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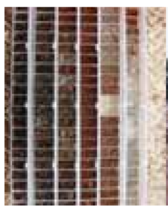
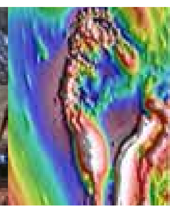



Chairman's Review

Dear Shareholder

I am pleased to present this year's Annual Report, the twentieth in the history of Helix Resources Limited.

Overall, the year has been a positive one, in which the Company has made substantial progress in its exploration activities for gold, copper, nickel and diamonds. Commencing in January, we flew the first detailed aeromagnetic survey over the north eastern section of the Mt Venn layered intrusion in Western Australia. The results of this survey produced some significant magnetic anomalies which were further evaluated in May using ground-borne electromagnetic (EM) techniques. This EM survey identified massive sulphide conductors at relatively shallow depths and a program of outcrop gossan sampling confirmed highly anomalous copper and nickel mineralisation up to 24% Cu and 1.5% Ni. In June, the Company carried out a 3,000 metre reverse circulation drilling program made up of 24 holes drilled into the north eastern ultramafic sequence. In addition more ground was applied for to the south providing Helix with almost 80% coverage of the Mt Venn layered intrusion.

"the year has been a positive one, in which the Company has made substantial progress in its exploration activities.."

The results of our first drilling program at Mt Venn were encouraging; drilling confirmed the presence of extensive sulphide accumulations, with best assay results from drill hole MVRC 10 which intersected 2 metres of 1.2% Nickel from a 4 metre wide zone grading 1.3% Copper. Most holes contained broad widths of geochemically anomalous copper and nickel and the Company is now preparing a further exploration program over the entire layered intrusion aimed at identifying potential structural trap sites containing sulphide accumulations.

In South Australia, a new joint venture with Minotaur Exploration Ltd over the Tunkillia gold project was signed in March of this year. The Tunkillia project currently contains an inferred resource of 10.5 Mt grading 2.2 g/t (approximately 730,000 ounces). Under the terms of the joint venture Minotaur can earn a 51% interest in the project by spending the next $5.0 million on the project. There is also a minimum requirement for Minotaur to spend $1.0 million before the end of 2006.

Under a generative alliance between Minotaur and Oxiana Limited, Minotaur may introduce Oxiana to the Tunkillia project, providing there is an indicated resource estimation greater than 1 million ounces of gold. Minotaur and Oxiana could then earn an additional 24.5% (total 75.5%) equity by completing a pre-feasibility study on such a project in an additional 2 year timeframe.

Exploration activities at Tunkillia by Minotaur are currently in progress and results from drilling programs should be available before year end.

In April, the Company carried out drilling at its Glenburgh gold project in the Gascoyne region of Western Australia. Drilling has now confirmed a JORC resource of 1.1 Mt grading 3.1g/t for 108,000 ounces of gold. The Company is focussing further exploration around defining additional resource ounces near the Apollo resource.

The West Pilbara Diamond Project is being explored on behalf of Helix under an earning-in agreement with DeBeers Australia Exploration Limited (DeBeers), whereby DeBeers can earn 51% interest in the project by spending $3.0 million before June 2006. DeBeers has outlined a potential new diamond province in the West Pilbara region, with two kimberlites located on Helix Exploration Licences. Both kimberlites contain micro-diamonds and occur as dyke complexes. The Blacktop kimberlite, which straddles both a joint venture Exploration Licence and DeBeers' own ground, has had one initial bulk sample taken from the DeBeers Exploration Licence. The bulk sample has produced approximately 5 carats of diamonds, and further work including bulk sampling is now required on the Blacktop kimberlite extensions onto the Helix tenements. The other kimberlite, Clurrie, situated on

R. Vittino, R. Mosig, J. den Dryver, Tunkillia 2004

Chairman's Review

Helix tenements, remains untested. The Company is encouraged by the significant early success in finding kimberlites and diamonds in this new and exciting province and looks forward to the next exploration program.

Helix reported a loss of $1,297,895 during the year. Cash reserves available are $1.6 million and the Company continues its determined exploration efforts throughout Western Australia.

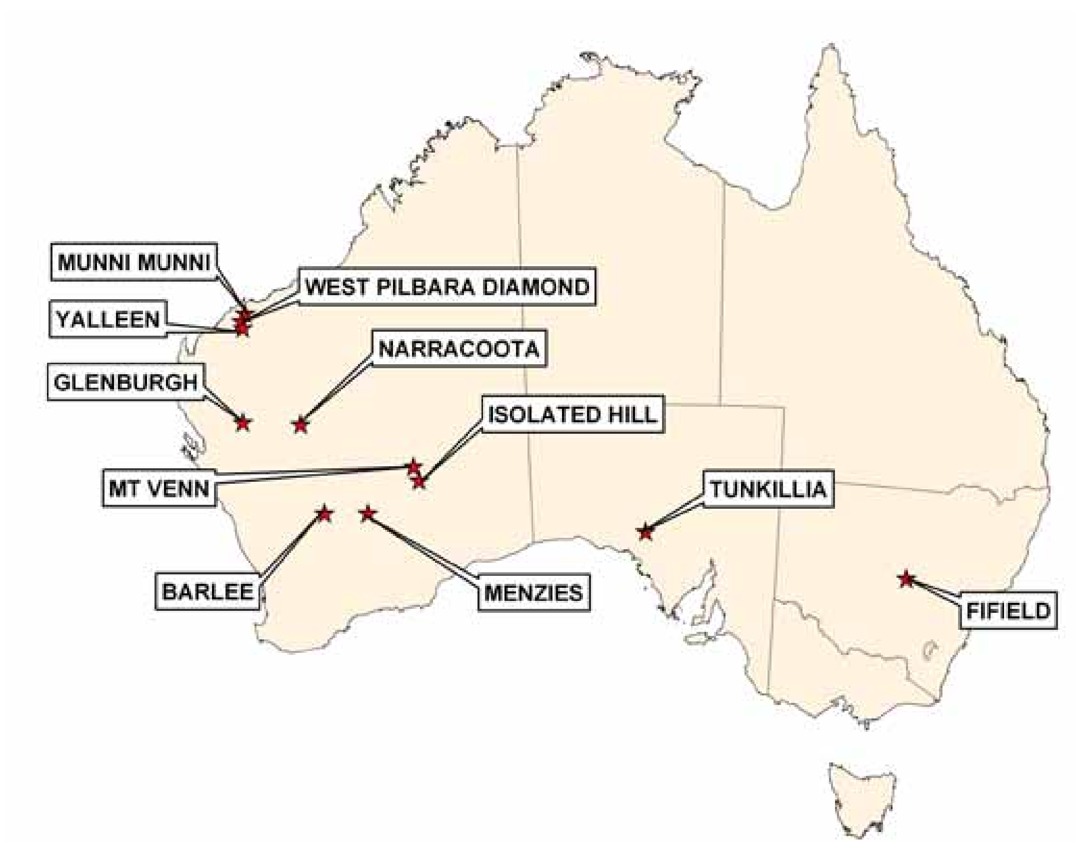
In August of this year, Mr Michael Wilson took up the position as Exploration Manager for the Company replacing Mr Tony Martin who retired after 17 years employment. I would like to thank Tony on behalf of all at Helix for his tremendous assistance and I would also like to welcome Michael to the management team and look forward to his contributions.

At the last Annual General Meeting of the Company in November 2005, Mr Riccardo Vittino joined me as an executive Director and Messrs Greg Wheeler and John den Dryver joined as non executive Directors. I would like to also thank them and the rest of the Helix staff for their valuable contributions during this important year.

Mt Venn Field Camp 2005

The staff and Board of Helix look forward to making 2006 a significant year for the Company.

Robert W Mosig
Executive Chairman



Review of Operations

INTRODUCTION

Exploration activities focussed on the Mt Venn layered intrusion - Eastern Goldfields, the Glenburgh gold project,- Gascoyne region and the Isolated Hill gold and base metals project - Eastern Goldfields in Western Australia.

Activities at the Highway nickel laterite project, the Tunkillia gold project, the West Pilbara diamond project and the Loongana base metals and platinum group metals (PGM) project were carried out by joint venture partners.

On platinum group metals, Helix retains an active interest in Australian PGM exploration through its Fifield and Munni Munni PGM projects. This year has seen a depressed price for palladium, generally below USD$200 an ounce. The Company maintains a continuous monitor on the potential for Australia to enter the PGM production arena, and plans to undertake a longer term economic study on the PGM market in 2006.

Mt Venn Project – Western Australia
Helix 80% - E38/1000
Helix 100% - ELA 38/1476 and 1775.

The Mt Venn Project is situated 100km east of Laverton W.A., on the edge of the Great Victorian Desert. The project area has received very little exploration activity over the last 30 years due to its location on an Aboriginal reserve. The last recorded work on the project was carried out by Tasminex N.L. and Western Mining Corporation in the late 1960's and early 1970's respectively.

Mt Venn appears to have some characteristics of a layered mafic/ultramafic intrusion and was secured by Helix to examine its potential to host PGM and base metal deposits. After several years of negotiations to support the granting of an Exploration Licence, the Company finally commenced fieldwork on the project in late 2004.

Initial work at the Mt Venn Project involved the flying of a detailed magnetic survey over the entire intrusion in early 2005. Follow-up ground activities included a mapping and outcrop sampling program over the western extent of the outcropping portion of the intrusion (refer Figure 1). This mapping and sampling identified a series of gabbroic and pyroxenitic units with extensive surface gossan development.

In March of this year, an 8 square kilometre ground-borne electromagnetic (EM) survey was carried out over a specific area of the intrusion where significant magnetic and geochemical anomalism was found to occur. The EM survey assisted in defining two sulphide-rich horizons. The first was associated with the basal contact of the intrusion and the second was located up sequence, along the contact of a gabbro with a coarse-grained pyroxenite.

Reverse Circulation (RC) drilling commenced in late June with a total of 24 holes drilled for 3,031 metres targeting selected geochemical, EM, magnetic and structural features along 6 kilometres of strike length.

Best assay results were from hole MVRC 10, which intersected 2 metres grading 1.2% Nickel from a 4 metre wide zone grading 1.3% Copper. Most drill holes contained broad widths of geochemically anomalous copper and nickel varying from several metres up to 60 metres in drilled widths. Evidence of weak platinum group metal anomalism was detected in only one drill hole specifically targeted to intersect the titaniferous magnetite portion of the Mt Venn intrusion.

By placing these assays into the context of a layered ultramafic intrusion, the Company is encouraged by these first pass drilling results. The Mt Venn Intrusion has now been confirmed to have extensive sulphide accumulation containing well developed

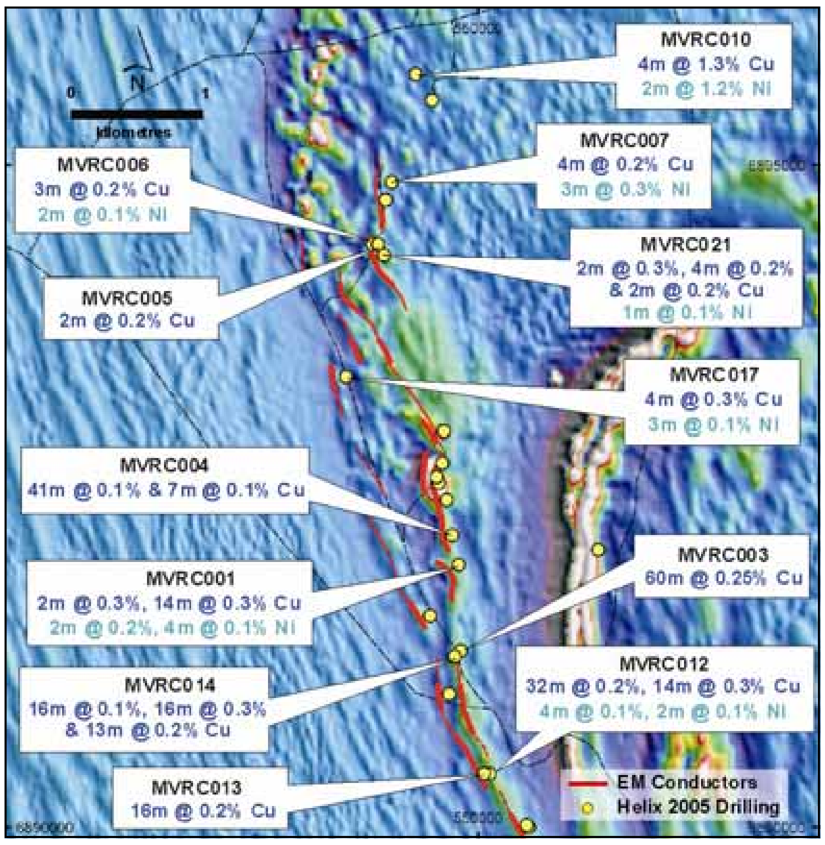


Figure 1: Mt Venn Project Significant Drilling Results

copper and nickel anomalism.

