entity constituted by Helix Resources Limited and the entities it controlled during the year consisted of platinum group metals (PGM), gold and mineral exploration. There has been no significant change in the nature of these activities during the year.

DIRECTORS' REPORT

FINANCIAL RESULTS
The net consolidated profit (loss) of the economic entity for the financial period, after provision for income tax was $(4,769,008),[2003: $(2,551,319)].

DIVIDENDS
No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current period.

REVIEW OF OPERATIONS
During the past 12 months the company has made significant advances in its effort to develop the Tunkillia Gold Project at Lake Everard in the Gawler Craton of South Australia. By early 2004 the company had outlined a JORC resource of 730,000 oz of gold at 2.2g/t at the Area 223 prospect. A subsequent Scoping Study indicated that at a gold price of $550 per ounce about 390,000 oz of this resource was minable at a grade of 2.4g/t by open cut methods. Based on these results the company commenced the preliminary phase of a Feasibility Study, including further resource drilling and technical studies into the mining at Area 223.

In March of 2004, the Company undertook a non-renounceable rights issue to raise approximately $4.74 Million for further drilling and other activities aimed toward completing a Feasibility Study at the Tunkillia Project. The Issue was undersubscribed and by the closing date only $1.37 Million was raised.

Due to a shortage of development funds the Scope of the Feasibility Study at Tunkillia was reviewed and the limited amount of funds were utilised primarily for drilling and resource assessment.

During the year exploration at other projects was undertaken primarily by joint venture partners. The work included further drilling at the Highway nickel laterite deposit by Heron Resources and extensive regional diamond exploration sampling by DeBeers in the Munni Munni region. Negotiations were also commenced during the year to secure a joint venture partner for the Loongana Ni, Cu and PGM prospect in the Nullarbor region of Western Australia.

In addition to its exploration portfolio the Company retains a strong resource base, as detailed below, across a selection of commodities and is well positioned to continue to take advantage of future changes in commodity prices.

Resource Inventory

Project	Commodity	Equity	Grade and Tonnage	Contained Metal
Lake Everard	Au	100%	10.5Mt at 2.2g/t Au	730,000 oz
Munni Munni	PGM	100%	24.0Mt at 2.9g/t PGM + Au	2,240,000 oz
Glenburgh	Au	100%	1.4Mt at 1.9g/t Au	90,000 oz
Fifield	PGM	100%	10.2Mt at 0.6g/t Pt	200,000 oz
	Ni Co	100%	2.0Mt at 0.18% Co & 0.35% Ni	3,600t Co, 7,000t Ni
Menzies	Ni Co	40%	6.0Mt at 1.4% Ni & 0.11% Co	84,000t Ni, 6,600t Co

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
In the opinion of the Directors, other than that disclosed elsewhere in this Report, there were no significant changes in the state of affairs of the economic entity that occurred during the period under review.

SUBSEQUENT EVENTS
In August the Company suspended work on the Feasibility Studies on the Tunkillia Gold Project due to a shortage of funds. The Project remains a valuable asset in the Company's portfolio and ways of exploiting its value will be assessed by the Company's Board and Management.

DIRECTORS' REPORT

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS
The Company has decided that it will be implementing a new strategy of returning to a stronger exploration focus with immediate effect. As a corollary of that decision a detailed review of costs and Board and Management structure is underway.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors, to do so would be likely to prejudice the business activities of the economic entity.

DIRECTORS' AND EXECUTIVES' REMUNERATION
The Company's Executive Officers' remuneration policy is set to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality. The policy is administered by the Remuneration Committee, which is composed of Non-executive Directors.

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of $150,000 approved by shareholders in April 1996. The pool limit is not at present fully utilised. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources to ensure remuneration accords with market practice.

Remuneration packages contain the following key elements:

a) Primary benefits – salary / fees and performance bases bonuses;
b) Post employment benefits – prescribed retirement benefit;
c) Equity – share options granted under the executive share option plan as disclosed in note 26 to the financial statements.

The following table discloses the remuneration of the directors and executives of the company:

2004	Primary			Post Employment			Equity		
	Salary & Fees $	Performance Based Payments $	Non-Monetary $	Superannuation $	Prescribed benefits $	Other - Retirement Benefits $	Options $	Other benefits $	Total $
Directors									
E W J Tyler	40,125	-	-	-	-	156,933	-	-	197,058
Dr G M Folie	11,223	-	-	1,110	-	-	-	-	12,333
R W Mosig	230,308	56,250	-	12,000	-	-	53,228	-	351,786
A R Martin	131,981	35,625	-	10,519	-	-	26,614	-	204,739
I K Macpherson	30,094	-	-	-	-	-	-	-	30,094
B E Wauchope	27,094	-	-	3,000	-	-	-	-	30,094
Total	**470,825**	**91,875**	**-**	**26,629**	**-**	**156,933**	**79,842**	**-**	**826,104**
Executives									
R E Vittino	127,154	33,750	-	12,000	-	-	26,614	-	199,518
Total	**127,154**	**33,750**	**-**	**12,000**	**-**	**-**	**26,614**	**-**	**199,518**

DIRECTORS' REPORT

DIRECTORS' AND EXECUTIVES' SHARE OPTIONS

In accordance with the provisions of the Employee Share Option Plan, executives and employees are entitled to subscribe for ordinary shares on the terms agreed to by the Shareholders at a meeting held on 10 November 2003 in respect of the 2009 options. At the date of this report directors and executives are entitled to purchase an aggregate of 3,450,000 ordinary shares of Helix Resources Limited according to the following terms:

Directors and Executives	Number of Executive Options Held	Issuing Entity	Exercise Price	Expiry Date	Number of ordinary shares under option
Robert W Mosig	533,333	Helix Resources Limited	$0.42	29.03.2009	533,333
	533,334	Helix Resources Limited	$0.46	29.03.2009	533,334
	533,333	Helix Resources Limited	$0.50	29.03.2009	533,333
Anthony R Martin	316,668	Helix Resources Limited	$0.42	29.03.2009	316,668
	316,666	Helix Resources Limited	$0.46	29.03.2009	316,666
	316,666	Helix Resources Limited	$0.50	29.03.2009	316,666
Riccardo E Vittino	300,001	Helix Resources Limited	$0.42	29.03.2009	300,001
	300,000	Helix Resources Limited	$0.46	29.03.2009	300,000
	299,999	Helix Resources Limited	$0.50	29.03.2009	299,999

EXECUTIVE SHARE OPTION PLAN

2,200,000 Equity Options were issued to the Management Team comprising of Messrs R Mosig, A Martin and R Vittino after shareholder approval was received at the Company's 2003 Annual General Meeting. No options were exercised during the financial year. The fair value attributed to the Equity Options in the disclosure of Directors and Executives' remuneration has been calculated using the Black Scholes Model. No cash has been paid to the individuals. The value of the Options would only be realised if and when the market price of Helix shares, as quoted by the Australian Stock Exchange, rises above the Exercise Price of the options. Refer Notes 17 and 18.

DIRECTORS' SHAREHOLDINGS

Director	*Fully Paid Ordinary Shares	Listed Options	Staff Options
R W Mosig	2,484,846	857,516	1,600,000
Dr G M Folie	-	-	-
A R Martin	262,095	85,538	950,000
I K Macpherson**	267,667	182,002	-
B E Wauchope**	962,449	120,306	-

* Directors' interests in ordinary shares of the parent entity are shown at the date of this Directors' Report.

** Member of the Audit Committee

OFFICERS' INDEMNITY AND INSURANCE

During the year the Company paid an insurance premium to insure the Directors and Officers of the Company and related bodies corporate. The Officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

DIRECTORS' REPORT

The Company has entered into an agreement with the Directors and Officers to indemnify them against any claim and related expenses, which arise as a result of work completed in their respective capacities.

