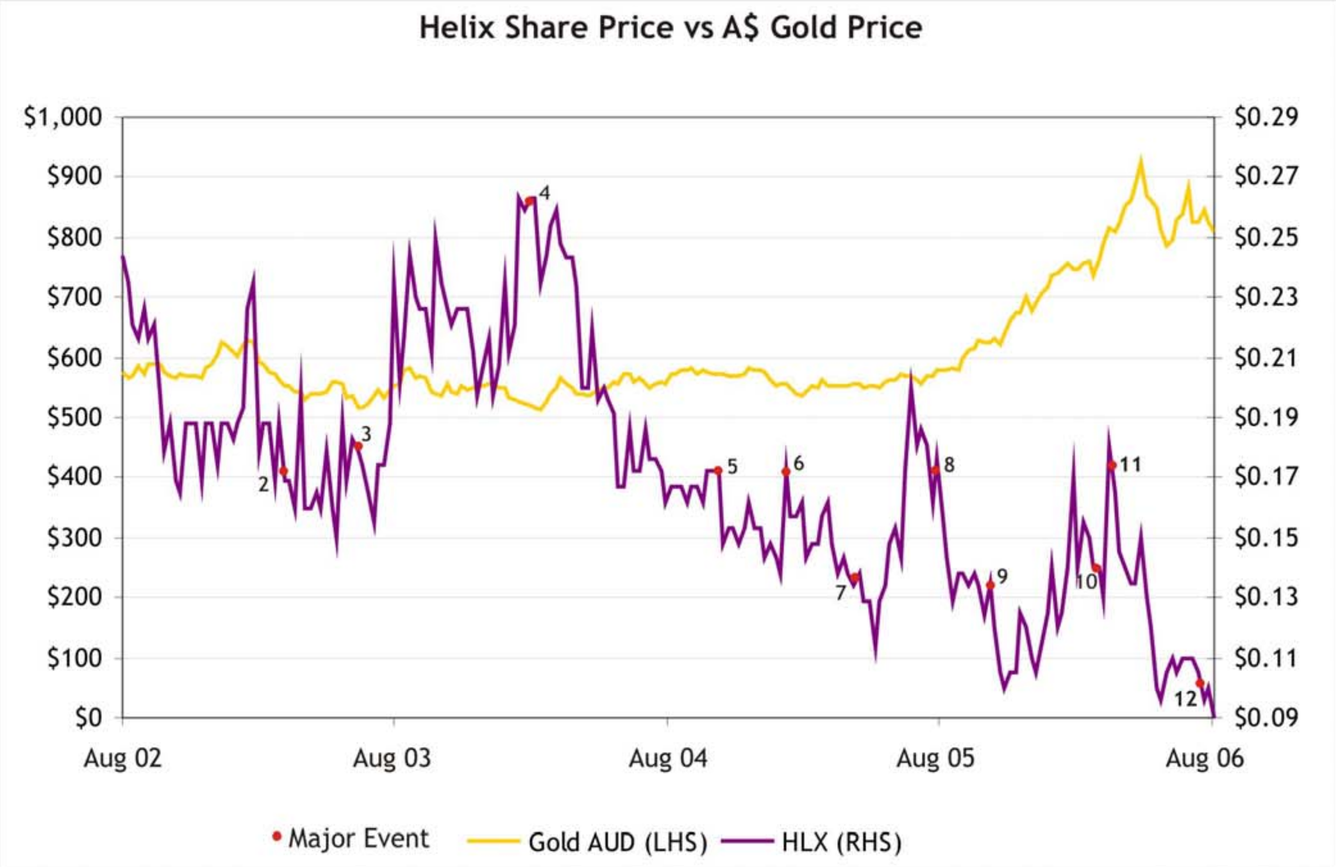
HELIX RESOURCES LIMITED

A.C.N. 009 138 738






2006 ANNUAL REPORT



Major Events

1. May 01 - Lonmin JV on Munni Munni [Spend $8m for 50%]
2. Mar 03 - Lonmin withdraws from Munni Munni JV
3. Jun 03 - DeBeers JV on West Pilbara Diamonds [Spend $3m for 51%]
4. Mar 04 - Tunkillia Resource 720,000 oz gold
5. Oct 04 - SPP & placement at 15 cents to raise $2m
6. Jan 05 - Discovery of kimberlites and diamonds at West Pilbara Diamond JV
7. Apr 05 - Minotaur $5m JV re Tunkillia
8. Aug 05 - Mt Venn drilling disappoints
9. Oct 05 - 1:4 rights issue at 10 cents to raise $1.9m
10. Feb 06 - DeBeers withdraws from Australia and Diamond JV
11. Mar 06 - 'Spin-off' of PGM assets to Platina Resources Ltd
12. Jul 06 - Resignation of Executive Management

Contents

Regional Mapping,Glenburgh 2006

Chairman's Review

Dear Shareholder

I am pleased to present the 2006 Annual Report for the Company in what has been a challenging year. Helix has reported a loss of $4.8 million during the year due largely to charges to the P&L for impairment losses regarding the carrying value of Exploration & Evaluation expenditure. Cash reserves are $1.4 million, with investments able to be realised in the next 12 months of $0.7 million.

In mid July 2006, Messrs Robert Mosig [Executive Chairman] and Riccardo Vittino [CEO & Chief Operating Officer] resigned as Directors following +18 years with the Company. With no Executive Management, the Board appointed me as interim Executive Chairman and with the continuing support of the technical staff, management team and my fellow Directors, we have commenced the regeneration of Helix with the specific aim of finding a new CEO to drive the Company and new projects to create value.

Regarding our existing projects:-

- In South Australia, our joint venture with Minotaur Exploration Ltd over the Tunkillia gold project has seen +$2 million in exploration spent in the last 12 months. The Tunkillia project currently contains a JORC Resource of 10.5 Mt grading 2.2 g/t [720,000 oz gold] and Minotaur has the right to earn 51% by spending $5 million on the project.

- Our Glenburgh gold project in Western Australia has assumed a regional focus subsequent to being granted 2,500 km^2 in tenements. Our aim is to enhance the current JORC Resource of 1.1 Mt grading 3.1 g/t [108,000 oz gold] by defining additional anomalous areas and resource ounces. To date we have identified 4 new gold targets and expect to drill 2nd quarter 2007.

- Our West Pilbara Diamond project remains a significant asset following DeBeers spending $1.5 million prior to withdrawal from the JV and exploration in Australia. DeBeers located kimberlites and diamonds and the Board is assessing the best way to extract value from this asset in terms of a JV, spin-off or direct exploration funding.

- Our other Joint Ventures are progressing well, with Toro Energy having to expend $2 million in uranium exploration on Lake Everard in SA to earn 51%, and API (Aquila) earning 70% by expending $1.5 million on iron ore exploration on our West Pilbara tenements.

The staff and Board of Helix look forward to the challenges of 2007 in creating value for shareholders.

Greg J Wheeler
Chairman

Review of Operations

HIGHLIGHTS

The Company's exploration activities have focused on the Glenburgh gold project- Gascoyne region Western Australia and the Bilyuin gold project – Peak Hill/Meekatharra District, Western Australia.

Glenburgh

Following encouraging results from RC drilling at Glenburgh in December 2005, Helix secured a large (2,500km²) ground holding in the Southern Gascoyne Province. The Company has had early success from regional exploration this year, defining several new gold prospects including the Barracuda, Challenger, Impala and Prowler Prospects. This work has confirmed that the Southern Gascoyne contains additional mineralised systems prospective for both gold and base metals, and the potential for significant grass roots discoveries warrants our continued commitment to the region.

Bilyuin

Surface geochemical surveys at Bilyuin have resulted in the identification of a series of drill targets associated with a large aeromagnetic anomaly buried under shallow cover. Recent grass roots exploration results reported by several companies in the region have provided Helix with additional confidence in the quality of this target and support the requirement for drill testing.

Joint Ventures

Activities at the Lake Everard (Tunkillia) gold project, the Lake Everard uranium project and West Pilbara iron ore project are being carried out by joint venture partners who spent approximately $3 million for the year.