Future exploration will focus on the identification of likely structural trap sites, where economic levels of copper and nickel concentrations may occur in the untested portions of the Mt Venn intrusion.

Glenburgh Project – Western Australia
Helix 100%

During the year, the Company carried out new ore resource estimations and a further drilling program.

In May, Resource Evaluations Pty Ltd calculated a new JORC compliant resource for the project. The new resource included additional holes drilled by Helix in 2003-04 that intersected high grade extensions of the Apollo lode. An inferred resource of 1.1Mt at 3.1g/t for 108,000oz was estimated using a grade cut off of 1g/t, whilst the estimation also took into account minimum mining widths for ore panels. At the Apollo Prospect, 632,000 t grading 3.4g/t for 68,500 oz were estimated. This is a significant improvement from previous resource calculations, with a 60% grade increase and 20% more ounces at Apollo. Previous resource calculations had effectively smeared the orebody by using a lower 0.5g/t cutoff. The Company considers that the new resource estimation better reflects the high grade nature of the Glenburgh mineralisation.

Additionally, a 2,000 metre RAB drilling program was completed over a series of geochemical anomalies at the Mustang Prospect, immediately east of the main Apollo Prospect. This area is covered by a thin veneer of alluvial soils masking the geochemical response noted elsewhere on the project. An earlier shallow vacuum drilling program in 2004 successfully identified numerous gold anomalies from the palaeo-soil surface located 1-2 metres below the cover. The RAB drilling program was designed to test the weathered basement below these anomalies to a depth of approximately 30 metres.

The program highlighted a number of significant plus 1g/t gold intersections including 8m at 3.8g/t and 7m at 2.1g/t over a 1.5 kilometre strike length (refer to Figure 2). The results show potential for at least two new zones of mineralisation, both with geochemical signatures similar to that of the Apollo Prospect.

Future work will concentrate on defining the new zones of anomalous geochemistry with RC drilling and confirming the possibility for along strike repetitions of the shallow dipping high grade Apollo-style lodes under shallow cover.

Perry Creek Base Metals Project - Western Australia
Helix 100%

The Perry Creek copper-lead-zinc project is a conceptual base metals target situated in the Edmund Basin, Western Australia. The Edmund Basin is an extensive intracratonic shale-sandstone-carbonate basin of early Mesoproterzoic age which forms the lower part of the Bangemall Superbasin (refer Figure 3).

The Perry Creek Project is an attractive target for sediment hosted base metals. The project area contains favourable rock types including shale and dolomites which are situated within an intracratonic rift setting. In addition, its age of 1.6Ga is comparable to the Mt Isa and MacArthur River base metal deposits.

The primary target in the project area is sulphidic carbonaceous shale of the Blue Billy Formation which overlies a thick clastic wedge of conglomerate and sandstone (Prairie Downs and Gooragoora

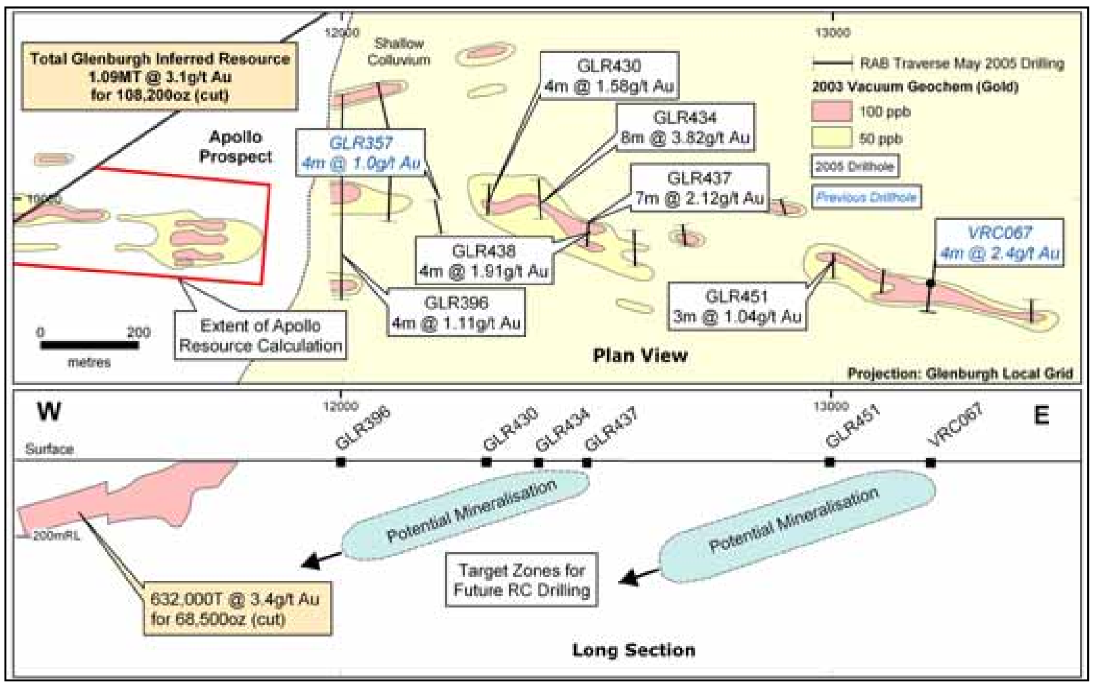


Figure 2: Glenburgh plan and long section showing significant results

Review of Operations

Formations respectively).

Previous explorers in the project area were Geopeko (1983-85) and Pasminco (1992-94). Both companies carried out primary exploration for Mt Isa style Pb-Zn mineralization and for Jillewarra-type Cu-Pb-Au occurrences using aeromagnetic studies combined with geochemical sampling. Several anomalous localities were defined in areas of unexposed Blue Billy Formation.

Helix will carry out further sampling and geophysical studies prior to drilling any defined targets in 2006.

Lake Everard Project – South Australia
Helix 100%,
Minotaur Exploration earning 51%

A Joint Venture with Minotaur Exploration Ltd ("Minotaur") over the Lake Everard Project was signed in the first quarter of 2005. Under the terms of the Joint Venture, Minotaur can earn a 51% interest in all tenements by spending $5.0 million over four years, of which $1.0 million is a minimum commitment to be spent before the end of 2006.

Under a proposed generative alliance between Minotaur and Oxiana Limited, Minotaur can introduce Oxiana to the project. Should Oxiana enter into the joint venture, then Minotaur/Oxiana can earn an additional 24.5% (total 75.5%) equity by completing a pre-feasibility study on a project which contains an Indicated Resource of at least 1 million ounces gold.

Minotaur has taken over management of the project and subsequently carried out a full review of all geophysical and drilling data, identifying numerous priority targets for their 2005 field campaign. Minotaur has conducted an infill gravity survey and a close-spaced calcrete sampling program over several regional targets. In addition, a regional Aircore drilling program has commenced to test gold and copper/gold targets over the entire tenement package, and an RC/diamond drilling program will be carried out to test geophysical anomalies and structural targets within the 20 square kilometre Tunkillia gold in calcrete anomaly.

West Pilbara Diamond Project – Western Australia
Helix 100%, De Beers Australia Exploration Limited earning 51%

The Helix West Pilbara Diamond Project comprises 11 tenements, 100% owned by Helix, covering nearly 2,000 square kilometres and situated to the south of the Company's Munni Munni PGM project. DeBeers Australia Exploration (DBAE) may earn a 51% interest in diamonds by spending AUD$3 million by June 2006.

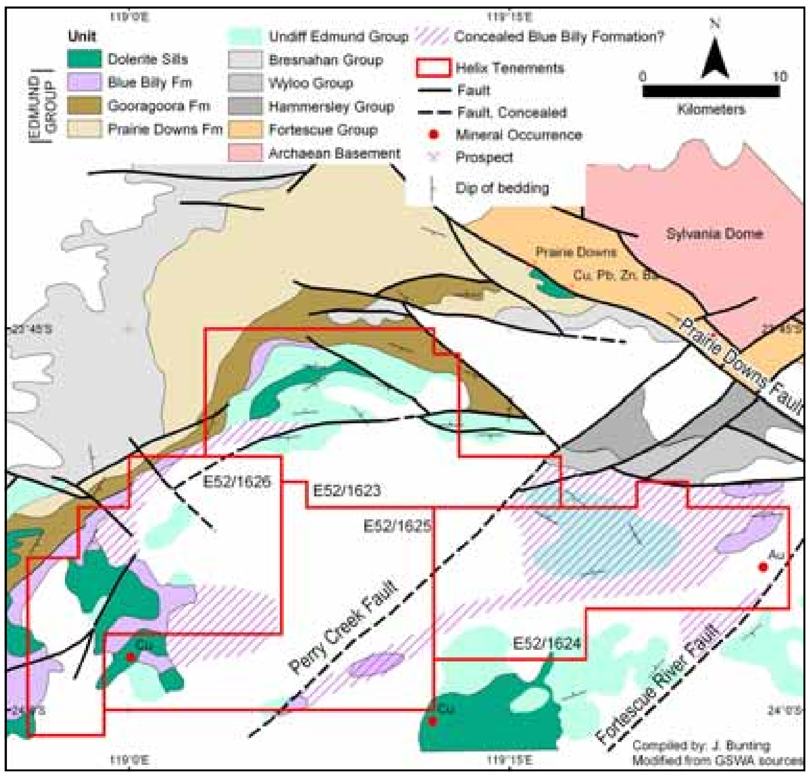


Figure 3: Perry Creek project Stratigraphic Interpretation

No field activities were carried out in 2005, however, previous reconnaissance and surface sampling by DBAE resulted in the discovery of two kimberlites, Blacktop and Clurrie, in 2004. As part of a follow up survey three micro-diamonds were recovered from a rock chip sample containing weathered kimberlite from the Blacktop area (refer to Figure 4) The discovery is immediately adjacent to the DBAE Balmoral Project tenements where a 32.85 tonne bulk sample produced 89 macro diamonds totaling 4.17 carats (-8.0 + 1.0 mm fraction) from the Blacktop kimberlite dyke and sill complex. A further 46 diamonds totalling 1.1 carats were also found in the tailings re-treatment audit of the bulk sample.

The kimberlite and micro-diamonds found on the Helix tenements are located on the extension of the Blacktop kimberlite trend found on DBAE's ground. DBAE's drilling to date extends only to the boundary of the Helix tenements. The regional geophysics and surface loam sampling conducted by DBAE shows the complex extends for at least another 1.5 kilometres into Helix's ground where it terminates in a major regional fault.

Earlier this year, DBAE advised Helix that as a result of a reassessment of De Beers' global exploration priorities, field activities in Australia would be substantially reduced. As a consequence DBAE and Helix are currently discussing a number of options with a view to ensure that the diamond exploration potential of the ground held by both parties is assessed thoroughly.

Highway Nickel Project – Western Australia
Helix 25%, Heron Resources Limited 75%

Heron Resources have notified Helix that infill RC drilling at the Highway resource, which stands at 96Mt at 0.74% Ni and 0.05% Co, is in progress. This drilling program will bring the resource drill spacing down to 160 by 80 metres. This drilling campaign is the first step towards upgrading the status of the resource from Inferred to Indicated.