The Company has not otherwise, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

ENVIRONMENTAL REGULATIONS
The economic entity is subject to environmental regulations under laws of the Commonwealth and State. The economic entity has a policy of complying with its environmental performance obligations and at the date of this report, is not aware of any breach of such regulations.

MEETINGS OF DIRECTORS
The number of meetings held during the year by Company Directors (including meetings of committees of Directors) and the number of those meetings attended by each Director was:

	Board of Directors' Meetings		**Remuneration Committee Meetings**		**Audit Committee Meetings**	
	Held*	**Attended**	**Held***	**Attended**	**Held**	**Attended**
Dr G M Folie	2	2	-	-	-	-
E W J Tyler	6	6	1	1	-	-
R W Mosig	7	7	-	-	-	-
A R Martin	7	7	-	-	-	-
I K Macpherson	7	6	1	1	1	1
B E Wauchope	7	7	1	1	1	1

* Reflects the number of meetings held during the time that the Director held office during the year.

Dated at Perth this 30th day of September 2004.

This report is made and signed in accordance with a resolution of Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Robert W Mosig
Managing Director

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HELIX RESOURCES LIMITED

Deloitte.

Deloitte Touche Tohmatsu
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HELIX RESOURCES LIMITED

Scope

The financial report and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cashflows, accompanying notes to the financial statements, and the directors' declaration for both Helix Resources Limited (the company) and the consolidated entity, for the financial year ended 30 June 2004 as set out on pages 14 to 37. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach
We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Member of
Deloitte Touche Tohmatsu

The liability of Deloitte Touche Tohmatsu, is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF HELIX RESOURCES LIMITED

Deloitte.

Page 2
30 September 2004

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit Opinion

In our opinion, the financial report of Helix Resources Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

KEITH F JONES
Partner
Chartered Accountants

Perth, 30 September 2004

DIRECTORS' DECLARATION

The Directors declare that:

a) The attached financial statements and notes thereto comply with Accounting Standards;

b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the Company and the consolidated entity;

c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and

d) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Robert W Mosig
Managing Director

Signed at Perth this 30th day of September 2004

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	CONSOLIDATED 2004 $	CONSOLIDATED 2003 $	COMPANY 2004 $	COMPANY 2003 $
Current Assets					
Cash assets	2	1,634,457	2,377,662	1,634,455	2,377,660
Receivables	3,4	156,058	1,022,506	156,058	1,022,506
Other	5	56,536	53,422	56,536	53,422
Total Current Assets		1,847,051	3,453,590	1,847,049	3,453,588
Non-Current Assets					
Other financial assets	4	163,391	937,283	164,316	938,208
Property, plant & equipment	6	223,725	190,565	223,725	190,565
Mineral interests	7	10,425,408	10,423,932	10,425,408	10,423,932
Other	5	364,465	348,445	364,465	348,445
Total Non-Current Assets		11,176,989	11,900,225	11,177,914	11,901,150
Total Assets		13,024,040	15,353,815	13,024,963	15,354,738
Current Liabilities					
Payables	8	159,252	170,381	159,252	170,381
Provisions	9	59,313	50,175	59,313	50,175
Total Current Liabilities		218,565	220,556	218,565	220,556
Non Current Liabilities					
Provisions	9	212,516	364,658	212,516	364,658
Total Non Current Liabilities		212,516	364,658	212,516	364,658
Total Liabilities		431,081	585,214	431,081	585,214
Net Assets		12,592,959	14,768,601	12,593,882	14,769,524
Equity					
Contributed Equity	10	41,611,571	39,018,205	41,611,571	39,018,205
Reserves	11	-	190,606	-	490,606
Accumulated Losses	12	(29,018,612)	(24,440,210)	(29,017,689)	(24,739,287)
Total Equity		12,592,959	14,768,601	12,593,882	14,769,524

Notes to the financial statements are included on pages 30 to 52

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

		CONSOLIDATED		COMPANY	
	Note	2004 $	2003 $	2004 $	2003 $
Revenue from operating activities	13	124,801	257,060	124,801	257,060
Proceeds from sale of investments	13	1,928,351	1,759,507	1,928,351	1,759,507
Write down of investments		(111,000)	(282,608)	(111,000)	(282,608)
Depreciation		(51,270)	(47,251)	(37,682)	(47,251)
Exploration and evaluation expenditure recoverable amount adjustment		(4,533,390)	(979,278)	(4,533,390)	(979,278)
Legal Expenses and Professional Services		(141,015)	(167,215)	(141,015)	(167,215)
Consultancy fees		(126,275)	(112,641)	(126,275)	(112,641)
Public Relations expenses		(74,438)	(35,902)	(74,438)	(35,902)
Travel and Accommodation expenses		(139,391)	(139,106)	(139,391)	(139,106)
Rental expenses		(47,217)	(69,194)	(47,217)	(69,194)
Employee benefits expense		(557,874)	(497,077)	(557,874)	(497,077)
Directors' Fees		(112,646)	(126,394)	(112,646)	(126,394)
Written Down Value of Investments disposed		(749,852)	(1,962,780)	(749,852)	(1,962,780)
Other expenses from ordinary activities		(177,792)	(148,440)	(191,380)	(148,440)
Loss Attributable to Members of the Parent Entity	12	(4,769,008)	(2,551,319)	(4,769,008)	(2,551,319)
Income tax expense relating to ordinary activities	19	-	-	-	-
Net Profit (Loss) /Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners		(4,769,008)	(2,551,319)	(4,769,008)	(2,551,319)
Earnings / (Loss) per share					
Basic (cents per share)	21	(8.28)	(5.0)		
Diluted (cents per share)	21	(8.28)	(5.0)		

Notes to the financial statements are included on pages 30 to 52

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	Note	CONSOLIDATED 2004	CONSOLIDATED 2003	COMPANY 2004	COMPANY 2003
		$	$	$	$
Cash Flow From Operating Activities					
Payments to suppliers and employees		(1,662,717)	(1,546,309)	(1,662,717)	(1,546,309)
Interest received		114,307	245,912	114,307	245,912
Other receipts		10,494	34,107	10,494	34,107
Net cash used in operating activities	2(b)	(1,537,916)	(1,266,290)	(1,537,916)	(1,266,290)
Cash Flow From Investing Activities					
Payments for capitalised exploration & evaluation expenditure		(4,252,865)	(2,307,557)	(4,252,865)	(2,307,557)
Payment for property, plant & equipment		(85,896)	(9,041)	(85,896)	(9,041)
Payments for shares – listed companies		(86,130)	-	(86,130)	-
Proceeds from sale of shares		1,928,351	1,759,507	1,928,351	1,759,507
Proceeds/(Payments) for security deposits		(16,020)	(14,478)	(16,020)	(14,478)
Proceeds/(Payments) for bills of exchange		995,905	3,548,560	995,905	3,548,560
Net cash provide by/(used in) investing activities		(1,516,655)	2,976,991	(1,516,655)	2,976,991
Cash Flow From Financing Activities					
Proceeds from issue of shares/options		2,311,366	128,605	2,311,366	128,605
Net cash provided by Financing Activities		2,311,366	128,605	2,311,366	128,605
Net increase/(decrease) in cash held		(743,205)	1,839,306	(743,205)	1,839,306
Cash at beginning of financial year		2,377,662	538,356	2,377,660	538,354
Cash at End of Financial Year	2(a)	1,634,457	2,377,662	1,634,455	2,377,660

Notes to the financial statements are included on pages 30 to 52

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner, which ensure that the resulting financial information satisfied the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

a) Going Concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Company is required to raise additional capital in order to fund its planned exploration program and to commercialise its tenement assets. The Company manages its exploration, development and overhead expenditures in line with the funding available to the Company.