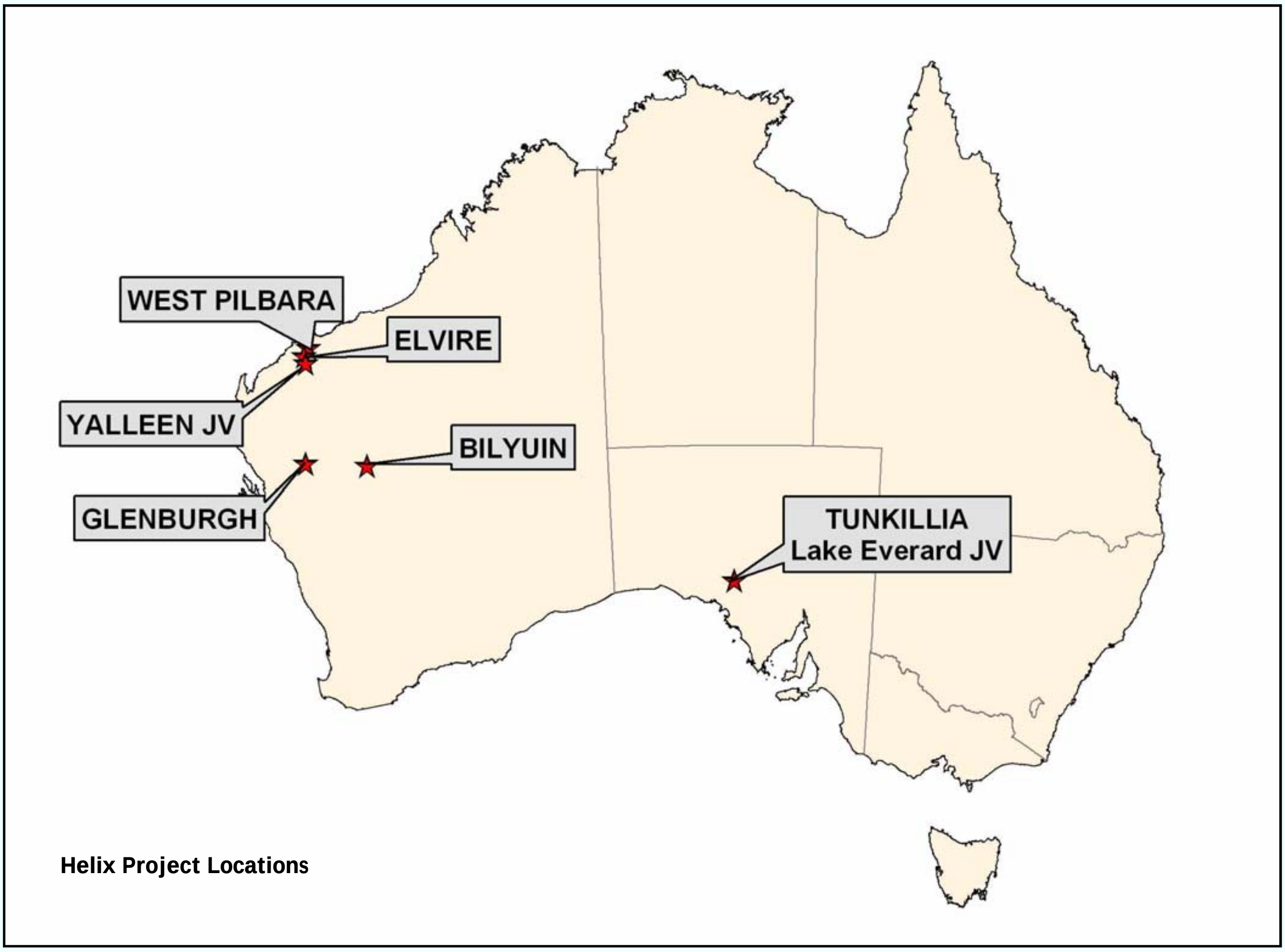
PGM's

A strategic review of the Company's project portfolio in early 2006 concluded that Helix's platinum group metal assets could provide better returns if they were "spun out" into a separate company, with fresh funds and a dedicated exploration team assigned to them. The successful ASX listing of Platina Resources Limited on 29 May 2006, raising $6.2 million, saw the Munni Munni, Mt Venn and Fifield PGM projects transferred to the new company and over 400 Helix shareholders participating in the priority allocation.

CURRENT RESOURCE BASE

Project	Commodity	Equity	Grade and Tonnage	Contained Metal	JORC Category
Lake Everard (Incl. Tunkillia)	Gold	100%, Minotaur Earning 51%	10.5 Mt at 2.2 g/t Au	720,000 oz	Inferred and Indicated
Glenburgh	Gold	100%	1.1 Mt at 3.1g/t Au	108,000 oz	Inferred

Mapping at Glenburgh 2006



GLENBURGH GOLD PROJECT
- WESTERN AUSTRALIA

Helix Resources Limited 100%
EL 09/644, 09/1079, ELA 09/1278-1289

The Gascoyne Region has been the main focus for Helix's exploration effort in 2006. Encouraging results from a drilling program at two known prospects at Glenburgh in late 2005 provided the Company with the impetus to expand its ground holding to around 2,500 km² in the Southern Gascoyne Region. The Company is targeting high-grade, structurally controlled gold mineralisation hosted in the Proterozoic mobile belt flanking the north-western edge of the Archaean Yilgarn Block.

RC Drilling

Drilling was carried out in April, aimed at defining the extent of mineralisation at the Mustang and Shelby Prospects as well as testing a series of IP anomalies surrounding the known resources on the Victoria Bore Grid. At the Mustang Prospect, drilling confirmed the existence of supergene mineralisation in a preserved 40m thick weathering profile. The best supergene intersection from the recent program was from VRC 318 where assays from a depth of 28 metres reported an intersection of **10m @ 3.23g/t Au** in a halo of lower grade material. This discovery provides encouragement that similar pods of supergene material are preserved within the region and are likely to add valuable shallow ounces to future resource calculations at Glenburgh.

Primary mineralisation at Mustang is defined by wide zones of anomalous mineralisation interspersed with high-grade intersections. VRC 319 intersected 32m @ 1.03g/t Au including **1m @ 18.1g/t Au** from 77m downhole (Table 1). The extent of mineralisation at Mustang remains open at depth and along strike (Figure 1).

At the Shelby Prospect, 4 holes were drilled to test the down dip extensions of gold mineralisation to a vertical depth of 100m. The best results were from VRC 314 which intersected 2m @ 3.48g/t Au and 1m @ 4.00g/t Au (Table1). The mineralisation occurs as a series of thin lodes within a 15m wide corridor of +100ppb gold anomalism. The controlling structures appear to be relatively tight through this area and therefore are unlikely to represent sufficient contained tonnages to warrant further drilling at this stage.

Drilling of IP targets outside the known Prospects provided mixed results, with the best result from VRC327 intersecting 4m @ 1.53g/t Au (Table 2). The survey was carried out over known mineralisation which limited the number of new targets within the survey extent (Figure 2). The IP survey has shown that a distinct pattern exists between chargeable sulphide zones and known mineralisation, but there are parallel zones of conductive non-mineralised sulphide present which complicates the targeting on the Victoria Bore Grid and suggests that surface geochemistry remains the most cost-effective method at present for defining new drill targets.

The IP survey and follow up drilling has intersected a graphitic unit associated with a major regional shear. Although un-mineralised at the position of intersection, this discovery