The Highway resource represents a significant siliceous Nickel laterite resource located only 25 kilometres north of Heron's Goongarie Hill project where INCO has entered into a joint venture with Heron.

Yalleen Iron Ore Project – Western Australia
Helix 100%, API Management Pty Ltd earning 70%

The Yalleen Project is a joint venture between Helix and API Management Pty Ltd (a company equally owned by Aquila Resources Ltd and AMCI Holdings Australia Pty Ltd), and covers an area of 633 square km in the West Pilbara Region of Western Australia (refer Figure 4).

The terms of the joint venture are:
• API will spend a total of $1.5 million over four years on exploration for iron ore to earn a 70% interest in the project, and may elect to withdraw from the project after spending a minimum of $150,000;
• Once API has earned its 70% interest, Helix can elect to contribute pro-rata or dilute to a $0.50 per tonne royalty.

The project area covers the south eastern extension of the Robe River where it crosses the Marra Mamba and Brockman Iron Formations. The exploration target is the occurrence of channel iron deposits (CID's), accumulations of material anomalously high in iron that have concentrated in the channels and become lithified.

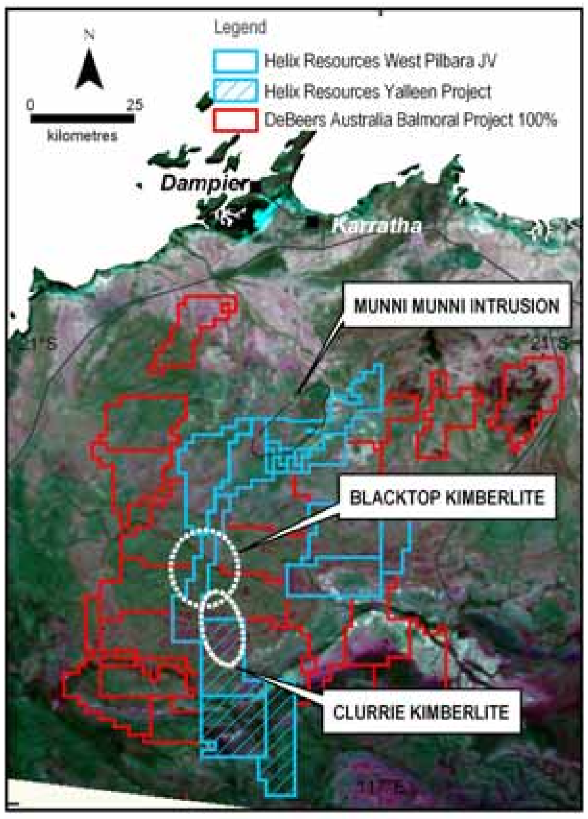


Figure 4: West Pilbara Project Locations

Today Rio Tinto is profitably mining CID's from Mesa J at Robe River, some 20 km to the west.

API plans to conduct programs of detailed mapping and sampling to define the CID's with follow-up drill testing of targets in the 2005/06 field season

West Pilbara Base Metal Project – Western Australia
Helix 100%

The West Pilbara Base Metal Project covers the same area as the DBAE diamond joint venture with the addition of the Munni Munni project area, approximately 75 kilometres south of Karratha WA.

The tenement package covers a diverse range of rock types from sequences of the Hamersley Basin in the south, through Fortescue Formation volcanics and sediments to Archaean basement in the north. Aside from the PGM potential at Munni Munni, the region is considered highly prospective for gold and base metals. Operating nickel, copper and iron ore mines and numerous historic workings surround the tenement package.

As part of the DBAE diamond joint venture, a surface geochemical sample was collected by DBAE nearby to each diamond sample. The resulting samples, collected at approximate 5 square kilometre spacings, were assayed by Helix for precious and base metals. Results have highlighted numerous gold/PGM and base metal anomalies that will form the basis for a field campaign on the project area in the 2005-2006 field season.

Narracoota Project – Western Australia
Helix Resources Limited 90%

The Naracoota project lies in the Peak Hill Goldfield 100km north of Meekatharra. During the year a regional surface geochemical sampling program was carried out over the project area. A total of 834 samples of coarse lag material were collected at 800 metre by 400 metre centres. The program outlined two significant gold anomalies. These gold anomalies are believed to be associated with regional west north-west structures on the northern edge of a large coincident gravity and magnetic feature, the Biluyin Anomaly, where historical drilling intersected a thick sequence of volcanic breccias buried under shallow colluvial sediments.

Future work will be carried out in last quarter of 2005 to assess the Biluyin breccia system, with the aim of outlining a drilling program targeting gold and base metal mineralisation associated with regional structural controls and associated alteration systems.

Corporate Governance

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 Chief Operating Officer	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 3.3 Reporting on Principle 3	1.1 and 1.4.9
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Recommendation 4.3 Structure of Audit Committee	2.1.2
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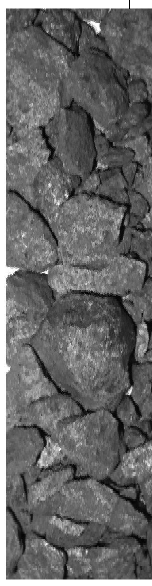
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Attendance of Auditor at General Meetings	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Attestations by Executive Chairman and Chief Operating Officer	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
Recommendation 9.5 Reporting on Principle 9	2.2.2 and 2.2.4
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 out its functions, it has developed a Code of Conduct to guide the Directors, the Executive Chairman, the Chief Operating 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. Mr J denDryver and Mr G Wheeler are Non-Executive Directors. In addition to being Non-Executive Directors, they also meet the following criteria for independence adopted by the Company.

An Independent Director is a Non-Executive Director and:

1. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
2. 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;
3. 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;
4. 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;
5. has no material contractual relationship with the Company or other group member other than as a Director of the Company;
6. 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
7. 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.
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 senior management as well as reviewing 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 Chief Operating Officer 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
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, site visits of key operations, 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:

- 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;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- 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.

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"):

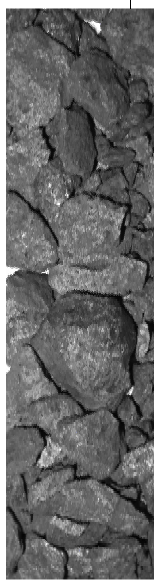
- the release by the Company of its half-yearly results to the ASX;
- the release by the Company of its annual results to the ASX;
- the close of the general meeting of the Company; and
- the release by the Company of its Quarterly Reports to the ASX.

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 Executive Chairman and Chief Operating Officer

In accordance with the Board's policy, the Executive Chairman and the Chief Operating Officer 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

Due to the size and scale of operations of the Company, the full Board undertakes the role of the Audit Committee. Below is a summary of the role 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 four members, being the full Board. All members can read and understand financial statements and are otherwise financially literate. The details of the member's qualifications may be found in their Director Profiles in the Directors' Report.

The Audit Committee holds two meetings throughout a normal 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.

2.2 Remuneration Committee

Due to the size and scale of operations of the Company, the full Board undertakes the role of the Remuneration Committee.

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

The full Board comprises the Remuneration Committee.

The Remuneration Committee holds meetings as required throughout the year.

2.2.3 Responsibilities

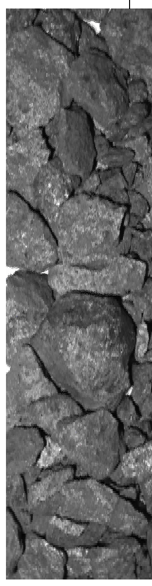
The responsibilities of the Remuneration Committee include setting policies, terms and conditions of employment for senior executives' remuneration, reviewing and implementing the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both Executive and Non-Executive Directors and undertaking an annual review of the senior executives' performance, including, setting with the Executive Chairman 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 October 2004 and the Non-Executive Director Remuneration Policy was also approved by resolution of the Board in January 2005.

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; and
- 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 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.

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 four 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 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.

Corporate Governance

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.

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

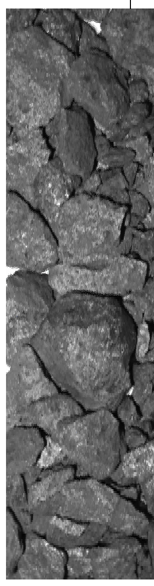
Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

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 2005, 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 the whole of the financial year and up to the date of this report:

Robert W Mosig MSc, FAusIMM, FAICD
Executive Chairman
Appointed 1 July 1985
Mr Mosig is a Geologist with over 25 years experience in platinum group metals, gold and diamond exploration within Australasia. Mr Mosig was appointed Executive Chairman on 30 November 2004.

The following persons were appointed as Directors of Helix Resources Limited during the financial year:

Riccardo E Vittino
Executive Director / Chief Operating Officer / Company Secretary
Appointed 30 November 2004
Mr Vittino is an Accountant with 20 years experience in company secretarial and corporate management. He has held numerous directorships in resource companies including Diamond Ventures and Platinum Australia.

Greg Wheeler
Non-Executive Director
Appointed 25 October 2004
Mr Wheeler has developed significant expertise over 13 years as a Partner of Chartered Accounting firms Grant Thornton and Deloitte Touche Tohmatsu, prior to establishing his own consulting company. His consulting skills include:- company and business valuations; advice to directors/shareholders on acquisitions or divestitures; commercial negotiations; risk assessment and mitigation.

John denDryver
Non-Executive Director
Appointed 25 October 2004
John den Dryver is a mining engineer with some 30 years mining experience in operational and corporate management. John joined Mount Isa Mines in 1973. In 1982, John joined North Flinders Mines as the Company Mining Engineer. He became the Operations Manager for North Flinders after the mine was commissioned in 1986 and over the next 10 years managed the operations as well as developing the further discoveries in this region including the Callie Mine. In 1987 he was invited to join the Board of North Flinders to become Executive Director- Operations. In 1997 after Normandy Mining took over North Flinders, John was appointed Executive General Manager-Technical leading a team of specialist geologists, mining engineers and metallurgists in operational support, technical review and due-diligence activities. In 2003, after the takeover of Normandy by Newmont Corporation John set up his own mining consultancy business.

The following persons resigned as Directors of Helix Resources Limited during the financial year:

Dr G. Michael Folie BE (Civil), DIC, MSc (Econ) PhD
Non-Executive Chairman
Resigned 25 October 2004

Anthony R Martin BSc (Hons), MAusIMM
Director Exploration – Executive Director
Resigned 30 November 2004

Ian K Macpherson BCom, CA
Non-Executive Director
Resigned 30 November 2004

Bryce E Wauchope FCA, FAICD
Non-Executive Director
Resigned 30 November 2004

Directors' Report

DIRECTORSHIPS OF OTHER LISTED COMPANIES
Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Riccardo Vittino	Platinum Australia Limited	7 August 2000 - 20 August 2002
John den Dryver	Nustar Mining Corporation Limited	23 December 2003 – current
	Adelaide Resources Limited	18 April 2005 – current
Greg Wheeler	Acclaim Exploration NL	November 2002 to June 2003

COMPANY SECRETARY

Riccardo Vittino	Mr Vittino is an Accountant with 20 years experience in company secretarial and corporate management.

FORMER PARTNER OF THE AUDIT FIRM

Greg Wheeler	Past Lead Partner – Assurance & Advisory Division Deloitte Touche Tohmatsu October 1999 – April 2002
	Past Lead Partner – Assurance & Corporate Services Division Grant Thornton January 1987 – October 1999

PRINCIPAL ACTIVITIES
The principal activity of the Consolidated 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.

FINANCIAL RESULTS
The net consolidated loss of the Consolidated entity for the financial period, after provision for income tax was $1,297,895 (2004: $4,769,008).

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
Following the decision in October 2004 to re-focus on exploration, Helix Resources has achieved several milestones which have resulted in positive outcomes for the Company.