The Directors believe the going concern basis of accounting is appropriate as the Company has a successful track record in raising capital and believe they will be able to obtain further funding to commercialise the tenement assets in the form currently envisaged.

b) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the Company (the parent entity) and its controlled entities as defined in accounting standard AASB 1024 "Consolidated Accounts". A list of controlled entities appears in note 4 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the economic entity are eliminated in full.

c) Income Tax

Tax-effect accounting principles are adopted whereby the income tax expense shown in the statement of financial performance is based on the pre-tax accounting profit adjusted for any permanent differences. Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of pre-tax accounting profit and taxable income, are brought to account as either a provision for deferred income tax, or an asset described as future income tax benefit at the rate of income tax applicable to the period in

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

which the benefit will be received, or the liability will become payable. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

d) Property, Plant and Equipment

Property, plant and equipment is stated at cost and is depreciated at rates based upon their expected useful lives to the economic entity. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. Expected net cash flows have not been discounted in determining recoverable amount. The depreciation rates used for each class of depreciable assets are:

Plant and equipment	Straight line	10% - 33%
	Diminishing value	20% - 40%
Motor Vehicles	Diminishing value	22.5%

e) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest and costs are written down to the extent they are not considered recoverable.

f) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

g) Investments

Investments in controlled entities are held at cost. Other investments are valued at cost or recoverable amount. The carrying amount of investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities. Expected net cash flows have not been discounted in determining recoverable amounts.

h) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.
Provision is made in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provision made in respect of long service leave which is not expected to be settled within 12 months is measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by the employees up to reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

i) Interest in Joint Venture Operations

Interest in joint venture operations, where material, are brought to account by including in the respective classifications, the economic entity's share of the individual assets employed and liabilities and expenses incurred.

Details of interests in joint ventures are shown at Note 23.

j) Revenue Recognition

Revenue from the disposal of assets is recognised when the economic entity has passed control of the goods or other assets to the buyer.

k) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

l) Receivables

Other receivables are recorded at amounts due less any provision for doubtful debts.

m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

n) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

2. NOTES TO THE STATEMENT OF CASHFLOWS

a) Reconciliation of Cash

For the purposes of the statement of cashflows, cash includes cash on hand and in banks, and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	CONSOLIDATED		COMPANY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
Cash at Bank	(2,145)	(48,794)	(2,147)	(48,796)
Cash on Deposit	1,636,602	2,426,456	1,636,602	2,426,456
	1,634,457	2,377,662	1,634,455	2,377,660

b) Reconciliation of loss from ordinary activities after related income tax to net cash flows from operating activities

	CONSOLIDATED 2004	CONSOLIDATED 2003	COMPANY 2004	COMPANY 2003
Loss from Ordinary Activities after related income tax	(4,769,008)	(2,551,319)	(4,769,008)	(2,551,319)
Non-cash flows in Operating Loss				
Depreciation	51,270	47,251	51,270	47,251
Recoverable amount write-down of exploration and evaluation expenditure	4,533,390	979,278	4,533,390	979,278
Net movement from revaluation of investments	(459,204)	282,608	(459,204)	282,608
(Profit)/loss on sale of investments	(608,295)	203,292	(608,295)	203,292
(Profit)/loss on sale of fixed assets	1,467	17,375	1,467	17,375
Inherited Assets	-	(78,114)	-	(78,114)
Changes in Net Assets and Liabilities				
(Increase)/Decrease in Assets				
(Increase)/decrease in other receivables	(130,288)	-	(130,288)	-
(Increase)/decrease in prepayments	(3,114)	(5,867)	(3,114)	(5,867)
Increase/(decrease) in Liabilities				
Increase/(Decrease) in trade payables	(11,129)	(123,306)	(11,129)	(123,306)
Provisions employee entitlements	(143,005)	(37,488)	(143,005)	(37,488)
Net Cash from Operating Activities	(1,537,916)	(1,266,290)	(1,537,916)	(1,266,290)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

c) Non-cash financing and investing activities
During the financial year, the consolidated entity acquired the remaining 49% interest of the Tunkillia Gold Project from AngloGold Ltd. Terms of the acquisition comprised an issue of shares and options to the value of $282,000. This is a non-cash financing and investing activity which is not reflected in the statement of cashflows.

	CONSOLIDATED		COMPANY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
3. RECEIVABLES				
Current				
Other	156,058	26,601	156,058	26,601
Total Current Receivables	156,058	26,601	156,058	26,601
4. OTHER FINANCIAL ASSETS				
Current				
Commercial Bills	-	995,905	-	995,905
	-	995,905	-	995,905
Non-Current				
Shares in unlisted companies – at cost	55,391	55,391	55,391	55,391
Shares in controlled entities – at cost (i)	-	-	925	925
Shares in companies listed on a prescribed stock exchange – at recoverable amount	108,000	881,892	108,000	881,892
	163,391	937,283	164,316	938,208
Shares in companies listed on a prescribed Stock Exchange at market value	108,000	824,891	108,000	824,891

(i) Shares in controlled entities

Name	Country of Incorporation	Percentage Held 2004	Percentage Held 2003
Hillview Mining NL	Australia	100%	100%
Helix Mining Investment P/L	Australia	100%	100%

	CONSOLIDATED		COMPANY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
5. OTHER ASSETS				
Current				
Prepayments	56,536	53,422	56,536	53,422
Total Other Assets	56,536	53,422	56,536	53,422
Non-Current				
Security Deposits on Tenements	364,465	348,445	364,465	348,445
Total Other Assets	364,465	348,445	364,465	348,445

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

6. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		
	Plant & Equipment	**Motor Vehicles**	**Total**
	$	**$**	**$**
Gross Carrying Amount			
Balance at 30 June 2003	348,511	50,024	398,535
Additions	85,897	-	85,897
Disposals	(1,923)	-	(1,923)
Balance at 30 June 2004	432,485	50,024	482,509
Accumulated Depreciation			
Balance at 30 June 2003	189,752	18,218	207,970
Disposals	(456)	-	(456)
Depreciation	44,516	6,754	51,270
Balance at 30 June 2004	233,812	24,972	258,784
Net Book Value			
30 June 2003	158,759	31,806	190,565
30 June 2004	198,673	25,052	223,725

	COMPANY		
	Plant & Equipment	**Motor Vehicles**	**Total**
Gross Carrying Amount			
Balance at 30 June 2003	348,511	50,024	398,535
Additions	85,897	-	85,897
Disposals	(1,923)	-	(1,923)
Balance at 30 June 2004	432,485	50,024	482,509
Accumulated Depreciation			
Balance at 30 June 2003	189,752	18,218	207,970
Disposals	(456)	-	(456)
Depreciation	44,516	6,754	51,270
Balance at 30 June 2004	233,812	24,972	258,784
Net Book Value			
30 June 2003	158,759	31,806	190,565
30 June 2004	198,673	25,052	223,725

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year.

	CONSOLIDATED		COMPANY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
Plant and Equipment	44,516	40,125	44,516	40,125
Motor Vehicles	6,754	8,575	6,754	8,575
	51,270	48,700	51,270	48,700

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

7. EXPLORATION AND EVALUATION EXPENDITURE

Balance at beginning of the financial year	10,423,932	9,095,654	10,423,932	9,095,654
Expenditure incurred during the year	4,534,866	2,307,556	4,534,866	2,307,556
Expenditure written off during the year	(4,533,390)	(979,278)	(4,533,390)	(979,278)
Balance at the end of the financial year	10,425,408	10,423,932	10,425,408	10,423,932

The Directors' assessment of recoverable amount was after: consideration of prevailing market conditions; previous expenditure carried out on the tenements; and the potential for mineralisation based on both the entity's and independent geological reports.