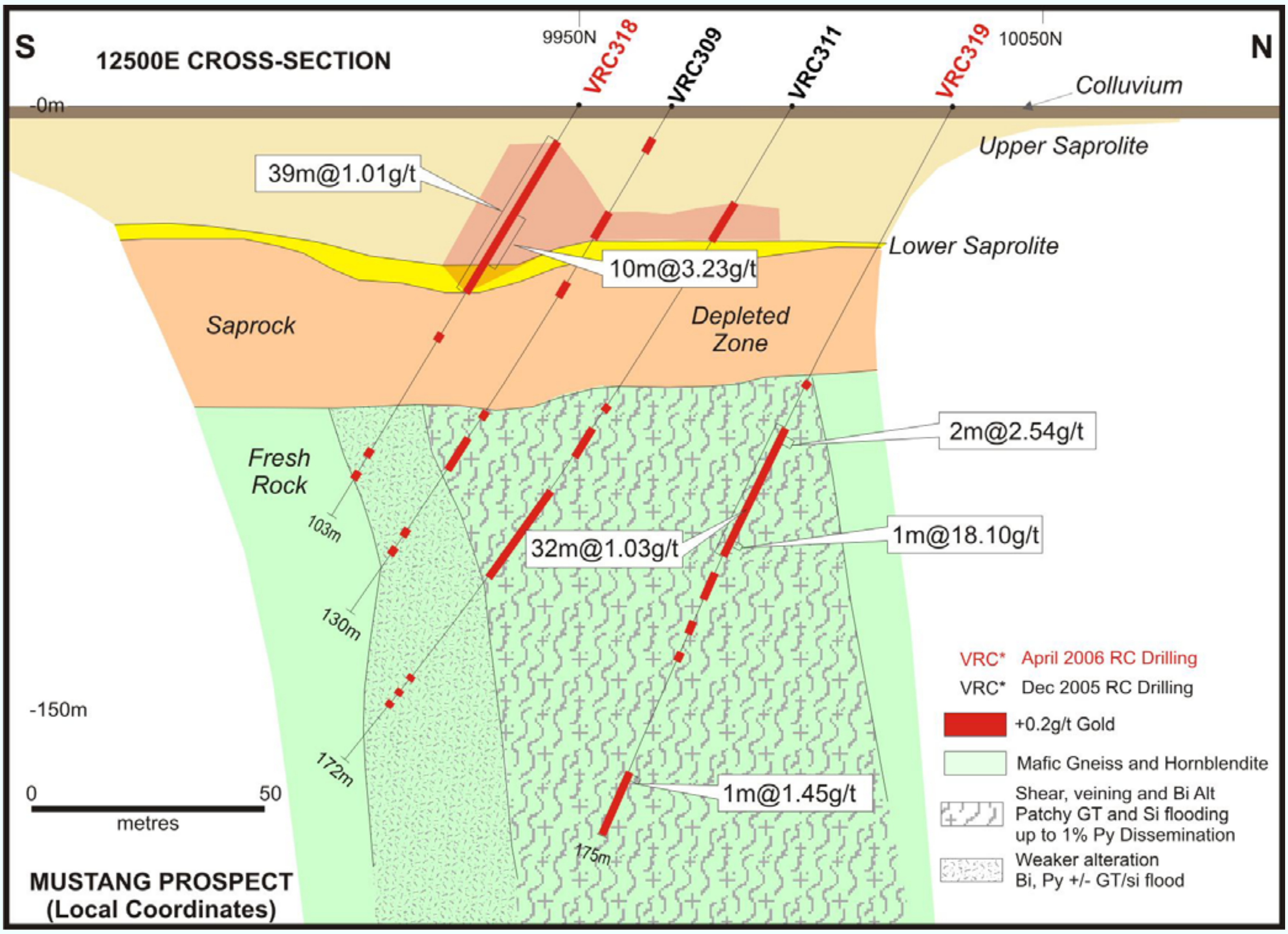


Figure 1: Cross Section 12500E, Mustang Prospect

Table 1: Significant RC Drilling intersections from Mustang and Shelby Prospects

Hole ID	Total Depth	Target	Easting	Northing	Metres From	Gold
VRC314	150	Shelby	13150	9920	81m	39m @ 0.52g/t
				Incl	97m	**2m @ 3.48g/t**
					114m	**1m @ 4.00g/t**
VRC315	160	Shelby	13100	9950	91m	**8m @ 1.00g/t**
				Incl	91m	**2m @ 3.11g/t**
				And	115m	**1m @ 1.25g/t**
VRC316	180	Shelby	13000	9990	163m	7m @ 0.50g/t
VRC317	169	Mustang	12450	10050	95m	7m @ 0.51g/t
				Incl	95m	**2m @ 1.25g/t**
				And	105m	14m @ 0.52g/t
				Incl	113m	**2m @ 1.26g/t**
VRC318	103	Mustang	12500	9950	7m	**39m @ 1.01g/t**
				Incl	28m	**10m @ 3.23g/t**
				And	57m	**1m @ 1.10g/t**
VRC319	175	Mustang	12500	10030	77m	**32m @ 1.03g/t**
				Incl	79m	**2m @ 2.54g/t**
				Incl	107m	**1m @ 18.10g/t**
				And	160m	10m @ 0.53g/t
				Incl	160m	**1m @ 1.45g/t**
VRC320	139	Mustang	12600	9910	7m	7m @ 0.50g/t
				Incl	19m	**1m @ 1.76g/t**
VRC321	139	Mustang	12600	9965	27m	7m @ 0.75g/t
				Incl	30m	**4m @ 1.20g/t**
				And	74m	10m @ 0.80g/t
				Incl	82m	**2m @ 2.67g/t**

All holes drilled to grid south with an inclination of 60 degrees.
Samples are 1m riffle split, assayed using a lead collection fire assay with a mass spectrometry determination
Intersections reported are results greater than 0.5g/t Au with less than 2m of internal dilution

confirmed that the area is geologically complex, and suggests there is potential for other styles of gold deposit in the region beyond that identified to date.

Regional Exploration

Regional exploration commenced in conjunction with the April 2006 drilling program. Stream sampling was conducted at two target areas out of a dozen areas that are considered high priority targets. The sampling identified an area 6km x 2km which is anomalous with gold to 20ppb in BLEG assays, and named the Challenger Zone.

The Challenger Zone is situated approximately 20 kilometres east of the known gold prospects on the Victoria Bore grid.

The stream sediment anomaly at Challenger was followed up with

Field Mapping, Glenburgh 2006

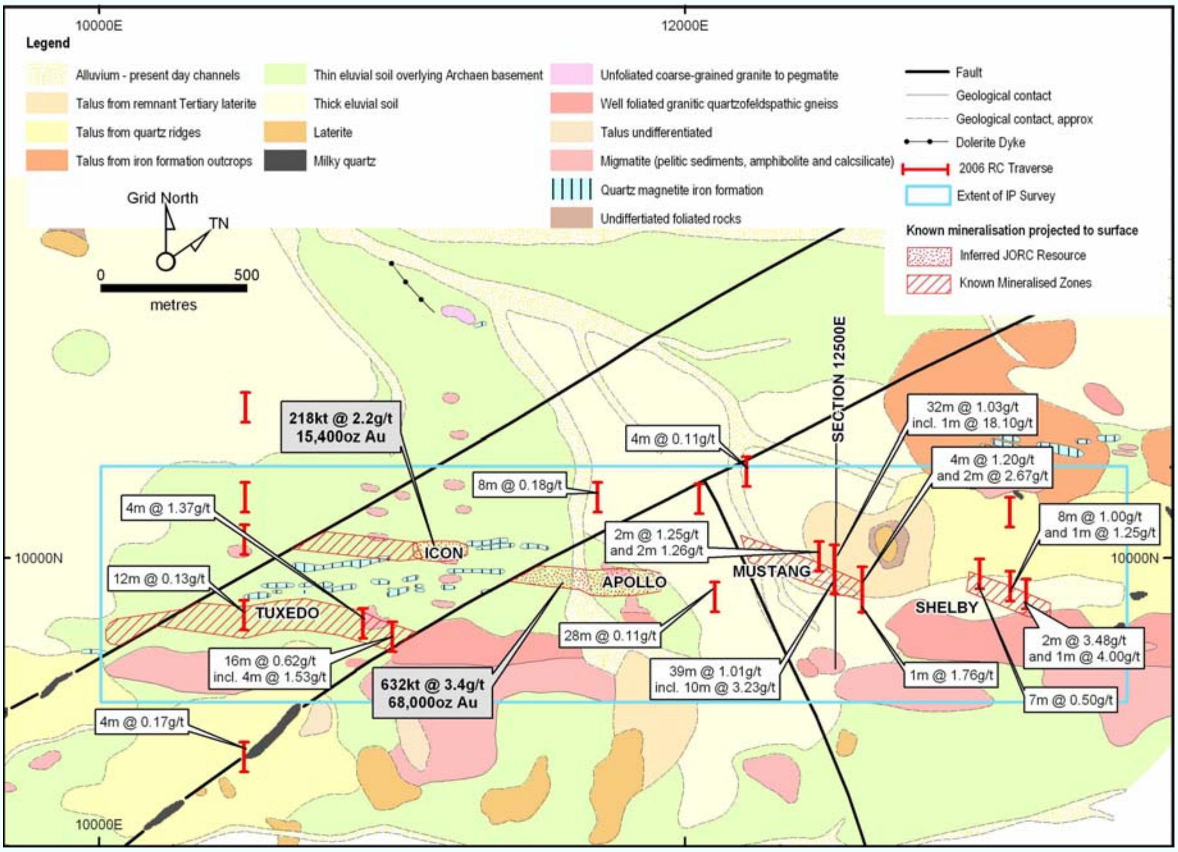


Figure 2: Glenburgh RC Drill Traverse Plan, Local Grid

Table 2: Significant Results from IP Target Exploration Drilling

Hole ID	Total Depth	Target	Easting	Northing	Metres From	Gold
VRC322	127	IP Target	13100	10200		NSR
VRC323	152	IP Target	12200	10370	92m	4m @ 0.11g/t
VRC324	127	IP Target	12000	10260		NSR
VRC325	145	IP Target	12100	9910	28m	28m @ 0.11g/t
				And	92m	4m @ 0.13g/t
				And	128m	4m @ 0.10g/t
VRC326	163	IP Target	11700	10250	28m	8m @ 0.18g/t
VRC327	145	IP Target	11000	9800	124m	16m @ 0.62g/t
				Incl	124m	**4m @ 1.53g/t**
VRC328	115	Tuxedo	10900	9820	97m	8m @ 0.77g/t
				Incl	99m	**4m @ 1.39g/t**
VRC329	115	IP Target	10500	9350	92m	4m @ 0.17g/t
VRC330	151	IP Target	10500	10250	72m	12m @ 0.13g/t
				And	140m	4m @ 0.2g/t
VRC331	151	IP Target	10500	10100		NSR
VRC332	151	IP Target	10500	10250		NSR
VRC333	151	IP Target	10500	10550		NSR
VRC334	133	IP Target	12000	10230		NSR

All holes drilled to grid south with an inclination of 60 degrees
Samples are 4m composite spear samples, assayed using a aqua regia digestion with an ICP-OES determination
Intersections reported are results greater than 0.1g/t Au with less than 4m of internal dilution
NSR- No significant result greater than 0.1g/t Au

broad spaced soil lines with close spaced sampling (800m x 50m) and more recently a 200m x 100m soil grid. Infill sampling was also completed on a 200m x 50m grid over several areas of interest. The survey has defined open ended gold in soil anomalies up to 300m wide and 1.4km long with assays up to **407ppb Au** on a background of less than 1ppb (Figure 3). The geochemical response is similar to the initial work on the known gold prospects on the Victoria Bore grid. The anomaly is coincident with west-northwest cross cutting structures, in a de-magnetised shear that is bounding a large granitic body to the south. Field mapping has concentrated on structural interpretation and alteration mineral identification.