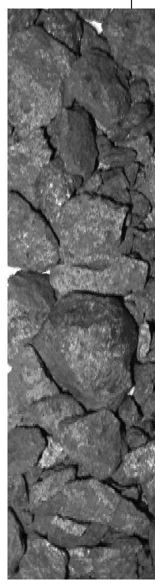
Firstly, considerable cost savings have been achieved through the company restructure, not only in the area of staffing, but also through the reduction of corporate overheads.

Secondly, the Company has been able to attract joint venture partners to share the on-going exploration and/or development risk on several of its projects.

A Joint Venture with Minotaur Exploration Ltd ("Minotaur") over the Tunkillia Gold Project in South Australia was entered into in March of this year. Under the terms of the Joint Venture, Minotaur may earn a 51% interest in the tenements for an expenditure of $5 million over 4 years, of which $1,000,000 is a first 18 month, minimum commitment. Under a proposed generative alliance with Oxiana Limited, Minotaur may introduce Oxiana to the project, under terms to be finalised, in which case Minotaur/Oxiana may earn an additional 24.5% (total 75.5% equity) by completing a pre-feasibility study on the project, and achieving an Indicated Resource of at least 1 million ounces gold or gold-equivalent, in an additional 2 years. Minotaur will be the initial project operator.

Another Joint Venture was entered into with API Management Pty Ltd ("API") (a company equally owned by Aquila Resources Limited and AMCI Holdings Australia Ltd), to assess the Iron Ore potential on Helix's Yalleen Project in the Hamersley Region of Western Australia. Under the terms of the Joint Venture API will spend a total of $1.5 million over 4 years to earn a 70% interest.

Significant advances have been made at the Company's West Pilbara Diamond Project, which is currently the subject of a Joint Venture with DeBeers Australia Exploration Limited ("DeBeers"). The Helix West Pilbara Diamond Project comprises 11 tenements, 100% owned by Helix, covering nearly 2,000 square kilometres and situated to the south of the Company's Munni Munni PGM project in which DeBeers may earn a 51% interest in diamonds by spending AUD$3 million by June 2006.



Directors' Report

In January of this year, Helix advised that initial reconnaissance and surface sampling by DeBeers had resulted in the discovery of two kimberlites and three micro-diamonds on its West Pilbara Diamond tenements. The discovery is immediately adjacent to the DBAE Balmoral Project tenements where recently a 32.85 tonne bulk sample produced 89 macro diamonds totalling 4.17 carats from the -8.0 + 1.0 mm fraction from the Blacktop kimberlite dyke and sill complex. A further 46 diamonds totalling 1.1 carats were also found in the tailings re-treatment audit of the bulk sample.

The kimberlite and micro-diamonds found on the Helix ground are located on the extension of the Blacktop kimberlite trend found on DeBeers' ground. DeBeers' drilling to date extends only to the boundary of the Helix tenements. There has been only limited sampling carried out on the Helix side of the boundary.

Earlier this year, DeBeers advised Helix that as a result of a reassessment of DeBeers' global exploration priorities, field activities in Australia would be substantially reduced. As a consequence DeBeers and Helix are currently discussing a number of options with a view to ensure that the diamond exploration potential of the ground held by both parties is assessed thoroughly.

The Company also carried out exploration activities on several of its own Projects. At the Mt Venn Copper and Nickel Project near Laverton in Western Australia, twenty- four holes were drilled for a total of 3,031 metres, with most holes drilled to 120 metres depth on 60 degrees inclinations. The targets for the drilling were the EM and magnetic anomalies situated below the gossanous outcrops which had been identified by the Company earlier in the year.

Best assay results were achieved in hole MVRC 10, which intersected 2 metres grading 1.2% Nickel (including 1m at 1.8%Ni) from a 4 metre wide zone grading 1.3% Copper. However, most drill holes contained broad widths of geochemically anomalous copper and nickel varying from several metres up to 30 metres in drilled widths. Evidence of weak platinum group metal anomalism was detected in only one drill hole specifically targeted into a titaniferous magnetite portion of the Mt Venn Intrusion.

By placing these assays into the context of a layered ultramafic intrusive, the Company is encouraged by these first pass drilling results. The Mt Venn Intrusion has now been confirmed to have an extensive sulphide layer containing well developed copper and nickel anomalism. Further exploration work must now focus on the identification of likely structural trap sites where economic levels of copper and nickel concentrations may occur.

A RAB drilling program undertaken at the 100% owned Glenburgh Project during the year returned encouraging results including 8m at 3.8g/t and 7m at 2.1g/t gold. The latest drilling has improved the prospectivity of increasing the resource inventory, which now stands at 1.1Mt at 3.1g/t containing 108,000oz of gold. This new resource estimate is classed as inferred and complies with recommendations under the JORC Code.

The Company reported a loss of $1,297,895 during the year, related essentially to the write down of carry forward exploration expenditure of $796,052.

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 Consolidated entity that occurred during the period under review.

SUBSEQUENT EVENTS
There has not been any 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
Disclosure of information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, this information has not been disclosed in this report.

REMUNERATION REPORT
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 all board members. 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. The level of remuneration is not dependent on the satisfaction of any performance condition.

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

Directors' Report

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.

During the year certain non-executive directors retired and were paid a retirement benefit based on the policy in place at the time. The policy recognised the length of time served by the individual as a non-executive director of the company. The company has largely adopted the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* and decided to remunerate its non-executive directors on an ongoing basis with no accrual or entitlement to a retirement benefit.

Remuneration packages contain the following key elements:

Primary benefits – salary / fees and performance based bonuses;
Post employment benefits – prescribed retirement benefit; and
Equity – share options granted under the executive share option plan as disclosed in note 17 to the financial statements.

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

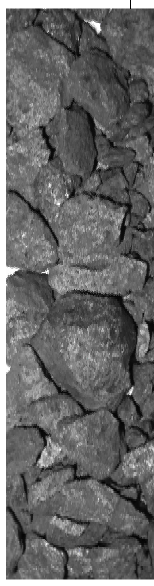
2005	Primary			Post Employment			Equity			
	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	% of Remuneration	Other Benefits	Total
	$	$	$	$	$	$	$	$	$	$
Directors										
R W Mosig	156,750	-	-	12,000	-	-	27,156	13.86	-	195,906
R E Vittino	115,180	-	-	12,000	-	-	13,578	9.65	-	140,758
G Wheeler	19,267	-	-	-	-	-	-	-	-	19,267
J denDryver	18,826	-	-	-	-	-	-	-	-	18,826
G M Folie	31,570	-	-	2,718	-	-	-	-	-	34,288
I Macpherson	10,857	-	-	-	-	-	-	-	-	10,857
B Wauchope	9,832	-	-	1,025	-	-	-	-	-	10,857
A R Martin	118,850	-	-	10,639	-	-	13,578	9.49	-	143,067
Total	481,132	-	-	38,382	-	-	54,312	-	-	573,826

During the financial year retirement benefits of $50,000 each were paid to IK Macpherson and B Wauchope which had been accrued in prior years.

Value of Options issued to directors

The value attributed to the Equity Option is 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 16 to the financial statements.
Details of Directors' appointment and retirement dates which occurred during the year are outlined below:
There are no other executives of the company or consolidated entity.

Name	Position	Date Appointed	Date Retired
Dr G M Folie	Non-executive Chairman		25 October 2004
A R Martin	Executive Director / Director Exploration		30 November 2004
I K Macpherson	Non-executive Director		30 November 2004
B E Wauchope	Non-executive Director		30 November 2004
R E Vittino	Executive Director / Chief Operating Officer / Company Secretary	30 November 2004	
G Wheeler	Non-executive Director	30 November 2004	
J denDryver	Non-executive Director	30 November 2004	



Director's 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
Chairman	533,334	Helix Resources Limited	$0.46	29.03.2009	533,334
	533,333	Helix Resources Limited	$0.50	29.03.2009	533,333
	1,600,000				1,600,000
Anthony R Martin	316,668	Helix Resources Limited	$0.42	29.03.2009	316,668
Exploration Manager	316,666	Helix Resources Limited	$0.46	29.03.2009	316,666
	316,666	Helix Resources Limited	$0.50	29.03.2009	316,666
	950,000				950,000
Riccardo E Vittino	300,001	Helix Resources Limited	$0.42	29.03.2009	300,001
Executive Director	300,000	Helix Resources Limited	$0.46	29.03.2009	300,000
	299,999	Helix Resources Limited	$0.50	29.03.2009	299,999
	900,000				900,000

No options were granted as remuneration to directors or executives during the year.

DIRECTORS' SHAREHOLDINGS

Director	***Fully Paid Ordinary Shares**	***Listed Options**	**Staff Options**
R W Mosig	2,484,846	857,516	1,600,000
R E Vittino	900,000	614,271	900,000
G J Wheeler	753,880	-	-
J den Dryver	-	-	-
	4,138,726	1,471,787	2,500,000

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

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

Directors' Report

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.

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 Consolidated entity is subject to environmental regulations under laws of the Commonwealth and State. The Consolidated 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	4	4	1	1	-	-
R W Mosig	7	7	1	1	1	1
A R Martin	5	5	-	-	-	-
I K Macpherson	5	5	1	1	-	-
B E Wauchope	5	5	1	1	-	-
R E Vittino	3	3	1	1	1	1
G J Wheeler	3	3	1	1	1	1
J den Dryver	3	3	1	1	1	1

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

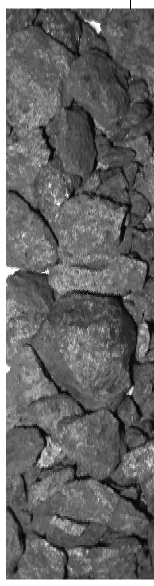
NON-AUDIT SERVICES
The directors are satisfied that the provision of non-audit services, during the year, by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 as the nature of the services was limited to the review of the 1 July 2004 A-IFRS balance sheet and the review of the company's 2004 tax returns. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 24.

AUDITOR'S INDEPENDENCE DECLARATION
The auditor's independence declaration is included on page 14 of the financial report.

Dated at Perth this 5th day of September 2005.
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
Executive Chairman

Independence Decaration



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The Board of Directors
Helix Resources Limited
9 Richardson Street
West Perth WA 6005

5 September 2005

Dear Board Members

Helix Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Helix Resources Limited.

As lead audit partner for the audit of the financial statements of Helix Resources Limited for the financial year ended 30 June 2005 I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

AT Richards
Partner
Chartered Accountants

Independent Audit Report

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

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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 cash flows, 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 2005 as set out on pages 17 to 41. 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.

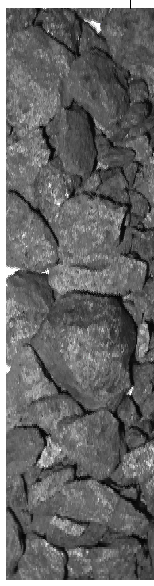
Audit approach
We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material 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.

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



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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 2005 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

A T Richards
Partner
Chartered Accountants
Perth, 5 September 2005

Directors' Declaration

The Directors declare that:

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;

In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated Entity; and

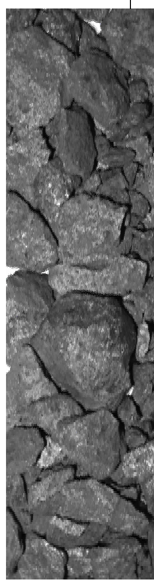
The directors have been given the declarations required by s295A of the Corporations Act 2001.

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
Executive Chairman

Signed at Perth this 5th day of September 2005.