The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole, or part, of the economic entity's interests in those areas for an amount at least equal to the carrying value. There may exist, on the economic entity's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions.

	CONSOLIDATED		COMPANY	
	2004 $	2003 $	2004 $	2003 $
8. CURRENT PAYABLES				
Trade payables	159,252	170,381	159,252	170,381
9. PROVISIONS				
Current				
Provision for annual leave	36,559	20,854	36,559	20,854
Provision for long service leave	22,754	29,321	22,754	29,321
	59,313	50,175	59,313	50,175
Non Current				
Provision for Non-Executive Directors' retirement	204,217	361,150	204,217	361,150
Provision for long service leave	8,299	3,508	8,299	3,508
	212,516	364,658	212,516	364,658
10. CONTRIBUTED EQUITY				
62,866,808 Fully Paid Ordinary Shares (2003: 50,525,458)	41,454,472	38,889,600	41,454,472	38,889,600
16,437,863 Listed Options (2003:12,860,310)	157,099	128,605	157,099	128,605
Balance at end of financial year	41,611,571	39,018,205	41,611,571	39,018,205

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	2004		2003	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	50,525,458	38,889,600	50,525,458	38,889,600
Issue of shares to Anglogold as part consideration for purchase of Tunkillia project	1,250,000	250,000	-	-
Shareholder Purchase Plan	5,162,500	826,000	-	-
Exercise of Options to Fully Paid Shares	424,681	112,830	-	-
Share placement through Rights Issues	5,504,169	1,376,042	-	-
Balance at end of financial year	62,866,808	41,454,472	50,525,458	38,889,600

	CONSOLIDATED 2004		COMPANY 2003	
Listed Options	No.	$	No.	$
Balance at beginning of financial year	12,860,310	128,605	-	-
Issue of options to Anglogold as part consideration for purchase of Tunkillia project.	1,250,000	32,500	-	-
Options issue through Rights Issue	2,752,234	-	12,860,310	128,605
Options conversion to Fully Paid Shares	(424,681)	(4,006)	-	-
Balance at end of financial year	16,437,863	157,099	12,860,310	128,605

Fully paid ordinary shares carry one vote per share and carry the right to dividends.
Listed options carry no votes until converted to fully paid ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

	CONSOLIDATED		COMPANY	
	2004	2003	2004	2003
	$	$	$	$
11. RESERVES				
Asset Revaluation Reserve				
Balance at beginning of financial year	190,606	258,106	490,606	558,106
Transfer to accumulated losses balance of reserve relating to assets sold	(190,606)	(67,500)	(490,606)	(67,500)
Balance at end of financial year	0	190,606	0	490,606

The asset revaluation reserve arises on the revaluation of non-current assets. Where a revalued asset is sold that portion of the asset revaluation reserve which relates that asset, and is effectively realised, is transferred to retained profits.

	CONSOLIDATED		COMPANY	
	2004	2003	2004	2003
12. ACCUMULATED LOSSES	$	$	$	$
Balance at beginning of financial year	(24,440,210)	(21,888,891)	(24,739,287)	(22,187,968)
Transfer from Asset Revaluation Reserve	190,606	-	490,606	-
Net Loss attributable to members of the parent entity	(4,769,008)	(2,551,319)	(4,769,008)	(2,551,319)
Balance at end of financial year	(29,018,612)	(24,440,210)	(29,017,689)	(24,739,287)

13. LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before Income Tax includes the following items of revenue and expense:

	CONSOLIDATED		COMPANY	
	2004	2003	2004	2003
a) Operating Revenue	$	$	$	$
Interest Revenue	114,307	222,953	114,307	222,953
Other	10,494	34,107	10,494	34,107
	124,801	257,060	124,801	257,060
b) Non-Operating Revenue				
Proceeds from Sale of Investments *	1,928,351	1,759,507	1,928,351	1,759,507
	2,053,152	2,016,567	2,053,152	2,016,567

* Sale of listed securities in Diamond Ventures NL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

c) Expenses:				
Depreciation of non-current assets: Property, plant and equipment	51,270	47,251	51,270	47,251
Net transfers to employee entitlement provisions	(143,004)	(37,488)	(143,004)	(37,488)
Write Off of exploration and evaluation expenditure	4,533,390	979,278	4,533,390	979,278
Operating lease rental expenses:				
Minimum lease payments	47,217	69,194	47,217	69,194

14. SALE OF ASSETS

Sales of assets in the ordinary course of business have given rise to the following profits / (losses):

NET PROFITS / LOSSES				
Property, plant and equipment	(1,467)	(17,375)	(1,467)	(17,375)
Investments	1,178,499	(203,292)	1,178,499	(203,292)
	1,177,032	(220,667)	1,177,032	(220,667)

15. COMMITMENTS

a) Operating Lease Commitments

Not later than 1 year	129,420	129,420	129,420	129,420
Later than 1 year but not later than 2 years	64,710	129,420	64,710	129,420
Later than 2 years but not later than 5 years	-	66,710	-	66,710
	194,130	325,550	194,130	325,550

The term of the Operating Lease in existence over the Company's head office was for an initial period of six years. As at balance date there was a balance of one and a half years remaining.

b) Exploration Expenditure

The economic entity has certain statutory obligations to perform minimum exploration work on its tenements to the value of $2,143,686 (2003: $4,241,920) in the next twelve months. These obligations may be varied from time to time, subject to approval, and are expected to be fulfilled in the normal course of operations of the economic entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

16. DIRECTORS AND EXECUTIVES' REMUNERATION

The specified Directors of Helix Resources Limited during the year were:

- E W J Tyler (Chairman), retired 16.4.04
- Dr G M Folie (Chairman), appointed 16.4.04
- R W Mosig (Managing Director)
- A R Martin (Executive)
- I K Macpherson (Non-executive)
- B E Wauchope (Non-executive)

The specified Executives of Helix Resources Limited during the year were:

- R E Vittino (Company Secretary and Chief Financial Officer)

The Company's Executive Officers' remuneration policy is set to ensure that remuneration packages properly reflect the duties and responsibilities of the senior executives and are sufficient to attract, retain and motivate personnel of the requisite quality. The policy is administered by the Remuneration Committee, which is composed of Non-executive Directors. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries, adjusted by a performance factor to reflect changes in the performance of the company. The Executive Officers of the Company are employed under Service Agreements which have been in existence since May 1997. The Service Agreements are all identical in their contents and only differ in remuneration levels. They have a duration of twelve months and renew automatically unless terminated by either the Company by giving twelve months notice to the individual; or by the individual by giving six months notice to the Company.

Non-executive Directors are remunerated by fees determined by the Board within the aggregate Directors' fee pool limit of $150,000 approved by shareholders in April 1996. The pool limit is not at present fully utilised. In setting the fees, account is taken of the responsibilities inherent in the stewardship of the Company and the demands made of Directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources to ensure remuneration accords with market practice.