The Impala Prospect, identified from recent stream sampling, is situated approximately 15 kilometres southeast of the Victoria Bore grid. BLEG samples

Sampling at Glenburgh, 2006

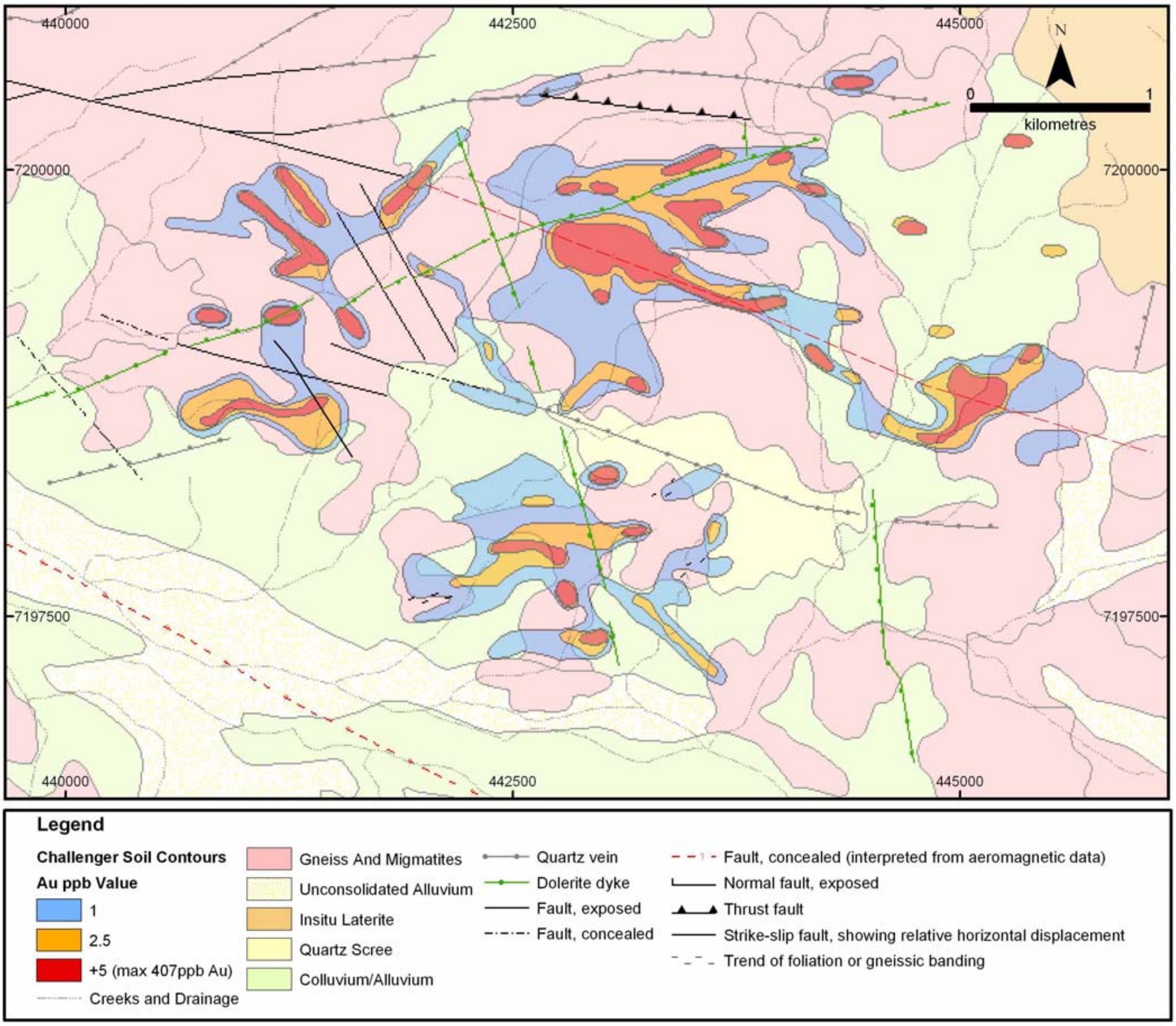


Figure 3: Challenger Soil Contours

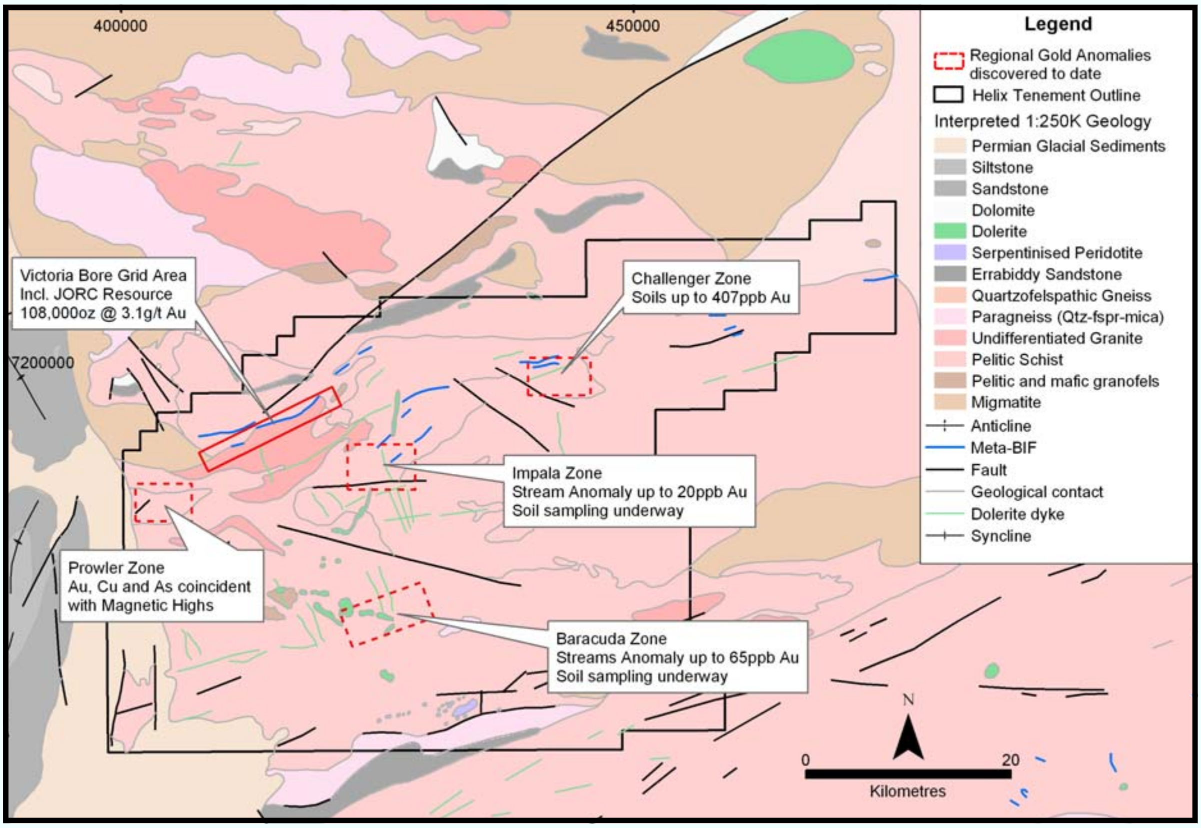


Figure 4 Expanded tenement holding with new prospect locations

to 20ppb Au from stream sampling have delineated a zone 6km x 3km, open along strike, Field work is currently concentrating on infill stream sampling and field mapping, which will be followed up by soil grid. Exploration is also continuing at the Prowler area and several other prospects within the tenement package. (Figure 4) This work will establish a series of prospects which will be ranked as drill targets for testing later in 2006 once all Aboriginal and governmental clearances have been received.

Soil Sampling, Bilyuin May 2006

BILYUIN GOLD PROJECT

- WESTERN AUSTRALIA

Helix Resources Limited 90%

E52/1496

At the Bilyuin Project, Helix is targeting hydrothermal gold associated with structurally controlled alteration, hosted in a volcanic breccia in the Peak Hill Goldfield. In May, a soil geochemical survey was completed after rain delays earlier in the year. Samples were collected on 500 and 800m line spacings at 100m centres over a 15 square kilometre grid and assayed using BLEG and a partial leach method due to the existence of *insitu* and transported cover.

The surface sampling indicates that the Bilyuin magnetic feature is coincident with gold anomalism greater than 2 times background. West-northwest structures, North-northeast structures and interconnecting de-magnetised zones coincide with the best gold results. In order to confirm this model, aircore drilling of these areas has been planned for the 3rd Quarter of 2006.