Statement of Financial Position
as at 30 June 2005

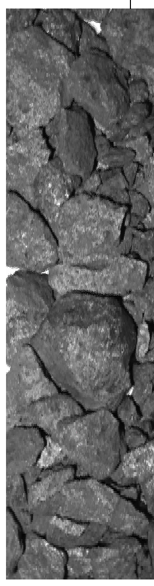
		CONSOLIDATED		COMPANY	
		2005	2004	2005	2004
	Note	$	$	$	$
Current Assets					
Cash assets	2	1,635,873	1,634,457	1,635,871	1,634,455
Receivables	3	78,088	156,058	78,088	156,058
Other	4	306,410	284,222	306,410	284,222
Total Current Assets		2,020,371	2,074,737	2,020,369	2,074,735
Non-Current Assets					
Investments	3	890	163,391	1,815	164,316
Property, plant & equipment	5	171,250	223,725	171,250	223,725
Mineral interests	6	11,201,564	10,425,408	11,201,564	10,425,408
Other	4	149,242	136,779	149,242	136,779
Total Non-Current Assets		11,522,946	10,949,303	11,523,871	10,950,228
Total Assets		13,543,317	13,024,040	13,544,240	13,024,963
Current Liabilities					
Payables	7	214,856	159,252	214,856	159,252
Provisions	8	67,375	59,313	67,375	59,313
Total Current Liabilities		282,231	218,565	282,231	218,565
Non Current Liabilities					
Provisions	8	10,538	212,516	10,538	212,516
Total Non Current Liabilities		10,538	212,516	10,538	212,516
Total Liabilities		292,769	431,081	292,769	431,081
Net Assets		13,250,548	12,592,959	13,251,471	12,593,882
Equity					
Contributed Equity	9	43,567,055	41,611,571	43,567,055	41,611,571
Accumulated Losses	11	(30,316,507)	(29,018,612)	(30,315,584)	(29,017,689)
Total Equity		13,250,548	12,592,959	13,251,471	12,593,882

Notes to the financial statements are included on pages 28 to 46

Statement of Financial Performance
for the Financial Year Ended 30 June 2005

		CONSOLIDATED		COMPANY	
	Note	2005	2004	2005	2004
		$	$	$	$
Revenue from operating activities	12	123,008	124,801	123,008	124,801
Proceeds from sale of investments	12	284,595	1,928,351	284,595	1,928,351
Reversal of Directors' Retirement Provision		104,217	-	104,217	-
Write down of investments		(54,501)	(111,000)	(54,501)	(111,000)
Depreciation		(56,993)	(51,270)	(56,993)	(51,270)
Exploration and evaluation expenditure written off		(796,052)	(4,533,390)	(796,052)	(4,533,390)
Legal Expenses and Professional Services		(97,162)	(141,015)	(97,162)	(141,015)
Consultancy fees		(3,426)	(126,275)	(3,426)	(126,275)
Public Relations expenses		(26,378)	(74,438)	(26,378)	(74,438)
Travel and Accommodation expenses		(30,871)	(139,391)	(30,871)	(139,391)
Rental expenses		(83,997)	(47,217)	(83,997)	(47,217)
Employee benefits expense		(300,626)	(557,874)	(300,626)	(557,874)
Directors' Fees		(94,095)	(112,646)	(94,095)	(112,646)
Written Down Value of Investments disposed		(108,000)	(749,852)	(108,000)	(749,852)
Other expenses from ordinary activities		(157,614)	(177,792)	(157,614)	(177,792)
Loss from ordinary activities before income tax	11	(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
Income tax expense relating to ordinary activities	18	-	-	-	-
Net Loss		(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners		(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
Earnings / (Loss) per share					
Basic (cents per share)	20	(1.84)	(8.28)		
Diluted (cents per share)	20	(1.84)	(8.28)		

Notes to the financial statements are included on pages 28 to 46



Statement of Cash Flows
for the Financial Year Ended 30 June 2005

	Note	CONSOLIDATED		COMPANY	
		2005	2004	2005	2004
		$	$	$	$
Cash Flow From Operating Activities					
Payments to suppliers and employees		(762,687)	(1,662,717)	(762,324)	(1,662,717)
Interest received		111,638	114,307	111,638	114,307
Other receipts		11,370	10,494	11,007	10,494
Net cash used in operating activities	2(b)	(639,679)	(1,537,916)	(639,679)	(1,537,916)
Cash Flow From Investing Activities					
Payments for capitalised exploration & evaluation expenditure		(1,552,208)	(4,252,865)	(1,552,208)	(4,252,865)
Payment for property, plant & equipment		(5,465)	(85,896)	(5,465)	(85,896)
Proceeds from sale of property, plant & equipment		363	-	363	-
Payments for shares – listed companies		-	(86,130)	-	(86,130)
Proceeds from sale of shares		284,595	1,928,351	284,595	1,928,351
Payments for security deposits		(21,674)	(16,020)	(21,674)	(16,020)
Proceeds from bills of exchange		-	995,905	-	995,905
Net cash used in investing activities		(1,294,389)	(1,516,655)	(1,294,389)	(1,516,655)
Cash Flow From Financing Activities					
Proceeds from issue of shares/options		2,053,997	2,311,366	2,053,997	2,311,366
Share issue costs paid		(118,513)	-	(118,513)	-
Net cash provided by Financing Activities		1,935,484	2,311,366	1,935,484	2,311,366
Net increase/(decrease) in cash held		1,416	(743,205)	1,416	(743,205)
Cash at beginning of financial year		1,634,457	2,377,662	1,634,455	2,377,660
Cash at End of Financial Year	2(a)	1,635,873	1,634,457	1,635,871	1,634,455

Notes to the financial statements are included on pages 28 to 46

Notes to the Financial Statements
for the Financial Year Ended 30 June 2005

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's operations require it to raise capital on an ongoing basis to fund its planned exploration program and to commercialise its tenement assets. If the Company does not raise further capital in the short term, it can continue as a going concern by reducing planned, but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements.

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.

Exploration expenditure has decreased on some projects during the financial year due to the Company entering into various joint ventures, where exploration is funded by the joint venture partner. Joint ventures are detailed in note 21.

b) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated 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 3 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.

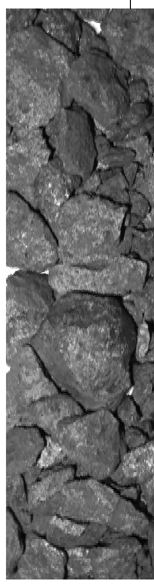
In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Consolidated entity are eliminated in full.

c) Cash and Cash Equivalents

Cash on hand and in banks and short term deposits are stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 90 days, net of outstanding bank overdrafts.

d) 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 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.



Notes to the Financial Statements

for the Financial Year Ended 30 June 2005

e) 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 Consolidated 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%

Mineral Interests, Exploration and Evaluation Expenditure

Exploration and evaluation 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.

g) 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.

h) 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.

i) 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.

j) Interest in Joint Venture Operations

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

Details of interests in joint ventures are shown at Note 21.

k) Revenue Recognition

Revenue from the disposal of assets is recognised when the Consolidated entity has passed control of the goods or other assets to the buyer. Interest on bank deposits is recognised as income as it accrues.

l) Accounts Payable

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

m) Receivables

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

Notes to the Financial Statements
for the Financial Year Ended 30 June 2005

n) Goods and Services Tax

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

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

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.

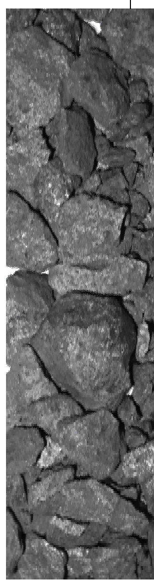
Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

o) 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.

p) Reclassification

Deposits with financial institutions of $227,686 at 30 June 2004 have been reclassified from 'security deposits' and disclosed as current assets as these deposits had a maturity date greater than 90 days but less than 1 year (see note 4).



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	
		2005	2004	2005	2004
		$	$	$	$
	Cash at Bank and on Deposit	1,635,873	1,634,457	1,635,871	1,634,455
b)	Reconciliation of loss from ordinary activities after related income tax to net cash flows from operating activities				
	Loss from Ordinary Activities after related income tax	(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
	Non-cash flows in Operating Loss				
	Depreciation	56,993	51,270	56,993	51,270
	Exploration and evaluation expenditure written off	796,052	4,533,390	796,052	4,533,390
	Write down of investments	54,501	(459,204)	54,501	(459,204)
	(Profit)/loss on sale of investments	(176,595)	(608,295)	(176,595)	(608,295)
	Loss on sale of property, plant and equipment	584	1,467	584	1,467
	Changes in Net Assets and Liabilities				
	(Increase)/Decrease in Assets				
	(Increase)/decrease in other receivables	77,970	(130,288)	77,970	(130,288)
	Increase in prepayments	(12,977)	(3,114)	(12,977)	(3,114)
	Increase/(decrease) in Liabilities				
	Increase/(Decrease) in trade payables	55,604	(11,129)	55,604	(11,129)
	Provisions employee entitlements	(193,916)	(143,005)	(193,916)	(143,005)
	Net Cash used in Operating Activities	(639,679)	1,537,916)	(639,679)	(1,537,916)

c) Non-cash Transactions

JA Bunting & Associates was issued 100,000 shares at $0.20c per share as option payment over Loongana project. See note 9.

3. RECEIVABLES & INVESTMENTS

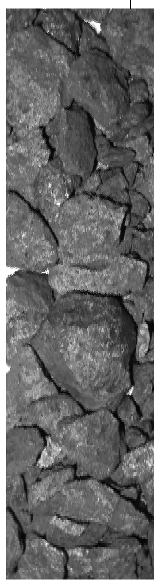
	CONSOLIDATED		COMPANY	
	2005 $	2004 $	2005 $	2004 $
Current				
Other	78,088	156,058	78,088	156,058
Total Current Receivables	78,088	156,058	78,088	156,058
Non-Current				
Shares in unlisted companies—at cost	890	55,391	890	55,391
Shares in controlled entities—-at cost (3a)	-	-	925	925
Shares in companies listed on a stock exchange—at recoverable amount	-	108,000	-	108,000
Total Non-Current Receivables	890	163,391	1,815	164,316
Shares in companies listed on a prescribed stock exchange at market value	-	108,000	-	108,000

3(a) Shares in controlled entities

Name	Country of Incorporation	Percentage Held 2005	Percentage Held 2004
Hillview Mining NL	Australia	100%	100%
Helix Mining Investments P/L	Australia	100%	100%

4. OTHER ASSETS

	CONSOLIDATED		COMPANY	
	2005 $	2004 $	2005 $	2004 $
Current				
Prepayments	69,513	56,536	69,513	56,536
Deposits – Financial Institutions	236,897	227,686	236,897	227,686
Total Other Assets— Current	306,410	284,222	306,410	284,222
Non-Current				
Security Deposits	149,242	136,779	149,242	136,779
Total Other Assets—Non Current	149,242	136,779	149,242	136,779



5. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED AND COMPANY		
	Plant & Equipment	Motor Vehicles	Total
	$	$	$
Gross Carrying Amount			
Balance at 30 June 2004	432,485	50,024	482,509
Additions	5,465	-	5,465
Disposals	(1,377)	-	(1,377)
Balance at 30 June 2005	436,573	50,024	486,597
Accumulated Depreciation			
Balance at 30 June 2004	233,812	24,972	258,784
Disposals	(430)	-	(430)
Depreciation	51,356	5,637	56,993
Balance at 30 June 2005	284,738	30,609	315,347
Net Book Value			
30 June 2004	198,673	25,052	223,725
30 June 2005	151,835	19,415	171,250

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

	CONSOLIDATED		COMPANY	
	2005	2004	2005	2004
	$	$	$	$
Plant and Equipment	51,356	44,516	51,356	44,516
Motor Vehicles	5,637	6,754	5,637	6,754
	56,993	51,270	56,993	51,270

6. MINERAL INTERESTS

	CONSOLIDATED		COMPANY	
	2005	2004	2005	2004
	$	$	$	$
Balance at beginning of the financial year	10,425,408	10,423,932	10,425,408	10,423,932
Expenditure incurred during the year	1,572,208	4,534,866	1,572,208	4,534,866
Expenditure written off during the year	(796,052)	(4,533,390)	(796,052)	(4,533,390)
Balance at the end of the financial year	11,201,564	10,425,408	11,201,564	10,425,408

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 Consolidated entity's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Consolidated 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	
		2005	2004	2005	2004
		$	$	$	$
7.	CURRENT PAYABLES				
	Trade payables	214,856	159,252	214,856	159,252
8.	PROVISIONS				
	Current				
	Provision for annual leave	41,454	36,559	41,454	36,559
	Provision for long service leave	25,921	22,754	25,921	22,754
		67,375	59,313	67,375	59,313
	Non Current				
	Provision for Non-Executive Directors' retirement	-	204,217	-	204,217
	Provision for long service leave	10,538	8,299	10,538	8,299
		10,538	212,516	10,538	212,516
9.	CONTRIBUTED EQUITY				
	76,660,120 Fully Paid Ordinary Shares (2004: 62,866,808)	43,409,956	41,454,472	43,409,956	41,454,472
	16,437,863 Listed Options (2004: 16,437,863)	157,099	157,099	157,099	157,099
	Balance at end of financial year	43,567,055	41,611,571	43,567,055	41,611,571

9. CONTRIBUTED EQUITY (cont'd)

	2005		2004	
	No.	$	No.	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	62,866,808	41,454,472	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 and Placement	13,693,312	2,053,997	5,162,500	826,000
Share Issue Costs	-	(118,513)	-	-
Issue of shares to JA Bunting & Associates as Option payment over Loongana Project	100,000	20,000	-	-
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	76,660,120	43,409,956	62,866,808	41,454,472
Listed Options			.	
Balance at beginning of financial year	16,437,863	157,099	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	-
Exercise of Options to Fully Paid Shares	-	-	(424,681)	(4,006)
Balance at end of financial year	16,437,863	157,099	16,437,863	157,099

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.