2004	Primary			Post Employment			Equity		
	Salary & Fees $	**Performance Based Payments $**	**Non-Monetary $**	**Superannuation $**	**Prescribed benefits $**	**Other - Retirement benefits $**	**Options $**	**Other benefits $**	**Total $**
Directors									
E W J Tyler	40,125	-	-	-	-	(i) 156,933	-	-	197,058
Dr G M Folie	11,223	-	-	1,110	-	-	-	-	12,333
R W Mosig	230,308	(iii) 56,250	-	12,000	-	-	(ii) 53,228	-	351,786
A R Martin	131,981	(iii) 35,625	-	10,519	-	-	(ii) 26,614	-	204,739
I K Macpherson	30,094	-	-	-	-	-	-	-	30,094
B E Wauchope	27,094	-	-	3,000	-	-	-	-	30,094
Total	**470,825**	**91,875**	**-**	**26,629**	**-**	**156,933**	**79,842**	**-**	**826,104**
Executives									
R E Vittino	127,154	(iii) 33,750	-	12,000	-	-	(ii) 26,614	-	199,518
Total	**127,154**	**33,750**	**-**	**12,000**	**-**	**-**	**26,614**	**-**	**199,518**

(i) Mr E W J Tyler received an Eligible Termination Payment of $156,933 upon his retirement on 16.4.04.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

(ii) Equity Options were issued to the Management Team comprising of Messrs R Mosig, A Martin and R Vittino after shareholder approval was received at the Company's 2003 Annual General Meeting. The value attributed to the Equity Option has been calculated using the Black Scholes Model. No cash has been paid to the individuals. The value of the Options will only be realised if and when the market price of Helix shares, as quoted by the Australian Stock Exchange, rises above the Exercise Price of the options. Further details of the options are contained in note 17 to the financial statements.

(iii) Messrs R Mosig, A Martin and R Vittino were granted a performance based payment during the year. The payments were made in recognition for achievements during the year and were not related to specific targets being met or formed part of employment contracts. Details of the payments are listed below:

- Granted on 16 April 2004;
- The payments were cash and taxed accordingly; and
- The service and performance criteria used to determine the amount of the payments was reviewed by the remuneration committee of the Company and included the acquisition of remaining 50% interest in Gawler Craton JV from AngloGold for $1.5 million; the completion of a Scoping Study on Area 223 with the results showing an undiscounted pre-tax cash surplus of over $62 million before capital costs at an AUD$550 gold price; as well as Corporate achievements.

17. EXECUTIVE SHARE OPTION PLAN

As at 30 June 2004 the Company had issued 3,450,000 share options (30 June 2003 3,450,000). Share options carry no rights to dividends and no voting rights. The difference between the total market value of options issued during the financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining directors' and executives' remuneration in respect of that financial year. The amounts are disclosed in remuneration in respect of the financial year in which the entitlement was earned.

:Further details are disclosed below

Executive Share Option Plan	**2004** **No.**	**2003** **No.**
Balance at beginning of financial year (i)	3,450,000	3,450,000
Cancelled during the financial year (ii)	(2,200,000)	-
Granted during the financial year (iii)	2,200,000	-
Exercised during the financial year (iv)	-	-
Balance at end of financial year (v)	3,450,000	3,450,000

(i) Balance at beginning of financial year

Options - Series	**No.**	**Grant Date**	**Expiry Date**	**Exercise Price** **$**
Issued 26 May 1999	416,665	26/5/99	29/3/09	$0.42
Issued 26 May 1999	416,667	26/5/99	29/3/09	$0.46
Issued 26 May 1999	416,668	26/5/99	29/3/09	$0.50
Issued 24 May 2001	733,335	24/5/01	14/5/05	$0.80
Issued 24 May 2001	733,333	24/5/01	14/5/05	$1.00
Issued 24 May 2001	733,332	24/5/01	14/5/05	$1.20
	3,450,000			

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

(ii) Cancelled during the financial year pursuant to shareholder approval at 2003 Annual General Meeting

Options - Series	No.	Grant Date	Expiry Date	Exercise Price $
Issued 24 May 2001	733,335	24/5/01	14/5/05	$0.80
Issued 24 May 2001	733,333	24/5/01	14/5/05	$1.00
Issued 24 May 2001	733,332	24/5/01	14/5/05	$1.20
	2,200,000			

(iii) Granted during the financial year pursuant to shareholder approval at 2003 Annual General Meeting

Options - Series	No.	Grant Date	Expiry Date	Exercise Price	Fair Value Received $
First Tranche - Issued 11 Nov 2003	733,335	11/11/03	29/3/09	$0.42	-
Second Tranche - Issued 11 Nov 2003	733,333	11/11/03	29/3/09	$0.46	-
Third Tranche - Issued 11 Nov 2003	733,332	11/11/03	29/3/09	$0.50	-
	2,200,000				

In accordance with the Notice of Annual General Meeting 2003, options issued during the year ended 30 June 2004 vest at the following dates:

- First tranche of options issued at $0.42 vest immediately
- Second tranche of options issued at $0.46 vest 12 months from issue date
- Third tranche of options issued at $0.50 vest 24 months from issue date

(iv) Exercised during the financial year
There were no options exercised during the financial year.

Fair value of consideration received is measured as the nominal value of cash receipts on conversion. The fair value of shares at the date of their issue is measured as the market value at close of trade on the date of their issue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

(v) Balance at end of the financial year

Options – Series	No.	Vested No.	Unvested No.	Grant Date	Expiry Date	Exercise Price $
Issued 26 May 1999	416,665	416,665	-	26/5/99	29/3/09	$0.42
Issued 26 May 1999	416,667	416,667	-	26/5/99	29/3/09	$0.46
Issued 26 May 1999	416,668	416,668	-	26/5/99	29/3/09	$0.50
First Tranche - Issued 11 Nov 2003	733,335	733,335	-	11/11/03	29/3/09	$0.42
Second Tranche - Issued 11 Nov 2003	733,333	-	733,333	11/11/03	29/3/09	$0.46
Third Tranche - Issued 11 Nov 2003	733,332	-	733,332	11/11/03	29/3/09	$0.50
	3,450,000					

Employee share options carry no rights of dividends and no voting rights.

The options issued on 26 May 1999 which remain on issue at the end of the financial year ended 30 June 2004 are fully vested.

In accordance with the terms of the executive share option plan, options may be exercised at any time from the date of the vesting period to the date of their expiry.

The difference between the total market value of options issued during a financial year, at the date of issue, and the total amount received from executives and employees is not recognised in the financial statements except for the purposes of determining directors' and executives' remunerations in respect of that financial year as disclosed in note 19 to the financial statements. The amounts disclosed in remuneration in respect of the financial years over which the entitlement was earned.

Consideration received on the exercised of executive options is recognised in contributed equity. During the financial year no options were exercise, hence no amount was recognised in contributed equity arising from the exercise of executive options (2003: $nil).

18. RELATED PARTY AND SPECIFIED EXECUTIVES' DISCLOSURES

a) Other Transactions with Specified Directors

The loss from ordinary activities before income tax includes the following items of expenses that resulted from transactions other than remuneration with specified directors or their personally-related entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(i) During the year, Ord Partners provided professional services to the value of $13,089 (2003 $16,348) on normal commercial terms and conditions (net of GST). Mr I K Macpherson, a Director, has significant influence in Ord Partners.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

(ii)During the year, E W J Tyler & Associates provided professional services to the value of $21,000 (2003 $26,322) on normal commercial terms and conditions (net of GST). Mr E W J Tyler, a Director, has significant influence in E W J Tyler & Associates Pty Ltd.