LAKE EVERARD (INCL. TUNKILLIA) PROJECT - SOUTH AUSTRALIA

Helix Resources Limited 100%,
Minotaur Exploration Limited earning 51%
Toro Energy Limited earning 51% of Uranium Rights
EL 3403, EL 2854 and EL 3335

GOLD

A Joint Venture with Minotaur Exploration Ltd ("Minotaur") over the Lake Everard Project was entered into in early 2005 whereby Minotaur may earn a 51% interest in all tenements by spending $5.0 million over four years.

Under a proposed generative alliance between Minotaur and Oxiana Limited, Minotaur may introduce Oxiana to the project. Should Oxiana contribute to 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 containing an Indicated Resource of at least 1 million ounces gold, in an additional 2 years.

Minotaur has completed a campaign of 16 diamond drillholes for 3742m, 42 RC holes for 6554m and 95 aircore holes for 4837m as part of their earning in commitment on the Tunkillia JV Gold Project.

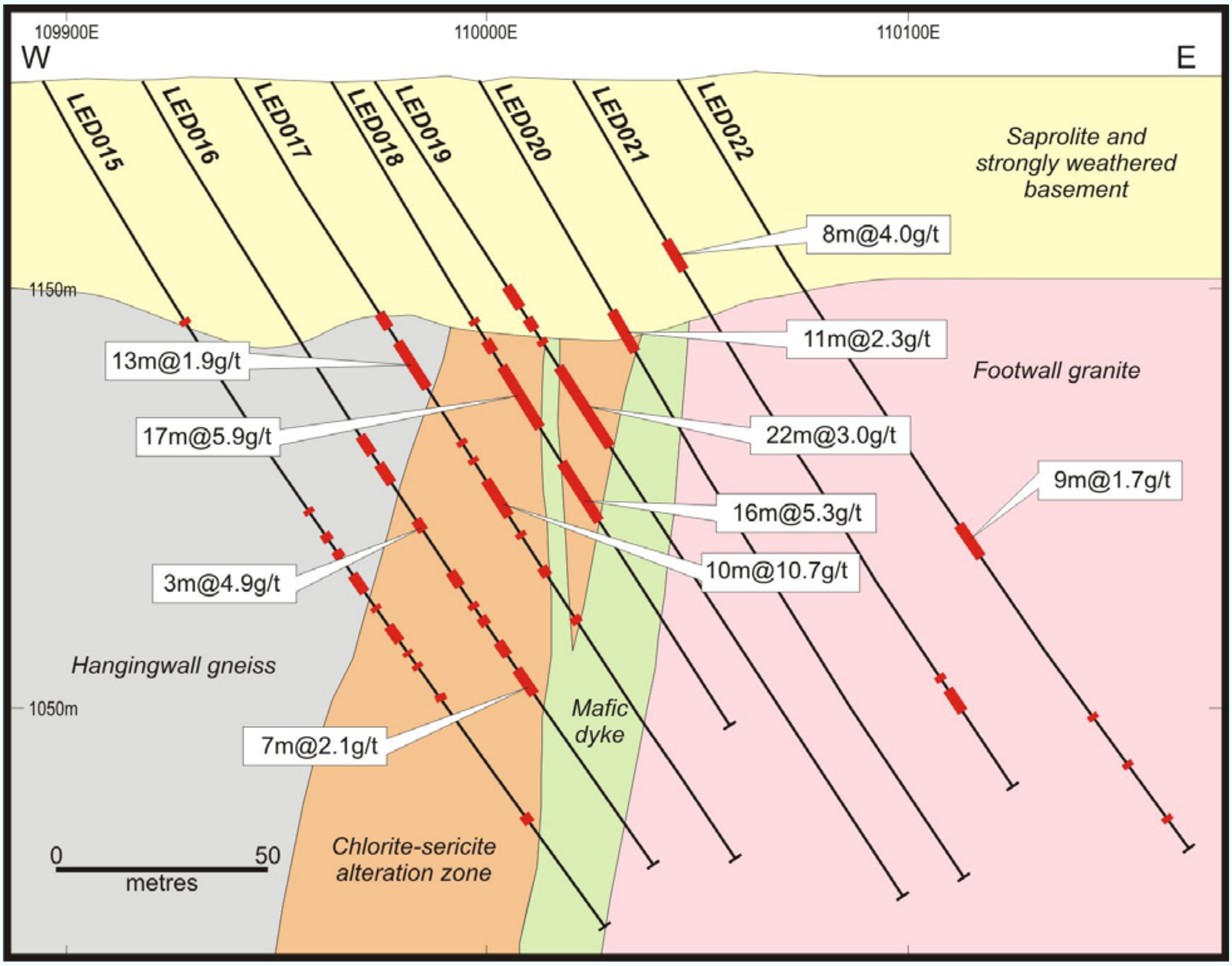


Figure 5 Tunkillia Gold Deposit Section 111500N (after Minotaur 2006)

Campsite, Bilyuin May 2006

The diamond drilling program was aimed at confirming previous RC drilling by Helix, gaining detailed structural information and testing for continuity of mineralisation between the central and southern ore zones.

The main core of mineralisation in the central zone of the Area 223 resource was confirmed with results including 10m@ 10.7g/t Au in LED017 from 112m, 17m @ 5.9g/t Au from 79m and 16m @ 5.3g/t Au from 106m in LED018 and 22m @ 3.0g/t Au from 80m in LED019 associated with the ductile, highly sericitised alteration zone. (Figure 5)

At Area 191 Minotaur carried out additional IP geophysical surveys and follow up RC drilling. The drilling has identified a relationship between chargeable sulphide anomalies and gold mineralisation. Drilling intersected 7m @ 3.9g/t Au in LRC506, 4m @ 7.7g/t Au in LRC514 and 16m @ 2.6g/t Au in LRC536.

Minotaur is continuing its exploration on the project with a budget of $3M for the calendar year. In recent announcements Minotaur have confirmed the continuity of oxide material along the length of the **Area 223** resource and are carrying out metallurgical studies as well as exploration on near-resource structural targets and testing a series of regional targets. This includes an Iron Oxide Copper Gold target on the adjoining Lake Everard West tenement (EL 2854).

URANIUM

Toro Energy Ltd can earn 51% of the uranium rights on the Lake Everard tenements by spending $2M over 3 years commencing in 2006.

Toro has secured contractors and is flying a detailed airborne EM survey over a 921km² between the three Lake Everard tenements. The survey is targeting a series of palaeochannel hosted uranium anomalies.

YALLEEN IRON ORE JV
- WESTERN AUSTRALIA

Helix Resources Limited 100%, Australian Premier Iron JV (AMCI/Aquila) earning 70% iron ore rights
E47/1169-1171

After carrying out a preliminary Hoist EM survey on the Yalleen Project in late 2005, Joint Venture partner API Management has defined iron ore drilling targets for both channel iron deposits and bed-rock deposits in the prospective Mara Mamba iron formation.

An un-seasonally late cyclone season in the states North-West Region reduced the ability to access the land for a significant part of the quarter. Field work on the project has been confined to geological field mapping and positioning drill holes for the planned program. API expect to have heritage clearances and access tracks to drill sites, followed by the commencement of drilling before the end of the 3rd quarter of 2006.

WEST PILBARA DIAMOND PROJECT
- WESTERN AUSTRALIA

Helix Resources Limited 100%
E47/1075, 1169-1171, 1144-1145
ELA47/1089-90 & 1146, MLA 47/786-794

The Helix West Pilbara Diamond Project comprises 9 tenements, 100% owned by Helix, covering approximately 1500 square kilometres and situated approximately 75 kilometres south of Karratha, WA.

Previous reconnaissance and surface sampling by DeBeers Australia Exploration (DBAE) in 2004 resulted in the discovery of two kimberlites, Blacktop and Clurrie, with several positive indicator anomalies also being identified. The Blacktop discovery is immediately adjacent to the DBAE/Tawana JV tenements where a 32.85 tonne bulk sample produced 89 macro diamonds totaling 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.

Field activities for diamonds were limited to follow up sampling in late 2005 by DBAE of the regional anomalies at Railway, Blacktop South, Portland River, Power Line and Bandeeyer In February 2006 DBAE advised Helix that as a result of a re-assessment of De Beers' global exploration priorities, they would be withdrawing from the joint venture. Helix is examining the best way forward for the project.

WEST PILBARA BASE METAL PROJECT
- WESTERN AUSTRALIA

Helix Resources Limited 100%
E47/1075, 1169-1171, 1144-1145
ELA47/1089-90 & 1146, MLA 47/786-794

The West Pilbara Base Metal Project covers the same area as the diamond project, 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. The region is considered prospective for gold and base metals with operating nickel, copper and iron ore mines as well as numerous lead, zinc prospects proximal to the tenement package.