10. RESERVES	CONSOLIDATED		COMPANY	
	2005 $	2004 $	2005 $	2004 $
Asset Revaluation Reserve				
Balance at beginning of financial year	-	190,606	-	490,606
Transfer to accumulated losses balance of reserve relating to assets sold	-	(190,606)	-	(490,606)
Balance at end of financial year	-	-	-	-

The asset revaluation reserve arose on the revaluation of non-current assets. During the prior year the asset was sold and accordingly the portion of the asset revaluation reserve which related to that asset, was effectively realised, and transferred to accumulated losses.

	CONSOLIDATED		COMPANY	
	2005	2004	2005	2004
	$	$	$	$
11.ACCUMULATED LOSSES				
Balance at beginning of financial year	(29,018,612)	(24,440,210)	(29,017,689)	(24,739,287)
Transfer from Asset Revaluation Reserve	-	190,606	-	490,606
Net Loss attributable to members of the parent entity	(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
Balance at end of financial year	(30,316,507)	(29,018,612)	(30,315,584)	(29,017,689)

12. LOSS FROM ORDINARY ACTIVITIES

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

a) Operating Revenue				
Interest Revenue	111,638	114,307	111,638	114,307
Other	11,370	10,494	11,370	10,494
	123,008	124,801	123,008	124,801
b) Non-Operating Revenue				
Proceeds from Sale of listed securities in Diamond Ventures NL	107,208	1,928,351	107,208	1,928,351
Proceeds from sale of RAMA Mines shares	177,387	-	177,387	-
	284,595	1,928,351	284,595	1,928,351
C)- Expenses				
Depreciation of non-current assets: Property, plant and equipment	56,993	51,270	56,993	51,270
Exploration and evaluation expenditure written off	796,052	4,533,390	796,052	4,533,390
Operating lease rental expenses Minimum lease payments	83,997	47,217	83,997	47,217

13. SALE OF ASSETS

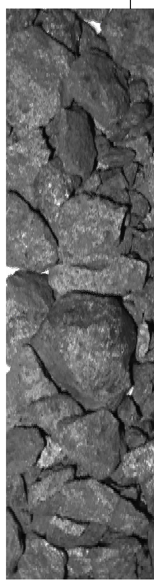
Sales of assets in the ordinary course of business have given rise to the following profits / (losses):

NET PROFITS / (LOSSES)				
Property, plant & equipment	(584)	(1,467)	(584)	(1,467)
Investments	176,595	1,178,499	176,595	1,178,499
	176,011	1,177,032	176,011	1,177,032

14. COMMITMENTS

a) Operating Lease Commitments				
Not later than 1 year	65,000	129,420	65,000	129,420
Later than 1 year but not later than 2 years	27,083	64,710	27,083	64,710
	92,083	194,130	92,083	194,130

The term of the Operating Lease in existence over the Company's head office was for an initial period of two years. As at balance date there was a balance of seventeen months remaining. The Company has an option to renew the operating lease for a further period of two years.



b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the company and consolidated entity are required to perform minimum exploration work to meet the requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the company and consolidated entity's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the next twelve months will be tenement rentals of $105,891 (2004: $202,166) and exploration expenditure of $747,766 (2004: $1,941,520).

15. DIRECTORS' AND EXECUTIVES' REMUNERATION

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

- R W Mosig (Chairman), Managing Director
- R E Vittino (Executive), appointed 30.11.04 – Company Secretary / Chief Operating Officer
- G Wheeler (Non-executive), appointed 25.10.04
- J den Dryver (Non-executive), appointed 25.10.04
- Dr G M Folie (Chairman), resigned 25.10.04
- I K Macpherson (Non-executive), resigned 30.11.04
- B E Wauchope (Non-executive), resigned 30.11.04
- A R Martin (Executive), resigned 30.11.04 – Exploration Manager

There were no specified executives during the year.

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 all board members. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries. 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

	Primary			Post Employment			Equity		
2004	Salary & Fees	Perfor-mance Based Payment	Non Mone-tary	Supera-nnuation	Pre-scribed Benefits	Other Retire-ment Benefits	Options	Other Bene-fits	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.

(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 Options were calculated using the Black Scholes Model based on the following input:

	Option Series		
	Issued 11 November 2003 – 1st tranche	Issued 11 November 2003 – 2nd tranche	Issued 11 November 2003 – 3rd tranche
Grant date share price	$0.17	$0.17	$0.17
Exercise price	$0.42	$0.46	$0.50
Exercise volatility	82%	82%	82%
Option life	5.5 years	5.5 years	5.5 years
Dividend yield	-	-	-
Risk-free interest rate	5.136%	5.136%	5.136%

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 16 to the financial statements.

(iii) Messrs R Mosig, A Martin and R Vittino were granted a cash bonus 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.

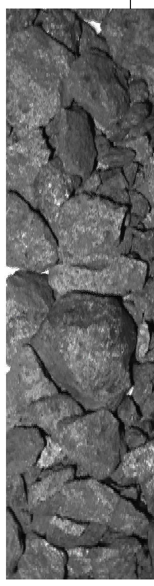
	Primary			Post Employment			Equity		
2005	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
Directors									
R W Mosig	156,750	-	-	12,000	-	-	27,156	-	195,906
R E Vittino	115,180	-	-	12,000	-	-	13,578	-	140,758
G Wheeler	19,267	-	-	-	-	-	-	-	19,267
J denDryver	18,826	-	-	-	-	-	-	-	18,826
G M Folie	31,570	-	-	2,718	-	-	-	-	34,288
I Macpherson	10,857	-	-	-	-	-	-	-	10,857
B Wauchope	9,832	-	-	1,025	-	-	-	-	10,857
A R Martin *	118,850	-	-	10,639	-	-	13,578	-	143,067
Total	481,132	-	-	38,382	-	-	54,312	-	573,826

* Mr Martin resigned as director on 30 November 2004 and was appointed as an executive for the period from 1 December 2004 to 30 June 2005. Remuneration during this period as executive was $72,936.

16. EXECUTIVE SHARE OPTION PLAN

As at 30 June 2005 the Company had issued 3,450,000 share options (30 June 2004 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		2005 No.	Weighted average exercise price	2004 No.	Weighted average exercise price
Balance at beginning of financial year	(i)	3,450,000	$0.46	3,450,000	$0.46
Cancelled during the financial year	(ii)	-	-	(2,200,000)	$1.00
Granted during the financial year	(iii)	-	-	2,200,000	$0.46
Exercised during the financial year	(iv)	-	-	-	-
Balance at end of financial year	(v)	3,450,000	$0.46	3,450,000	$0.46



Balance at beginning of financial year

Options - Series	No.	Vested	Unvested	Grant Date	Expiry Date	Exercise Price $	Fair value at grant date
Issued 26 May 1999	416,665	416,665	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	416,667	416,667	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	416,668	416,668	-	26/5/99	29/3/09	$0.50	Not valued
Issued 11 Nov 2003	733,335	733,335	-	11/11/03	29/3/09	$0.42	9.36c per option
Issued 11 Nov 2003	733,333	-	733,333	11/11/03	29/3/09	$0.46	8.84c per option
Issued 11 Nov 2003	733,332	-	733,332	11/11/03	29/3/09	$0.50	8.37c per option
	3,450,000	1,983,335	1,466,665				

(ii) Cancelled during the financial year

There were no options cancelled during the year ended 30 June 2005.

Options cancelled during the year ended 30 June 2004 were as follows:

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

There were no options granted during the year ended 30 June 2005

Options granted during the year ended 30 June 2004 were as follows:

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				

(iv) Exercised during the financial year

There were no options exercised during the financial years ended 30 June 2005 and 2004.

(v) Balance at end of the financial year

Options – Series	No.	Vested No.	Un-vested No.	Grant Date	Expiry Date	Exer-cise Price $	Fair value at grant date
Issued 26 May 1999	416,665	416,665	-	26/5/99	29/3/09	$0.42	Not valued
Issued 26 May 1999	416,667	416,667	-	26/5/99	29/3/09	$0.46	Not valued
Issued 26 May 1999	416,668	416,668	-	26/5/99	29/3/09	$0.50	Not valued
First Tranche - Issued 11 Nov 2003	733,335	733,335	-	11/11/03	29/3/09	$0.42	9.36c per option
Second Tranche - Issued 11 Nov 2003	733,333	733,333	-	11/11/03	29/3/09	$0.46	8.84c per option
Third Tranche - Issued 11 Nov 2003	733,332	-	733,332	11/11/03	29/3/09	$0.50	8.37c per option
	3,450,000	2,716,668	733,332				

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.

Employee share options carry no rights to 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.

Notes to the Financial Statements
for the Financial Year Ended 30 June 2005

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.

In accordance with the terms of the executive share option plan, options may be exercised at any time from the date the vesting period ends 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 15 to the financial statements. The amounts are disclosed in remuneration in respect of the financial years over which the entitlement was earned.

Consideration received on the exercise of executive options is recognised in contributed equity. During the financial year no options were exercised, hence no amount was recognised in contributed equity arising from the exercise of executive options (2004: $nil)

17. RELATED PARTY AND DIRECTORS' 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.

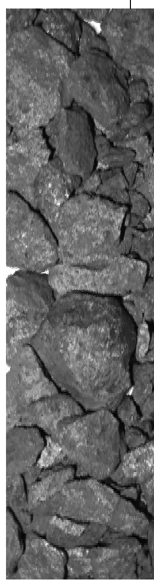
(i) During the year, Ord Partners provided professional services to the value of $16,166 (2004 $13,089) payable within 30 days from date of invoice (net of GST). Mr I K Macpherson, a Director, has significant influence in Ord Partners.
Greg Wheeler Consulting Pty Ltd provided professional services to the value of $10,000 (2004 nil) payable within 30 days from date of invoice (net of GST). Mr Greg Wheeler, a Director, has significant influence in Greg Wheeler Consulting Pty Ltd.
There were no balances outstanding at 30 June 2005 to either Mr I K Macpherson or Mr Greg Wheeler.

b) Specified Directors' Equity Holdings

Fully paid ordinary shares issued by Helix Resources Limited

	Balance @ 1/7/04	Granted as remuneration	Received on exercise of options	Net other change	Balance @ 30/6/05	Balance held nominally
	No.	No.	No.	No.	No.	No.
Specified Directors						
R W Mosig	2,484,846	-	-	-	2,484,846	-
R E Vittino	442,500	-	-	457,500	900,000	-
G Wheeler	-	-	-	753,880	753,880	-
J den Dryver	-	-	-	-	-	-
A R Martin	262,095	-	-	-	262,095	-
I K Macpherson	267,667	-	-	(267,667)	-	-
B Wauchope	962,449	-	-	(962,449)	-	-
Total	4,419,557	-	-	(18,736)	4,400,821	-

It should be noted that Messrs Macpherson and Wauchope resigned on 30 November 2004 and therefore the balance of securities held as at 30 June 2005 is nil as they are no longer specified directors and therefore the net change of 1,230,116 is not as a result of the sale of any securities whilst a specified directors.