The aggregate of (i) and (ii) of $34,089 have been recognised under Legal Expenses and Professional Services.

b) Specified Directors' and Specified Executives' Equity Holdings

Fully paid ordinary shares issued by Helix Resources Limited

	Balance @ 1/7/03	Granted as remuneration	Received on exercise of options	Net other change	Balance @ 30/6/04	Balance held nominally
	No	No	No	No	No	No
Specified Directors						
Dr G M Folie	-	-	-	-	-	-
R W Mosig	2,215,707	-	-	269,139	2,484,846	-
A R Martin	179,321	-	-	82,774	262,095	-
I K Macpherson	211,000	-	-	56,667	267,667	-
B E Wauchope	492,502	-	166,835	303,112	962,449	-
Specified Executives						
R E Vittino	320,000	-	-	122,500	442,500	-
Total	3,418,350	-	166,835	834,192	4,419,557	-

Listed Share Options issued by Helix Resources Limited

	Bal @ 1/7/03	Granted as remuneration	Exercised	Other change *	Bal @ 30/6/04	Balance held nominally
	No	No	No	No	No	No
Specified Directors						
Dr G M Folie	-	-	-	-	-	-
R W Mosig	738,571	-	-	118,945	857,516	-
A R Martin	59,776	-	-	25,762	85,538	-
I K Macpherson	70,333	-	-	111,669	182,002	-
B E Wauchope	157,501	-	157,501	120,306	120,306	-
Specified Executives						
R E Vittino	157,804	-	-	456,467	614,271	-
Total	1,183,985	-	157,501	833,149	1,859,633	-

*Acquired on market

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

Executive Share Options issued by Helix Resources Limited

	Bal @ 1/7/03	Granted as remuneration	Exercised	Other change *	Bal @ 30/6/04	Bal vested @ 30/6/04	Vested but not exercise-able	Vested and exercisable	Options vested during year
	No	No	No	No	No	No	No	No	No
Specified Directors									
Dr G M Folie	-	-	-	-	-	-	-	-	-
R W Mosig	1,600,000	1,100,000	-	(1,100,000)	1,600,000	866,667	-	866,667	366,667
A R Martin	950,000	550,000	-	(550,000)	950,000	583,334	-	583,334	183,334
I K Macpherson	-	-	-	-	-	-	-	-	-
B E Wauchope	-	-	-	-	-	-	-	-	-
Specified Executives									
R E Vittino	900,000	550,000	-	(550,000)	900,000	533,334	-	533,334	183,334
Total	3,450,000	2,200,000	-	(2,200,000)	3,450,000	1,983,335	-	1,983,335	733,335

* Share options cancelled pursuant to shareholder approval at 2003 Annual General Meeting.

All executive share options issued to the directors during the financial year were made in accordance with the provisions of the executive share option plan.

Each executive share option converts into 1 ordinary share of Helix Resources Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option.

During the financial year, no executive share options were exercised by specified directors and executives.

Mr R.W. Mosig, Mr A. R. Martin and Mr. R. E. Vittino were issued options on 11 November 2003. The fair value of the options issued were as follows:

Mr R.W. Mosig	366,667 options @ 9.36c	Messrs A.R. Martin & R.E. Vittino	183,334 options @ 9.36c
	366,667 options @ 8.84c		183,334 options @ 8.84c
	366,666 options @ 8.37c		183,334 options @ 8.37c

Further details of the options granted during the year are contained in note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

19. INCOME TAX	**CONSOLIDATED 2004**	**CONSOLIDATED 2003**	**COMPANY 2004**	**COMPANY 2003**
Loss before income tax	(4,769,008)	(2,551,319)	(4,769,008)	(2,551,319)
Income Tax Expense:				
Income tax expense/(benefit) calculated at 30%	(1,430,702)	(765,396)	(1,430,702)	(765,396)
(Increase)/Decrease in income tax benefit due to:				
- non-deductible expenses	71,884	38,977	71,884	38,977
Benefit of tax losses not brought to account as an asset	1,358,818	726,419	1,358,818	726,419
Income tax expense attributable to operating loss	-	-	-	-

As of 30 June 2004, the parent entity and its controlled entities have future income tax benefits not brought to account as assets in relation to tax losses and timing differences of parent entity $9,996,914 (2003: $8,638,096), economic entity $10,627,104 (2003: $9,268,286), available to offset against future year's taxable income. The benefit will only be obtained if:

a) the economic entity derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
b) the economic entity continues to comply with the conditions for deductibility imposed by the law; and
c) no changes in tax legislation adversely affect the companies in realising the benefit from the deductions for the losses.

Legislation to allow groups, comprising a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was substantively enacted on 21 October 2002. This legislation, which includes both mandatory and elective elements, is applicable to the company.

At the date of this report the directors have not assessed the financial effect, if any, the legislation may have on the company and the consolidated entity and, accordingly, the directors have not made a decision whether or not to elect to be taxed as a single entity. The directors have considered the transitional provisions and believe there isn't a significant effect on the company by not adopting tax consolidation on 1 July 2003. The financial effect of the implementation of the tax consolidation system on the economic entity has not been recognised in the financial statements.

20. SEGMENT INFORMATION

The economic entity 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

21. EARNINGS PER SHARE

	COMPANY	
	2004	**2003**
	Cents Per share	**Cents per share**
Basic loss per share	(8.28)	(5.0)
Diluted loss per share	(8.28)	(5.0)

Basic Loss per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2004	**2003**
	$'000	**$'000**
Earnings (a)	(4,769,008)	(2,551,319)
	2004	**2003**
	No.	**No.**
Weighted average number of ordinary shares (b)	62,866,808	50,525,458

(a) Earnings used in the calculation of basic earnings per share is net loss after tax of $4,769,008 (2003 : $2,551,319).

(b) The staff and listed options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of diluted earnings per share (refer below).

Diluted Loss per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2004	**2003**
	$'000	**$'000**
Earnings (a)	(4,769,008)	(2,551,319)
	12 months to 30 June 2004	**12 months to 30 June 2003**
	No.	**No.**
Weighted average number of ordinary shares and potential ordinary shares (b)	62,866,808	50,525,458

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of $4,769,008 (2003: $2,551,319).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

(b) The following potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share:

	2004 No.	2003 No.
Staff options	3,450,000	4,055,999
Listed options	16,437,836	12,860,310

22. SUBSEQUENT EVENTS

In August the Company suspended work on the Feasibility Studies on the Tunkillia Gold Project due to a shortage of funds. The Project remains a valuable asset in the Company's portfolio and ways of exploiting its value will be assessed by the Company's Board and Management.

There have been no other transactions or events that substantially affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in future financial years since year end.

23. INTEREST IN JOINT VENTURES

The parent entity has entered into the following unincorporated joint ventures:

Joint Venture Project	Percentage Interest	Principal Exploration Activities
Menzies	49% Diluting (Heron Resources Limited 51%)	Nickel
Meekatharra Region	90% contributing (J A Bunting & Associates Pty Ltd 10%)	Gold
Loongana	90% contributing (J A Bunting & Associates Pty Ltd 10%)	Platinum Group Metals
Pilbara Diamonds	100% diluting (DeBeers Australia Exploration Limited)	Diamonds

The joint ventures are not separate legal entities but are contractual arrangements between the participants for sharing costs and output and do not in themselves generate revenue and profit. Exploration expenditure is the only asset of the joint ventures. The consolidated entities interest in exploration expenditure in the above mentioned joint ventures is included in note 7 and at 30 June 2004 is $655,175 (2003 : $780,233).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

24. FINANCIAL INSTRUMENTS

a) Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

b) The economic entity's exposure to interest rate risk and effective weighted average interest rate for classes of financial assets is set out below:

	Average Interest Rate	Fixed Interest Rate	Floating Interest Rate Maturity: Less than 1 year	Floating Interest Rate Maturity: More than 1 Year	Non Interest Bearing	Total
		$	$		$	$
2004						
Financial Assets						
Other Receivables		-	-	-	156,058	156,058
Investments		-	-	-	163,391	163,391
Cash at bank and on deposit	5.25%	1,634,257	-	-	200	1,634,457
Security deposits	5.0%	-	364,465	-	-	379,465
		1,634,257	364,465	-	319,649	2,333,461
Financial Liabilities						
Trade Payables		-	-	-	159,252	159,252
Employee Entitlements		-	-	-	271,829	271,829
		-	-	-	431,081	431,081
Net Financial Assets		1,634,257	364,465	-	(111,433)	1,902,290
2003						
Financial Assets						
Other Receivables	-	-	-	-	26,601	26,601
Investments	-	-	-	-	937,283	937,283
Cash at bank and on deposit	4.2%	2,377,462	-	-	200	2,377,662
Commercial bills	4.7%	-	995,905	-	-	995,905
Security deposits	4.5%	-	348,445	-	-	348,445
		2,377,462	1,344,350	-	964,084	4,685,896
Financial Liabilities						
Trade creditors		-	-	-	170,381	170,381
Employee Entitlements		-	-	-	414,833	414,833
		-	-	-	585,214	585,214

Other than those classes of assets and liabilities denoted as "listed" in note 4, none of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

c) Credit Risk
Credit Risk refers to the risk that counterparty will default on, its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures risk on a fair value basis.