As part of the DeBeers diamond joint venture, a surface geochemical sample was collected by DeBeers nearby to each diamond sample. The resulting samples, collected at approximate 5 square kilometre spacings, were assayed by Helix for precious and base metals in 2005. Results from this work and subsequent literature and data reviews have highlighted numerous precious and base metal anomalies that will form the basis for a field campaign on the project area late in the 2006 field season.

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

Setting up Camp

Granite Migmatite

In the field

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

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 Executive 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
Recommendation 3.2 Company Security Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9
Recommendation 4.1 Attestations by Non-Executive Chairman and Chief Executive Officer	1.4.11
Recommendation 4.2 Establishment of Audit Committee	2.1
Recommendation 4.3 Structure of Audit Committee	2.1.2
Recommendation 4.4 Audit Committee Charter	2.1
Recommendation 4.5 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
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 Non-Executive Chairman and Chief Executive 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

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 Non-Executive Chairman, the Chief Executive 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 den Dryver and Mr G Dunbar 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 Executive 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:

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

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

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 Non-Executive Chairman and Chief Executive Officer

In accordance with the Board's policy, the Non-Executive Chairman and the Chief Executive 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 Non-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 payable 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.

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 2006, the Directors of Helix Resources Limited, (the parent entity), submit the financial report. In order to comply with the provisions of the Corporations Act 2001, the Director's report as follows:

DIRECTORS

The following persons held office as Directors of Helix Resources Limited during or since the end of the financial year and up to the date of this report:

Greg J Wheeler
Executive Chairman – 14th July 2006 to present
Non-Executive Director – 1 July 2005 to 14th July 2006
Appointed 25 October 2004
Mr Wheeler has significant expertise with the Resources industry over 25 years as a Chartered Accountant in Australia and overseas, and since 1990 as a Partner of Chartered Accounting firms Grant Thornton and Deloitte Touche Tohmatsu. In 2002 he established his own consulting company offering solutions in the areas of:- Directorial and financial advice; Corporate Governance; company and business valuations; acquisitions and divestitures; capital raisings; commercial negotiations; risk assessment and mitigation.

John den Dryver
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.

Gordon Dunbar
Non-Executive Director
Appointed 18 July 2006
Gordon is a consulting geologist with forty years experience in the Australian minerals industry managing project development, mineral exploration and evaluation programmes, mine geology, financial studies, production assessment and monitoring joint venture projects. Gordon's experience includes exploration and mining geology roles at Kambalda with WMC, the evaluation of the Golden Grove base metal deposit in WA, the Chief Geologist at Rosebery Mine in Tasmania and management roles with BP Australia undertaking financial studies, monitoring the evaluation of the Olympic Dam deposit and as Exploration manager for BP Minerals.

Gordon formed his own consulting group in 1990 to provide advice on exploration, evaluation, mining geology, project assessment and pre-feasibility studies, particularly those involving gold, base metals and nickel. He has worked on projects within Australia and Internationally.

The following persons resigned as Directors of Helix Resources Ltd during or since the financial year to the date of this report:-

Robert W Mosig MSc, FAusIMM, FAICD
Executive & Non-Executive Chairman
Resigned 18 July 2006 – having acted as Executive Chairman for the period 1 July 2005 to 31 March 2006, then Non-Executive Chairman from 1 April 2006 to date of resignation.

Riccardo E Vittino
Chief Executive Officer / Company Secretary
Resigned 14 July 2006 – having acted as Chief Operating Officer for the period 1 July 2005 to 31 March 2006, then Chief Executive Officer from 1 April 2006 to date of resignation.

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
John den Dryver	Intrepid Mines Limited	23 December 2003 – current
	Adelaide Resources Limited	18 April 2005 – current
Greg Wheeler	Acclaim Exploration NL	November 2002 to June 2003
	Platina Resources Limited	28 March 2006 - current

JOINT COMPANY SECRETARIES

Greg J Wheeler	Mr Wheeler is an Accountant with over 25 years experience in accounting, company secretarial and corporate management.
Joneen McNamara	Mrs McNamara is an Accountant completing the Chartered Secretaries course.

PRINCIPAL ACTIVITIES
The principal activity of the Group 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 other than the PGM tenements were "spun-off" into a separate vehicle, Platina Resources Ltd, which raised $6.2 million via a priority entitlement offer to Helix shareholders which was underwritten by Patersons Securities Ltd and listed in May 2006.

FINANCIAL RESULTS
The net consolidated loss of the Group for the financial period, after provision for income tax was $4,762,498 (2005: $1,297,895).

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

Gold – Glenburgh
Helix continued to advance its Glenburgh Gold Project in the Gascoyne Region of WA. Activities focused on determining the potential extent of the known mineralisation at Glenburgh as well as expanding into regional exploration, where sampling is identifying new drilling targets within the Company's 2,500km² ground holding. A Reverse Circulation (RC) drilling program was conducted during April and May at the Mustang and Shelby Prospects as well as into a series of IP anomalies surrounding the known prospects on the Victoria Bore Grid. Results from the drilling include 10m@ 3.23g/t Au from VRC318 from 28m at the Mustang Prospect and 2m@3.58g/t Au from 97m in VRC314 at the Shelby Prospect.

Regionally, Helix's field crews have been undertaking a campaign of surface geochemical exploration. The Challenger Zone soil anomaly has shown the best prospectivity to date with a series of gold in soil anomalies to 407ppb Au being defined over an area 6km x 2km. The zone is bounded along strike and to the south by shallow alluvial and elluvial cover. Field work is continuing on this, and several other priority target areas.

Gold - Tunkillia
Joint Venture partner Minotaur Resources continues to report positive results from their exploration and drilling program at the Tunkillia Gold Project in South Australia. Exploration by Minotaur continues with RC drilling being used to test numerous targets, near resource and regionally on the Lake Everard Project, as part of their $3M budget for this year.

Uranium
The Lake Everard project area is subject to the Toro Energy Uranium JV. Toro is earning 51% of the uranium rights by spending $2.0M over 3 years. Toro has recently committed to an airborne EM survey to cover palaeo-channel uranium targets on these tenements.

The Lake Throssell Uranium Project was sold in July 2006 to Crusader Minerals NL for 750,000 shares in Crusader. The shares will be escrowed for a period of 12 months. This transaction, and the uranium joint venture with Toro Energy, provides Helix with an investment in the burgeoning uranium market without diverting from the Company's gold focus.

Iron Ore
At the Company's Yalleen Iron Ore JV in the West Pilbara, manager AMCI/Aquila has carried out preliminary field mapping and planned drill holes after numerous weather delays in the first half of the year as part of their spending $1.5 million to earn a 70% interest. Heritage clearances and establishment of access to drill sites are expected to be completed in the coming weeks. AMCI/Aquila are targeting both Channel Iron Deposits (CID) and primary iron ore in the Mara Mamba Formation on this project as part of their larger West Pilbara Iron Ore Project.

PGM's
Helix sold its PGM tenements to Platina Resources Ltd for $2,000 as part of the successful listing of Platina. This removed from Helix expenditure commitments of +$1 million over the next 12 months in order to retain the tenements, together with a liability of $400,000 to Hunter Resources Ltd to be paid on commercial production from certain tenements.

The Group reported a loss of $4,762,498 during the year, related essentially to the write down of carry forward exploration expenditure.

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 Group 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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. 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 durations 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 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 where appropriate to ensure remuneration accords with market practice.

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:

	Primary			Post Employment			Equity			
2006	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	% of Remuneration	Other Benefits	Total
	$	$	$	$	$	$	$	$	$	$
Key Management Personnel										
R W Mosig	168,864	-	-	12,000	- -	-	-	-	-	180,864
R E Vittino	125,500	-	-	12,000	-	-	-	-	-	137,500
G J Wheeler	30,000	-	-	-	-	-	-	-	-	30,000
J den Dryver	30,000	-	-	-	-	-	-	-	-	30,000
M.H. Wilson	98,623	-	-	8,876	-	-	-	-	-	107,499
Total Key Management Personnel	452,987	-	-	32,876	-	-	-	-	-	485,863

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

KEY MANAGEMENT PERSONNELS' 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 current and past directors and executives are entitled to purchase an aggregate of 3,450,000 ordinary shares of Helix Resources Limited according to the following terms:

Key Management Personnel	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
Former Executive 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
Riccardo E Vittino Former Chief Executive Officer	300,001	Helix Resources Limited	$0.42	29.03.2009	300,001
	300,000	Helix Resources Limited	$0.46	29.03.2009	300,000
	299,999	Helix Resources Limited	$0.50	29.03.2009	299,999
	900,000				900,000

DIRECTORS' SHAREHOLDINGS

Director	*Fully Paid Ordinary Shares	*Listed Options	Staff Options
G J Wheeler	700,000	-	-
J den Dryver	-	-	-
G Dunbar	-	-	-
	700,000	-	-

No options were granted as remuneration to Key Management Personnel during the year.