Notes to the Financial Statements
for the Financial Year Ended 30 June 2005

Listed Share Options issued by Helix Resources Limited

	Bal @ 1/7/04	Granted as remuneration	Exercised	Other change	Bal @ 30/6/05	Balance held nominally
	No.	No.	No.	No.	No.	No.
Specified Directors						
R W Mosig	857,516	-	-	-	857,516	-
R E Vittino	614,271	-	-	-	614,271	-
G.Wheeler	-	-	-	-	-	-
J. den Dryver	-	-	-	-	-	-
A R Martin	85,538	-	-	-	85,538	-
I K Macpherson	182,002	-	-	(182,002)	-	-
B Wauchope	120,306	-	-	(120,306)	-	-
Total	1,859,633	-	-	(302,308)	1,557,325	-

It should be noted that Messrs Macpherson and Wauchope resigned on 30 November 2004 and therefore the balance of securities held as at 30 June 2005 is nil as they are no longer specified directors and therefore the net change of 302,308 is not as a result of the sale of any securities whilst a specified director.

Executive Share Options issued by Helix Resources Limited

	Bal @ 1/7/04	Granted as re-munerat ion	Exer-cised	Other change	Bal @ 30/6/05	Bal vested @ 30/6/05	Vested but not exer-cise-able	Vested and exer-cisable	Options vested during year
	No.	No.	No.	No.	No.	No.	No.	No.	No.
Specified Directors									
R W Mosig	1,600,000	-	-	-	1,600,000	1,233,334	-	1,233,334	366,667
R E Vittino	900,000	-	-	-	900,000	716,667	-	716,667	183,333
G Wheeler	-	-	-	-	-	-	-	-	-
J denDryver	-	-	-	-	-	-	-	-	-
A R Martin	950,000	-	-	-	950,000	766,667	-	766,667	183,333
Total	3,450,000	-	-	-	3,450,000	2,716,668	-	2,716,668	733,333

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 (first tranche) 366,667 options @ 8.84c (second tranche) 366,667 options @ 8.37c (third tranche)
Messrs A R Martin & R E Vittino	183,334 options @ 9.36c (first tranche) 183,334 options @ 8.84c (second tranche) 183,334 options @ 8.37c (third tranche)

Further details of the options granted during the year are contained in note 15 and 16 to the financial statements.

18. INCOME TAX	CONSOLIDATED 2005	CONSOLIDATED 2004	COMPANY 2005	COMPANY 2004
Loss before income tax	(1,297,895)	(4,769,008)	(1,297,895)	(4,769,008)
Income Tax Expense:				
Income tax expense/(benefit) calculated at 30%	(389,369)	(1,430,702)	(389,369)	(1,430,702)
(Increase)/Decrease in income tax benefit due to:				
- non-deductible expenses	4,739	71,884	4,739	71,884
- Share issue costs deductible	(7,111)	-	(7,111)	-
Benefit of tax losses not brought to account as an asset	391,741	1,358,818	391,741	1,358,818
Income tax expense attributable to operating loss	-	-	-	-

As of 30 June 2005, the parent entity and its controlled entities have future income tax benefits not brought to account as assets in relation to tax losses of the parent entity of $10,200,380 (2004: $9,996,914), Consolidated entity of $10,797,624 (2004: $10,627,104), available to offset against future year's taxable income. The benefit will only be obtained if:

a) the Company and Consolidated 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 Company and Consolidated 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 financial effect of the implementation of the tax consolidation system on the Company and Consolidated entity has not been recognised in the financial statements.

19. SEGMENT INFORMATION

The Consolidated 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.

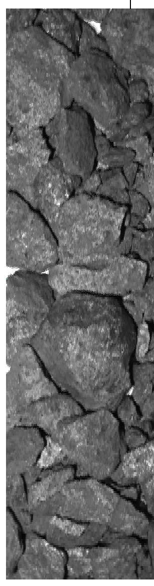
20. EARNINGS PER SHARE

	COMPANY 2005 Cents per share	COMPANY 2004 Cents per share
Basic loss per share	(1.84)	(8.28)
Diluted loss per share	(1.84)	(8.28)

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

	2005 $	2004 $
Earnings / (Loss) (a)	(1,297,895)	(4,769,008)
	2005 No	**2004 No**
Weighted average number of ordinary shares (b)	70.613,737	62,866,808

(a) Earnings used in the calculation of basic earnings per share is net loss after tax of $1,297,895 (2004:$4,769,008)



Notes to the Financial Statements
for the Financial Year Ended 30 June 2005

(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:

	2005 $	2004 $
Earnings (a)	(1,297,895)	(4,769,008)

	12 months to 30 June 2005 No.	12 months to 30 June 2004 No.
Weighted average number of ordinary shares and potential ordinary shares (b)	70,613,737	62,866,808

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of $1,297,895 (2004: $4,769,008).

(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:

	2005 No.	2004 No.
Staff options	3,450,000	3,450,000
Listed options	16,437,863	16,437,863

21. INTEREST IN JOINT VENTURES

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

Joint Venture Project	Percentage Interest	Principal Exploration Activities
Menzies	38%(2004: 49%) Diluting (Heron Resources Limited 62%)	Nickel
Loongana	90%(2004: 90%) Diluting (J A Bunting & Associates Pty Ltd 10%)	Platinum Group Metals
Pilbara Diamonds	100%(2004:100%) Diluting (DeBeers Australia Exploration Limited)	Diamonds
Tunkillia	100% (2004: nil) Diluting (Mintoaur Exploration)	Gold
Yalleen	100% (2004: nil) Diluting (API Management Pty Ltd)	Iron Ore

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 entity's interest in exploration expenditure in the above mentioned joint ventures is included in note 6 and at 30 June 2005 is $399,220 (2004 : $655,175).

22. FINANCIAL INSTRUMENTS

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.

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

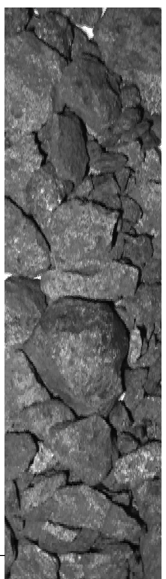
	Average Interest Rate	Fixed Interest Rate $	Floating Interest Rate Maturity: Less than 1 year $	Floating Interest Rate Maturity: More than 1 Year	Non Interest Bearing $	Total $
2005						
Financial Assets						
Other Receivables		-	-	-	41,699	41,699
Investments		-	-	-	890	890
Cash assets	5.07%	1,635,673		-	200	1,635,873
Security deposits and deposits at financial institutions	5.17%	-	236,897	149,242	-	386,139
		1,635,673	236,897	149,242	42,789	2,064,601
Financial Liabilities						
Trade Payables		-	-	-	214,856	214,856
Employee Entitlements		-	-	-	77,913	77,913
		-	-	-	292,769	292,769
2004						
Financial Assets						
Other Receivables	-	-	-	-	34,539	34,539
Investments	-	-	-	-	163,391	163,391
Cash assets	5.25%	1,634,257	-	-	200	1,634,457
Security deposits and deposits at financial insitutions	5.00%	-	227,686	136,779	-	364,465
		1,634,257	227,686	136,779	198,130	2,196,852
Financial Liabilities						
Trade Payables		-	-	-	159,252	159,252
Employee Entitlements		-	-	-	271,829	271,829
		-	-	-	431,081	431,081

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.

c) Credit Risk

Credit Risk refers to the risk that counterparty will default on, its contractual obligations resulting in financial loss to the Consolidated entity. The Consolidated 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 Consolidated entity measures risk on a fair value basis.

The maximum credit risk on financial assets of the Consolidated 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.

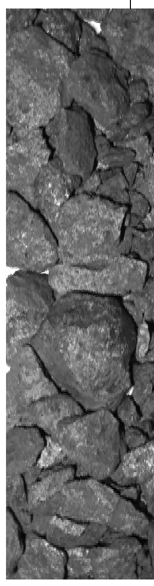


d) Net Fair Value of Financial Assets and Liabilities

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.



23. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability recognized and included in the financial statements is as follows:

	CONSOLIDATED		COMPANY	
	2005 $	2004 $	2005 $	2004 $
Provision for employee entitlements:				
Current (Note 8)	67,375	59,313	67,375	59,313
Non-Current (Note 8)	10,538	212,516	10,538	212,516
	77,913	271,829	77,913	271,829
	No	No	No	No
Number of employees at end of financial year	8	9	8	9

24. REMUNERATION OF AUDITORS	2005 $	2004 $	2005 $	2004 $
a) Auditor of the Parent Entity				
Auditing the financial report	27,000	39,000	27,000	39,000
Taxation services	6,300	7,700	6,300	7,700
Other services – A-IFRS	7,700	2,300	7,700	2,300
	41,000	49,000	41,000	49,000

The auditor of Helix Resources Limited is Deloitte Touche Tohmatsu.

25. IMPACTS OF ADOPTING THE AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Australian Accounting Standards Board (AASB) has issued Australian equivalents to International Financial Reporting Standards ("A-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 A-IFRS. The adoption of A-IFRS will be first reflected in the financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

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

At the date of this financial report, the Company and Consolidated Entity have substantially completed the assessment of accounting policy alternatives on transition to A-IFRS, and A-IFRS accounting policies that will be adopted from 1 July 2005. In addition, the Company and Consolidated Entity are in the process of completing its analysis of the likely impact on the results and financial position of the Company and Consolidated Entity.

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

(a) Capitalisation of Exploration and Evaluation Costs

AASB 6 *Exploration for and Evaluation of Mineral Resources* permits the area of interest method of accounting to continue for exploration and evaluation expenditure and thus AASB 6 should provide outcomes consistent with those under the existing standard AASB 1022 *Accounting for the Extractive Industries* in accounting for the initial recognition of exploration and evaluation assets.

In addition, AASB 6 requires an annual assessment of impairment for exploration and evaluation assets using four indicators of impairment. These indicators are consistent with the initial recognition criteria of the existing standard and thus it is not expected that there will be a significant impact on results arising from the impairment testing requirements.

(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 Company's and 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 Company and Consolidated Entity currently calculates its tax balances, where deferred tax balances are determined using the income statement method. The Company is currently evaluating the impacts of AASB 112 on the financial statements of the company and the consolidated entity. The Company and Consolidated Entity have carried forward tax losses which have not been recognised as deferred tax assets in the 30 June 2005 financial statements as they do not satisfy the 'virtually certain' criteria under current Australian GAAP. Although the Company's evaluation of the impacts of AASB 112 is not complete, the Company believes that these losses will also not be recognised as deferred tax assets under A-IFRS because at this stage it is believed that they will not meet the 'probable' recognition criteria under A-IFRS. The Company and Consolidated Entity may also be required to recognised additional deferred tax liabilities on transition to A-IFRS, however the impacts, if any, is not yet determinable.

(c) Provision for Rehabilitation and Restoration

In accordance with Australian Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Company and 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 Company and Consolidated Entity will be required to recognise the unwinding of the discount in relation to the provision applied directly as an interest expense. As the Company performs restoration activity on a continuing basis, the impact of these changes are likely to be immaterial.

(d) Share Based Payments

Under Australian Standard AASB 2 *Share-based Payment*, the Company and 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. The consolidated entity had 733,332 share options that were issued on 11 November 2003 and unvested as at 1 January 2005.