The maximum credit risk on financial assets of the economic entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

d) Net Fair Value of Financial Assets and Liabilities
On-balance Sheet
The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at balance date. The market value of listed equity investments has been disclosed in Note 4 to the financial statements. For unlisted equity investments, the net fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

25. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		COMPANY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:				
Provision for employee entitlements:				
Current (Note 9)	59,313	50,175	59,313	50,175
Non-Current (Note 9)	212,516	364,658	212,516	364,658
	271,829	414,833	271,829	414,833
	No	**No**	**No**	**No**
Number of employees at end of financial year	9	11	9	11

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

26. REMUNERATION OF AUDITORS

	2004 $	2003 $	2004 $	2003 $
a) Auditor of the Parent Entity				
Auditing the financial report	30,000	26,320	30,000	26,320
Other services	19,000	38,000	19,000	38,000
	49,000	64,320	49,000	64,320

27. Impacts of adopting the Australian equivalents to International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) has issued Australian equivalents to IFRS for application to reporting periods beginning on or after 1 January 2005. Helix Resources Limited has commenced reviewing the transition from its current policies to the AASB equivalents to IFRS. The Company has allocated internal resources and engaged expert consultants to review, identify and conduct business impact assessments to isolate key areas that will be affected by this transition. The Company's audit committee is being regularly kept up to date with the results of both the internal review and the external consultants reports and assessments. The adoption of the AASB equivalents to IFRS will be first reflected in the Group's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. At this stage the Company has not been able to reliably quantify the impacts on the financial statements.

Under AASB1 the Consolidated Entity, in complying with Australian equivalents to IFRS for the first time is required to restate its comparative financial statements to amounts reflecting the application of Australian equivalents to IFRS to that comparative period. Most adjustments required on transition to Australian equivalents to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

Key areas where accounting policies are likely to change and may impact on the financial statements of the Consolidated Entity include the following:

(a) Capitalisation of Exploration and Evaluation Costs

The Consolidated Entity currently uses the "area of interest" principles which are used commonly in Australia and in accordance with the Australian Accounting Standard AASB 1022 "Accounting for the Extractive Industries". The International Accounting Standards Board (IASB) is yet to determine the appropriate accounting treatment of exploration and evaluation costs and therefore the Consolidated Entity is not able to come to any conclusions on how the IFRS may affect its financial statements. However, the IASB has released Exposure Draft (ED) 6 *Exploration and Evaluation of Mineral Resources*.

At the time of this report the IASB was in the process of re-deliberating its requirements. It appears that an 'interim' IFRS standard will effectively permit grandfathering of existing accounting treatments of exploration and evaluation expenditure. Impairment tests may only be required when specific factors are met and where there is sufficient information available to allow the determination of recoverable amount. A reliable estimation of the future financial

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2004

effects of any change to the Consolidated Entity's financial statements is not possible until the IASB releases an IFRS on accounting for exploration and evaluation costs.

(b) Income Tax

In accordance with Australian Standard AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of the Consolidated Entity's assets and liabilities in the statement of financial position and their associated tax bases. This represents a fundamental change to the way the Consolidated Entity currently calculates its tax balances, where deferred tax balances are determined using the income statement method. The consolidated entity has carried forward tax losses which have not been recognised as deferred tax assets as they do not satisfy the 'virtually certain' criteria under current Australian GAAP. Under A-IFRS it may be easier to recognise these tax losses as deferred tax assets as they recognised based on a 'probable' recognition criteria. The likely impact of these changes on deferred tax balances has not currently been determined.

(c) Provision for Rehabilitation and Restoration

In accordance with Australian Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Consolidated Entity will be required to fully provide, based on discounted future cash flows, for rehabilitation and restoration where there is a legal or constructive obligation. A corresponding asset, net of depreciation to the date of transition will be recognised and be depreciated together with development assets. The Consolidated Entity will be required to recognise the unwinding of the discount in relation to the provision applied directly as an interest expense.

(d) Share Based Payments

Under Australian Standard AASB 2 *Share-based Payment,* the Consolidated Entity will be required to determine the fair value of options issued to employees and recognise an expense in the Statement of Financial Performance. For options on issue on the application of AASB 2 an adjustment for their recognition will be made against opening retained earnings. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown; however where share based payments are made, net profit is expected to decrease by the fair value of such payments.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to AASB equivalents to IFRS. As noted above these are expected to be the material areas of impact for the Consolidated Entity that have been identified.

28. ADDITIONAL COMPANY INFORMATION

Helix Resources Limited is a listed public company, incorporated and operating in Australia.

Registered Office	**Principal Place of Business**
Level 3, 24 Kings Park Road	Level 3, 24 Kings Park Road
WEST PERTH WA 6005	WEST PERTH WA 6005
Tel (08) 9321 2644	Tel (08) 9321 2644

SHAREHOLDING INFORMATION
ANALYSIS OF SHAREHOLDERS AS AT 14 SEPTEMBER 2004

NUMBER OF SHARES HELD

Spread of Holdings	**Number of Shareholders**	**Number of Shares**
1–1000	606	358,394
1,001–5,000	911	2,593,444
5,001–10,000	462	3,871,174
10,001–100,000	721	23,208,895
100,001and over	85	32,834,901
Total	2,785	62,866,808
Number of shareholders holding less than a marketable parcel	1,098	1,266,886

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

	Shareholder	**Shares**	**%**
1	Yandal Investments Pty Ltd	4,000,000	6.36
2	National Nominees Limited	3,083,158	4.90
3	Invia Custodian Pty Ltd	2,928,362	4.66
4	Colter Holdings Group	2,483,846	3.95
5.	Cairnglen Investments Pty Ltd	2,086,178	3.32
6.	AngloGold Australia Limited	1,666,667	2.65
7.	ANZ Nominees Limited	1,097,448	1.72
8.	Niddrie Holdings Pty Limited (Wauchope Super Fund A/C)	831,893	1.32
9.	Zero Nominees Pty Ltd	696,906	1.11
10.	Arcaro Holdings Pty Ltd	653,880	1.04
11.	Mr. Maxwell Alfred Kippe	600,000	0.95
12.	Blamco Trading Pty Ltd	525,341	0.84
13.	Ms. Seiko Furuse & Mr. Savas Turem	500,000	0.80
14.	Berne No 132 Nominees Pty Ltd	466,667	0.74
15.	Mr. Abdelaziz Soliman	440,000	0.70
16.	Mr. John Halaska	379,622	0.60
17.	Mr. Philip Broadley	374,335	0.59
18.	Technica Pty Ltd	364,757	0.58
19.	Equities Trustees Limited	321,250	0.51
20.	Yan’s Investments Pty Ltd	303,650	0.48
	Top 20 Total	23,785,960	37.82

SHAREHOLDING INFORMATION
ANALYSIS OF SHAREHOLDERS AS AT 14 SEPTEMBER 2004

VOTING RIGHTS
One vote for each ordinary share held in accordance with the Company's Constitution.