* 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 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 Group is subject to environmental regulations under laws of the Commonwealth and State. The Group 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

	Board of Directors' Meetings		Remuneration Committee Meetings		Audit Committee Meetings	
	Held*	Attended	Held*	Attended	Held*	Attended
R W Mosig	4	4	1	1	1	1
R E Vittino	4	4	1	1	1	1
G J Wheeler	4	4	1	1	1	1
J den Dryver	4	4	1	1	1	1

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:

* 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. Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 25.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 26 of the financial report.

Dated at Perth this 7th day of September 2006.

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

Greg J Wheeler

Executive Chairman

Independence Declaration

CHARTERED
ACCOUNTANTS
& BUSINESS
ADVISORS

A MEMBER OF
MOORES ROWLAND
INTERNATIONAL

Bentleys mri
Thinking ahead

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

To the Directors of Helix Resources Limited

I declare that, to the best of my knowledge and belief during the year ended 30 June 2006, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BENTLEYS MRI PERTH PARTNERSHIP

J W VIBERT
Partner

8 September 2006

West Perth, WA

CHARTERED
ACCOUNTANTS
& BUSINESS
ADVISORS

A MEMBER OF
MOORES ROWLAND
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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 income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Helix Resources Limited (the company) and Helix Resources Limited (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that 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 conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, 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 assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of 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.

Independence

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

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 26 of the financial report has not changed as at the date of providing our audit opinion.

Independent Audit Report

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 the consolidated entity's financial position as at 30 June 2006 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.

BENTLEYS MRI PERTH PARTNERSHIP

J W VIBERT
Partner

Dated this 8th day of September 2006.

Directors' Declaration

The Directors declare that:

a 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;

b 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 the *Corporations Regulations 2001* and giving a true and fair view of the financial position and performance of the Group and Company for the financial year ended 30 June 2006; and

c The directors have not been given the declarations required by s295A of the Corporations Act 2001 as the persons responsible resigned as Directors 14th July 2006.

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

Greg J Wheeler
Executive Chairman

Signed at Perth this 7th day of September 2006.

Balance Sheet

BALANCE SHEET
AS AT 30 JUNE 2006

	Note	CONSOLIDATED 2006	CONSOLIDATED 2005	COMPANY 2006	COMPANY 2005
		$	$	$	$
Current Assets					
Cash and cash equivalents	2	1,151,030	1,635,873	1,151,028	1,635,871
Trade and Other Receivables	3	743,088	384,498	743,088	384,498
Total Current Assets		1,894,118	2,020,371	1,894,116	2,020,369
Non-Current Assets					
Financial Assets	4	2,890	890	3,815	1,815
Property, plant & equipment	6	184,516	171,250	184,516	171,250
Exploration and Evaluation	7	8,215,219	11,201,564	8,215,219	11,201,564
Other	5	154,583	149,242	154,583	149,242
Total Non-Current Assets		8,557,208	11,522,946	8,558,133	11,523,871
Total Assets		10,451,326	13,543,317	10,452,249	13,544,240
Current Liabilities					
Trade and Other Payables	8	186,629	214,856	186,629	214,856
Provisions	9	25,785	67,375	25,785	67,375
Total Current Liabilities		212,414	282,231	212,414	282,231
Non- Current Liabilities					
Provisions	9	21,953	10,538	21,953	10,538
Total Non-Current Liabilities		21,953	10,538	21,953	10,538
Total Liabilities		234,367	292,769	234,367	292,769
Net Assets		10,216,959	13,250,548	10,217,882	13,251,471
Equity					
Share Capital	10	45,295,964	43,567,055	45,295,964	43,567,055
Other Reserves	11	50,197	50,197	50,197	50,197
Accumulated Losses	12	(35,129,202)	(30,366,704)	(35,128,279)	(30,365,781)
Total Equity		10,216,959	13,250,548	10,217,882	13,251,471

Notes to the financial statements are included on pages 34 to 55

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

		CONSOLIDATED		COMPANY	
	Note	2006	2005	2006	2005
		$	$	$	$
Revenue	13	(903,442)	299,603	(903,442)	299,603
Reversal of Directors' Retirement Provision		-	104,217	-	104,217
Impairment of investments		-	(54,501)	-	(54,501)
Depreciation	14	(44,530)	(56,993)	(44,530)	(56,993)
Impairment of Exploration and evaluation assets		(2,983,021)	(796,052)	(2,983,021)	(796,052)
Legal Expenses and Professional Services		(106,553)	(97,162)	(106,553)	(97,162)
Consultancy fees		(4,213)	(3,426)	(4,213)	(3,426)
Public Relations expenses		(25,353)	(26,378)	(25,353)	(26,378)
Travel and Accommodation expenses		(40,204)	(30,871)	(40,204)	(30,871)
Rental expenses		(33,804)	(83,997)	(33,804)	(83,997)
Employee benefits expense		(375,718)	(300,626)	(375,718)	(300,626)
Directors' Fees		(69,500)	(94,095)	(69,500)	(94,095)
Other expenses		(176,160)	(157,614)	(176,160)	(157,614)
Loss before income tax		(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Income tax expense	19	-	-	-	-
Loss from continuing operations		(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Profit /(Loss) from discontinued operations		-	-	-	-
Loss for the year		(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Earnings / (Loss) per share					
Basic (cents per share)	21	(5.36)	(1.84)		
Diluted (cents per share)	21	(5.36)	(1.84)		

Notes to the financial statements are included on pages 34 to 55

Cash Flow Statement

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	Note	CONSOLIDATED 2006 $	CONSOLIDATED 2005 $	COMPANY 2006 $	COMPANY 2005 $
Cash Flow From Operating Activities					
Payments to suppliers and employees		(927,358)	(762,687)	(927,358)	(762,324)
Interest received		88,303	111,638	88,303	111,638
Other receipts		83,768	11,370	83,768	11,007
Net cash used in operating activities	2(b)	(755,287)	(639,679)	(755,287)	(639,679)
Cash Flow From Investing Activities					
Payments for capitalised exploration & evaluation expenditure		(1,735,847)	(1,552,208)	(1,735,847)	(1,552,208)
Payment for property, plant & equipment		(77,511)	(5,465)	(77,511)	(5,465)
Proceeds from sale of property, plant & equipment		16,000	363	16,000	363
Proceeds from sale of exploration and evaluation		150,000	-	150,000	-
Proceeds from sale of investments		515,376	284,595	515,376	284,595
Payments for security deposits		(326,483)	(21,674)	(326,483)	(21,674)
Net cash used in investing activities		(1,458,465)	(1,294,389)	(1,458,465)	(1,294,389)
Cash Flow From Financing Activities					
Proceeds from issue of shares/options		1,920,753	2,053,997	1,920,753	2,053,997
Share issue costs paid		(191,844)	(118,513)	(191,844)	(118,513)
Net cash provided by Financing Activities		1,728,909	1,935,484	1,728,909	1,935,484
Net increase/(decrease) in cash held		(484,843)	1,416	(484,843)	1,416
Cash and cash equivalents at beginning of financial year		1,635,873	1,634,457	1,635,871	1,634,455
Cash and cash equivalents at End of Financial Year	2(a)	1,151,030	1,635,873	1,151,028	1,635,871

Notes to the financial statements are included on pages 34 to 55

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Total equity at the beginning of the financial year	13,250,548	12,592,959	13,251,471	12,593,882
Adjustment on the adoption of A-IFRS for share based payments to::				
Options reserve	-	50,197	-	50,197
Accumulated losses	-	(50,197)	-	(50,197)
Shares issued during the financial year	1,728,909	1,955,484	1,728,909	1,955,484
Loss attributable to members of the parent entity	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Total equity at the end of the financial year	10,216,959	13,250,548	10,217,882	13,251,471

Notes to the financial statements are included on pages 34 to 55

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

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 includes separate financial statements for Helix Resources Limited as an individual entity and the Group consisting of Helix Resources Limited and its subsidiaries.

Accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards ("A-IFRS ")

This annual financial report is the first Helix Resources Limited annual financial report to be prepared in compliance with requirements of A-IFRS. AASB 1 *First time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements. Compliance with A-IFRS ensures that the financial report complies with the requirements of International Financial Reporting Standards ("IFRS").

Financial statements of Helix Resources Limited until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles ("AGAAP"). AGAAP differs in certain respects from A-IFRS. When preparing this financial report for the year ended 30 June 2006, management has amended certain accounting, valuation and consolidation methods applied in the previous AGAAP financial statements to comply with A-IFRS. With the exception of financial instruments, the comparative figures were restated as appropriate to reflect these adjustments.

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

Reconciliations and descriptions of the effect of transition from previous AGAAP to A-IFRSs on the Group's equity and its net income are given in the Statement of Changes in Equity.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property. A summary of the Group's significant accounting policies is set out below.

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 Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the Group does not raise 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 where exploration is funded by the joint venture partner.

b) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in accounting standards.. A list of subsidiaries appears in note 4 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each subsidiary 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 Group 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 Cash Flow Statement, 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

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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 Group. 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%

f) Exploration and evaluation

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

(i) the rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred; and
(ii) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
(iii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets will be assessed annually for impairment and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units.