As a consequence share based payment expense will increase by $30,690 (Consolidated Entity $30,690) for the year ended 30 June 2005 and be recognised as an employee equity – settled benefit reserve. The increase in the opening accumulated loss at 1 July 2004 in respect of years prior to fiscal 2005 will be $19,507.
The Company and Consolidated Entity will not be recognising share options issued on 11 November 2003 and vested prior to 1 January 2005 as permitted by AASB1.

(e) Revenue

Although not impacting upon the profit of the Company and Consolidated Entity, the adoption of A-IFRS will result in a number of transactions being recorded on a "net" rather than "gross" basis. In addition the adoption of A-IFRS results in the reclassification of proceeds from the sale of non current assets from "revenue from ordinary activities" to "other income and expense" items in the statement of financial performance.
As a consequence, proceeds from the sale of investments will decrease by $284,595 (Company $284,595) and the written down value of investments disposed will decrease by $108,000 (Company $108,000). The difference is a gain on sale of non current assets of $176,595 (Company $176,595) which will be recognized for the financial year ended 30 June 2005 as part of "other income". This is a reclassification and will not impact upon the profit and loss of the Company and Consolidated Entity.

(f) Financial Instruments

The Company and Consolidated Entity have elected not to retrospectively apply AASB132 and 139. Accordingly there are no financial impacts on the financial statements in relation to these two standards as at 30 June 2005.

(g) Property, plant and equipment

On initial adoption of A-IFRS items of plant and equipment are measured at the A-IFRS cost. The directors have not elected to use fair value or revaluation as deemed cost to measure an item of property, plant and equipment.

26. ADDITIONAL COMPANY INFORMATION

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

Registered Office	Principal Place of Business
9 Richardson Street	9 Richardson Street
WEST PERTH WA 6005	WEST PERTH WA 6005
Tel (08) 9321 2644	Tel (08) 9321 2644

Shareholding Information

Analysis of Shareholders as at 5th September 2005

NUMBER OF SHARES HELD

Spread of Holdings	Number of Share-holders	Number of Shares
1–1000	587	342,982
1,001–5,000	816	2,304,665
5,001–10,000	428	3,629,588
10,001–100,000	743	25,866,979
100,001and over	107	44,516,516
Total	2,681	76,660,730

Number of shareholders holdingless than a marketable parcel	1,153	1,530,474

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

	Shareholder	Shares	%
1	Yandal Investments Pty Ltd	6,734,406	8.78
2	Cairnglen Investments Pty Ltd	5,118,912	6.68
3	National Nominees Limited	3,083,158	4.02
4	Invia Custodian Pty Ltd	2,928,362	3.82
5.	Colter Holdings Group	2,547,179	3.32
6.	AngloGold Australia Limited	1,666,667	2.17
7.	Niddrie Holdings Pty Limited	1,129,115	1.47
8.	ANZ Nominees Limited	1,014,448	1.32
9.	Zero Nominees Pty Ltd	886,667	1.16
10.	Blamco Trading Pty Ltd	850,000	1.11
11.	Nefco Nominees Pty Ltd	674,367	0.88
12.	Mr. Maxwell Alfred Kippe	600,000	0.78
13.	Equities Trustees Limited	521,250	0.68
14.	Mr. Abdelaziz Soliman	510,000	0.67
15.	Irrewarra Investments Pty Ltd	480,942	0.63
16.	Gee Vee Pty Ltd	453,880	0.59
17.	Mr. John Egan	450,000	0.59
18.	Yan's Investments Pty Ltd	450,000	0.59
19.	Mr. John Halaska	419,622	0.55
20.	Mr. Philip Broadley	407,668	0.53
	Top 20 Total	30,926,643	40.32

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

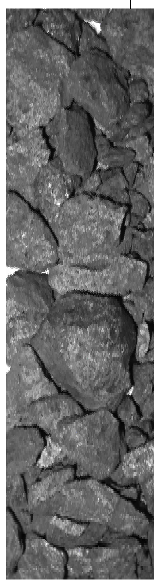
SUBSTANTIAL SHAREHOLDERS

Shareholder	Shares	% of Issued Capital
Cairnglen Investments Pty Ltd	7,268,024	9.48
Yandal Investments Pty Ltd	6,734,406	8.78

DIRECTORS' INTEREST IN SHARE CAPITAL

DIRECTORS' SHAREHOLDINGS

Director	Fully Paid Ordinary Shares	Listed Options	Staff Options
R W Mosig	2,548,179	857,516	1,600,000
R E Vittino	900,000	614,271	900,000
G J Wheeler	753,880	--	--
J den Dryver	--	--	--
	4,202,059	1,471,787	2,500,000



Shareholding Information
Analysis of Optionholders as at 5th September 2005

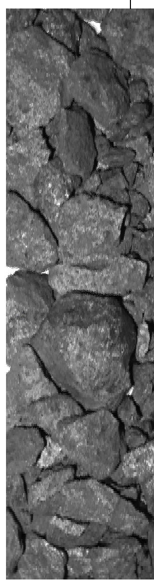
NUMBER OF OPTIONS HELD

Spread of Holdings	Number of Option Holders	Number of Options
1–1000	234	110,296
1,001–5,000	261	679,091
5,001–10,000	101	762,573
10,001–100,000	156	4,807,768
100,001and over	36	10,078,135
TOTAL	788	16,437,883

PERCENTAGE HELD BY 20 LARGEST OPTIONHOLDERS

	Optionholder	Options	%
1.	AngloGold Australia Limited	1,287,281	7.83
2.	Colter Holdings Group	857,182	5.21
3.	Mr Shaun Redmond	600,000	3.65
4.	City Corp Pty Ltd	600,000	3.65
5.	Zero Nominees Pty Ltd	599,800	3.65
6.	Mr. Abdelaziz Soliman	510,000	3.10
7.	Technica Pty Ltd	484,703	2.95
8.	Yandal Investments Pty Ltd	411,470	2.50
9.	Mr. John Halaska	330,417	2.01
10,	Mr BJ Collins & Mrs SL Collins	300,000	1.82
11.	Mr. Andrew Bruce Doak	300,000	1.82
12.	Mr SM Baker	254,259	1.55
13.	Mr CD Rose	250,000	1.52
14.	Arco Four Investments Pty Ltd	250,000	1.52
15.	Truwest Pty Ltd	236,168	1.44
16.	ANZ Nominees Limited	232,927	1.42
17.	Mr. Neil John Strong	230,000	1.40
18.	Karalco Pty Ltd	217,500	1.32
19.	Invia Custodian Pty Ltd	210,000	1.28
20.	Jomot Pty Ltd	202,963	1.23
	Top 20 Total	8,161,707	50.87

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



Tenement Schedule
as at 30th June 2005

Tenement Type and Number	Name	Mineral	Ownership
WESTERN AUSTRALIA			
ELA47/1144	Elvire	Diamonds/Basemetals	Helix Resources Limited 100%
ELA47/1145	Elvire	Diamonds/Basemetals	DeBeers Australia Exploration earning 51% of Dia-
ELA47/1146	Elvire	Diamonds/Basemetals	
EL09/644	Glenburgh	Gold	Helix Resources Limited 100%
ELA09/1079	Glenburgh	Gold	
MLA09/87	Glenburgh	Gold	
MLA09/88	Glenburgh	Gold	
PLA09/424	Glenburgh	Gold	
PLA09/425	Glenburgh	Gold	
PLA09/426	Glenburgh	Gold	
PLA09/427	Glenburgh	Gold	
EL38/1477	Isolated Hill	Gold, Nickel	Helix Resources Limited 100%
EL38/1478	Isolated Hill	Gold, Nickel	
ELA38/1807	Lake Throssell	Base Metals	Helix Resources Limited 100%
ELA38/1808			
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	Inco (earning 51%)
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	
EL29/139*	Menzies	Nickel	Menzies Nickel Joint Venture
MLA29/214	Menzies	Nickel	(*Heron Resources NL 62%, Helix 38% diluting)
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	

Abbreviations and Definitions used in Schedule:

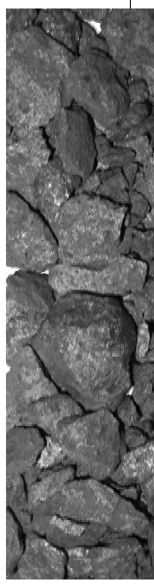
EL	Exploration Licence	ELA	Exploration Licence Application
ML	Mining Lease	MLA	Mining Lease Application
PL	Prospecting Licence	PLA	Prospecting Licence Application

Tenement Schedule
as at 30th June 2005

Tenement Type and Number	Name	Mineral	Ownership
WESTERN AUSTRALIA			
EL38/1000	Mt Venn	PGM, Nickel	Helix 80% Kelray Resources NL 20%
ELA38/1476	Mt Venn		Helix Resources Limited 100%
ELA38/1775	Mt Venn		
ML47/123	Munni Munni	PGM	Helix Resources 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%
MLA47/693	Munni Munni South	Diamonds	
MLA47/786	Munni Munni South	Diamonds	
MLA47/787	Munni Munni South	Diamonds	
MLA47/788	Munni Munni South	Diamonds	
MLA47/789	Munni Munni South	Diamonds	
MLA47/790	Munni Munni South	Diamonds	
MLA47/791	Munni Munni South	Diamonds	
MLA47/792	Munni Munni South	Diamonds	
MLA47/793	Munni Munni South	Diamonds	
MLA47/570	Munni Munni	Diamonds	
MLA47/571	Munni Munni	Diamonds	
MLA47/572	Munni Munni	Diamonds	
MLA47/573	Munni Munni	Diamonds	
MLA47/574	Munni Munni	Diamonds	
MLA47/639	Munni Munni	Diamonds	
MLA47/640	Munni Munni	Diamonds	
MLA47/641	Munni Munni	Diamonds	
MLA47/642	Munni Munni	Diamonds	
MLA47/643	Munni Munni	Diamonds	

Abbreviations and Definitions used in Schedule:

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



Tenement Schedule

as at 30th June 2005

Tenement Type and Number	Name	Mineral	Ownership
WESTERN AUSTRALIA			
EL51/946	Narracoota	Gold	J A Bunting & Assoc Pty Ltd
EL52/1495	Narracoota	Gold	Joint Venture (Helix 90%)
EL52/1496	Narracoota	Gold	
EL52/1623	Perry Creek	Base Metals	Helix Resources Limited 100%
EL52/1624	Perry Creek	Base Metals	
EL52/1625	Perry Creek	Base Metals	
EL52/1626	Perry Creek	Base Metals	
ELA47/1169	Yalleen	Pecious and Base Metals	Helix Resources Limited 100%,
ELA47/1170	Yalleen	Pecious and Base Metals	API limited earning 51% (Iron ore)
ELA47/1171	Yalleen	Pecious and Base Metals	DBAE limited earning 51% (Diamonds)
SOUTH AUSTRALIA			
ELA2005/20	Lake Everard		Helix Resources Limited 100%
EL2854	Lake Everard West		Minotaur Exploration earning 51%
EL3335	Childarra		
NEW SOUTH WALES			
EL6228	Fifield		Helix Resources Limited 100%

Abbreviations and Definitions used in Schedule:

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

Corporate Directory

Directors

Robert W Mosig	Executive Chairman
Riccardo E Vittino -	Executive Director and Company Secretary
Greg Wheeler	Non Executive Director
John den Dryver	Non Executive Director

Australian Business Number

27 009 138 738

Head and Registered Office

9 Richardson Street
West Perth Western Australia 6005
PO Box 825 West Perth Western Australia 6872

Telephone:	+61 8 9321 2644
Facsimilie:	+61 8 9321 3909
Email:	helix@helix.net.au
Website:	http://helix.net.au

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands Western Australia 6009
PO Box 1156 Nedlands Western Australia 6909

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

Auditor

Deloitte Touche Tohmatsu
Woodside Plaze Level 14, 240 St George's Tce
Perth Western Australia 6000

Telephone:	+61 8 9365 7000
Facsimilie:	+61 8 9365 7001

Stock Exchange

The Company Securities are quoted on the
Australian Stock Exchange Limited
CODE: HLX and HLXOA