SUBSTANTIAL SHAREHOLDERS

Shareholder	Shares	% of Issued Capital
Cairnglen Investments Pty Ltd	5,000,290	7.95
Yandel Investments Pty Ltd	4,000,000	6.36

DIRECTORS' INTEREST IN SHARE CAPITAL
Disclosed elsewhere in this report.

NUMBER OF OPTIONS HELD

Spread of Holdings	Number of Option Holders	Number of Options
1–1000	237	111,703
1,001–5,000	281	744,039
5,001–10,000	112	840,646
10,001–100,000	186	5,921,972
100,001and over	33	8,819,503
TOTAL	848	16,437,863

PERCENTAGE HELD BY 20 LARGEST OPTIONHOLDERS

	Optionholder	Shares	%
1.	AngloGold Australia Limited	1,458,334	8.87
2.	Invia Custodian Pty Ltd	1,082,376	6.58
3.	Colter Holdings Group	857,182	5.21
4.	Zero Nominees Pty Ltd	599,800	3.65
5.	Cairnglen Investments Pty Ltd	594,818	3.62
6.	Mr. Abdelaziz Soliman	480,000	2.92
7.	Yandal Investments Pty Ltd	411,470	2.50
8.	Mr. John Halaska	330,417	2.01
9.	Mr. Andrew Bruce Doak	300,000	1.82
10,	Mrs. Clare Mary Sung-Reid	250,000	1.52
11.	ANZ Nominees Limited	232,927	1.42
12.	Mr. David Gordon Miller & Ms. Jennifer Louise Miller & <SCW Trustees Limited>	200,000	1.22
13.	Reynolds (Nominees) Pty Ltd	171,800	1.05
14.	Mr. Neil John Strong	165,000	1.00
15.	Lawrence Crow Consulting Pty Ltd <LCC Super Fund A/C>	160,000	0.97
16.	Mr. Michael Betts <Kimono Super Fund A/C>	135,000	0.82
17.	Technica Pty Ltd	134,703	0.82
18.	Tromso Pty Ltd	125,209	0.76
19.	Mrs. Ada Maureen Lourey	120,209	0.73
20.	Mr. Raymond Paul Sandle	120,000	0.73
	Top 20 Total	7,929,245	48.22

The above listed options are due to expire on 30 November 2005 and are exercisable at $0.25 each.

SCHEDULE OF TENEMENTS
AS AT 30 SEPTEMBER 2004

Tenement Type and Number	Name	Mineral	Ownership
WESTERN AUSTRALIA			
EL09/644*	Glenburgh	Gold	Helix Resources Limited 100%
MLA09/87	Glenburgh	Gold	*Conversion from EL to MLs
MLA09/88	Glenburgh	Gold	
ELA09/1079	Glenburgh	Gold	Helix Resources Limited 100%
PLA09/424	Glenburgh	Gold	
PLA09/425	Glenburgh	Gold	
PLA09/426	Glenburgh	Gold	
PLA09/427	Glenburgh	Gold	
EL29/139*	Menzies	Nickel	Menzies Nickel Joint Venture
ML29/214	Menzies	Nickel	(Heron Resources NL 51%, Helix 49%)
EL29/139*	Menzies	Gold	Helix Resources Limited 100%
MLA29/171	Menzies	Gold	
MLA29/173	Menzies	Gold	
MLA29/215	Menzies	Gold	
MLA29/216	Menzies	Gold	
MLA29/217	Menzies	Gold	
MLA29/218	Menzies	Gold	
MLA29/219	Menzies	Gold	
MLA29/220	Menzies	Gold	
MLA29/226	Menzies	Gold	
MLA29/227	Menzies	Gold	
EL77/1029	Barlee	Gold	Helix Resources Limited 100%
EL77/1030	Barlee	Gold	
EL77/1031	Barlee	Gold	
EL77/1154	Barlee	Gold	
EL77/1042	Barlee	Gold	Comet Resources NL Joint Venture
EL77/1043	Barlee	Gold	(Helix 82.5%)
ML47/123	Munni Munni	PGM	Helix Resources Limited 100%
ML47/124	Munni Munni	PGM	
ML47/125	Munni Munni	PGM	
ML47/126	Munni Munni	PGM	
ML47/141	Munni Munni	PGM	
ML47/142	Munni Munni	PGM	
ML47/143	Munni Munni	PGM	
ML47/144	Munni Munni	PGM	
MLA47/569	Munni Munni	PGM	
ELA47/1089	Munni Munni South	PGM	
ELA47/1090	Munni Munni South	Diamonds	West Pilbara Joint Venture
EL47/905	Munni Munni South	Diamonds	Helix Resources Limited 100%
EL47/1015	Munni Munni South	Diamonds	DeBeers Australia Exploration
EL47/1074	Munni Munni South	Diamonds	Limited earning 51%
EL47/1075	Munni Munni South	Diamonds	
MLA47/570	Munni Munni South	Diamonds	
MLA47/571	Munni Munni South	Diamonds	

SCHEDULE OF TENEMENTS
AS AT 30 SEPTEMBER 2004

Tenement Type and Number	Name	Mineral	Ownership
WESTERN AUSTRALIA			
MLA47/572	Munni Munni South	Diamonds	
MLA47/573	Munni Munni South	Diamonds	
MLA47/574	Munni Munni South	Diamonds	
ELA47/1144	Elvire	Diamonds	
ELA47/1145	Elvire	Diamonds	
ELA47/1146	Elvire	Diamonds	
ELA47/1169	Yalleen	Diamonds	
ELA47/1170	Yalleen	Diamonds	
ELA47/1171	Yalleen	Diamonds	
EL38/1000	Mt Venn	PGM, Nickel	Kelray Joint Venture (Helix earning 80%)
ELA38/1476	Mt Venn East	PGM, Nickel	Helix Resources Limited 100%
EL51/946	Narracoota	Gold	J A Bunting & Assoc Pty Ltd Joint
EL52/1495	Narracoota	Gold	Venture (Helix 90%)
EL52/1496	Narracoota	Gold	
EL69/1516	Loongana	Gold, PGM, Base metals	J A Bunting & Assoc Pty Ltd
EL69/1517	Loongana	Gold, PGM, Base metals	Joint Venture (Helix 90%)
EL69/1718	Loongana	Gold, PGM, Base metals	
EL69/1719	Loongana	Gold, PGM, Base metals	
EL69/1720	Loongana	Gold, PGM, Base metals	
PL69/34	Loongana	Gold, PGM, Base metals	
PL69/35	Loongana	Gold, PGM, Base metals	
PL69/36	Loongana	Gold, PGM, Base metals	
PL69/37	Loongana	Gold, PGM, Base metals	
EL38/1477	Isolated Hill	Gold, PGM, Base metals	Helix Resources Limited 100%
EL38/1478	Isolated Hill	Gold, PGM, Base metals	
ELA52/1623	Perry Creek	Base metals	Helix Resources Limited 100%
ELA52/1624	Perry Creek	Base metals	
ELA52/1625	Perry Creek	Base metals	
ELA52/1626	Perry Creek	Base metals	
SOUTH AUSTRALIA			
EL2697	Lake Everard	Gold	Helix Resources Limited 100%
EL2854	Lake Everard West	Gold	
ELA2004/180	Childarra	Gold	

Abbreviations and Definitions used in Schedule:

EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Lease	MLA	Mining Lease Application
PL	Prospecting Licence	ALA	Prospecting Licence Application