The income statement will recognise expenses arising from the excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets. Expenditure capitalised under the above policy is amortised over the life of the area of interest from the date that commercial production of the related mineral occurs. In the event that an area of interest is abandoned or if the directors consider the expenditure to be of no value, accumulated costs carried forward are written off in the year in which that assessment is made. 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.

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 subsidiaries 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) Investments and other financial assets

From 1 July 2004 to 30 June 2005

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For further information on previous AGAAP refer to the annual report for the year ended 30 June 2005.

Adjustments on transition date: 1 July 2005
The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of held-to-maturity investments and loans and receivables which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1 July 2005) changes to carrying amounts are taken to accumulated losses or reserves.

From 1 July 2005
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

j) Derivatives

From 1 July 2004 to 30 June 2005
The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The Group has applied previous AGAAP in the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For further information on previous AGAAP refer to the annual report for the year ended 30 June 2005.

Adjustments on transition date: 1 July 2005
The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that derivatives are measured on a fair value basis. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1 July 2005) changes in the carrying amounts of derivatives are taken to accumulated losses or reserves, depending on whether the criteria for hedge accounting are satisfied at the transition date.

From 1 July 2005
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

k) Financial instrument transaction costs

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The Group has applied previous Australian GAAP (AGAAP) in the comparative information on financial instruments within the scope of AASB 132 and AASB 139. Under previous AGAAP transaction costs were excluded from the amounts disclosed in the financial statements. Under A-IFRS such costs are included in the carrying amounts. At the date of transition to AASB 132 and AASB 139 the adjustment to carrying amounts for the Group was nil.

l) 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 Group in respect of services provided by the employees up to reporting date.

Share-based payments
Share-based compensation benefits are provided to employees via various Share Option Plans.

Shares options granted before 7 November 2002 and/or vested before 1 January 2005
No expense is recognised in respect of these options. The shares are recognised when the options are exercised and the proceeds received allocated to share capital.

Shares options granted after 7 November 2002 and vested after 1 January 2005
The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital. The market value of shares issued to employees for no cash consideration under the Share Plans is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

m) Interest in Joint Venture Operations

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

Details of interests in joint ventures are shown at Note 22.

n) Revenue Recognition

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

o) Accounts Payable

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

p) Receivables

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

q) 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 cash flow statement 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.

r) Acquisition of Assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

s) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

t) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

u) Provisions

Mine restoration and rehabilitation costs are provided for at the present value of future expected expenditures required to settle the Group's obligations on commencement of commercial production, discounted using a rate specified to the liability. When this provision is recognised a corresponding asset is also recognised as part of the development costs of the mine to the extent that it is considered that the provision gives access to future economic benefits. On an ongoing basis, the rehabilitation liability is re-measured at each reporting period in line with the changes in the time value of money (recognised as an expense in the income statement and an increase in the provision), and additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability.

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

2. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

For the purposes of the cash flow statement and balance sheet, cash and cash equivalents include 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 cash flow statement is reconciled to the related items in the balance sheet as follows:

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Cash at Bank	39,942	1,018,088	39,940	1,,018,086
Cash on deposit	1,111,088	617,785	1,111,088	617,785
Total Cash	1,151,030	1,635,873	1,151,028	1,635,871
b) Reconciliation of loss after income tax to cash flows used				
Loss after income tax	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Non-cash flows in Loss				
Depreciation	44,530	56,993	44,530	56,993
Impairment of Exploration and evaluation	2,983,021	796,052	2,983,021	796,052
Impairment of investments	-	54,501	-	54,501
(Gain)/loss on sale of investments	1,071,793	(176,595)	1,071,793	(176,595)
Loss on sale of property, plant and equipment	3,717	584	3,717	584
Changes in Net Assets and Liabilities				
(Increase)/Decrease in Assets				
(Increase)/decrease in trade and other receivables	(85,113)	77,970	(85,113)	77,970
(Increase)/decrease in other current assets	47,665	(12,977)	47,665	(12,977)
Increase/(decrease) in Liabilities				
Increase/(Decrease) in trade and other payables	(28,227)	55,604	(28,227)	55,604
Provisions	(30,175)	(193,916)	(30,175)	(193,916)
Net Cash used in Operations	(755,287)	(639,679)	(755,287)	(639,679)

c) Non-cash Transactions

Shares to the value of $460,000 in Scimitar Resources Limited were received as part consideration from Heron Resources Limited for the sale of the Menzies project.

3. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		COMPANY	
	2006 $	2005 $	2006 $	2005 $
Prepayments - Insurances	21,848	69,513	21,848	69,513
Prepayments – Tenement application and rents	308,485	-	308,485	-
Deposits – Financial Institutions	249,554	236,897	249,554	236,897
Other	163,201	78,088	163,201	78,088
Total Current Receivables	743,088	384,498	743,088	384,498

4. FINANCIAL ASSETS

Available – for – sale financial assets:				
Shares in unlisted companies – at cost	890	890	890	890
Shares in subsidiaries – at cost (4a)	-	-	925	925
Shares in listed corporations – at cost	2,000	-	2,000	-
Total Non-Current Financial Assets	2,890	890	3,815	1,815
Fair value of shares in listed corporations	2,000	-	2,000	-

4(a) Shares in subsidiaries

Name	Country of Incorporation	Percentage Held 2006	Percentage Held 2005
Hillview Mining NL	Australia	100%	100%
Helix Mining Investment P/L	Australia	100%	100%

5. OTHER ASSETS

	CONSOLIDATED		COMPANY	
	2006 $	2005 $	2006 $	2005 $
Non-Current				
Security Deposits	154,583	149,242	154,583	149,242
Total Other Assets – Non-Current	154,583	149,242	154,583	149,242

6. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED AND COMPANY		
	Plant & Equipment $	Motor Vehicles $	Total $
Net Book Value			
Balance at 30 June 2005	151,835	19,415	171,250
Additions	16,958	60,559	77,517
Disposals	(19,721)	-	(19,721)
Depreciation	(36,182)	(8,348)	(44,530)
Balance at 30 June 2006	112,890	71,626	184,516

7. EXPLORATION AND EVALUATION (NON-CURRENT)

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Balance at beginning of the financial year	11,201,564	10,425,408	11,201,564	10,425,408
Disposals at written down value	(1,739,172)	-	(1,739,172)	-
Expenditure incurred during the year	1,735,848	1,572,208	1,735,848	1,572,208
Impairment losses	(2,983,021)	(796,052)	(2,983,021)	(796,052)
Balance at the end of the financial year	8,215,219	11,201,564	8,215,219	11,201,564

The Directors' assessment of carrying 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 Group's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Group'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.

8. TRADE AND OTHER PAYABLES (CURRENT)

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Trade payables	186,629	214,856	186,629	214,856

9. PROVISIONS

Current				
Employee Benefits	25,785	67,375	25,785	67,375
Balance at end of financial year	25,785	67,375	25,785	67,375
Non -Current				
Employee Benefits	21,953	10,538	21,953	10,538
Balance at end of financial year	21,953	10,538	21,953	10,538

10. SHARE CAPITAL

95,866,927 Fully Paid Ordinary Shares (2005:76,660,120)	45,138,972	43,409,956	45,138,972	43,409,956
19,139,475 Listed Options (2005: 16,437,863)	156,992	157,099	156,992	157,099
Balance at end of financial year	45,295,964	43,567,055	45,295,964	43,567,055

Fully Paid Ordinary Shares

	2006		2005	
	No.	$	No.	$
Balance at beginning of financial year	76,670,730	43,409,956	62,866,808	41,454,472
Shareholder Purchase Plan and Placement	-	-	13,693,312	2,053,997
Share placement through Rights Issues	19,167,830	1,916,783	-	-
Share Issue Costs	-	(187,874)	-	(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	28,367	107	10,610	-
Balance at end of financial year	95,866,927	45,138,972	76,670,730	43,409,956

Listed Options

	2006		2005	
	No.	$	No.	$
Balance at beginning of financial year	16,437,863	157,099	16,448,473	157,099
Options expired during financial year	(16,437,863)	-	-	-
Options issue through Rights Issue	19,167,842	-	-	-
Exercise of Options to Fully Paid Shares	(28,367)	(107)	(10,610)	-
Balance at end of financial year	19,139,475	156,992	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.

11. OTHER RESERVES

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Options Reserve				
Balance at beginning of financial year	50,197	-	50,197	-
Share-based payments expenses recognised on adoption of A-IFRS	-	50,197	-	50,197
Balance at end of financial year	50,197	50,197	50,197	50,197

12. ACCUMULATED LOSSES

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Balance at beginning of financial year	(30,366,704)	(29,018,612)	(30,365,781)	(29,017,689)
Share-based payments expenses recognised on adoption of A-IFRS	-	(50,197)	-	(50,197)
Net Loss attributable to members of the parent entity	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Balance at end of financial year	(35,129,202)	(30,366,704)	(35,128,279)	(30,365,781)

Bilyuin, 2006

Field Reconnaissance 2006

Mapping, Glenburgh

13. REVENUE

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

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Operating Activities				
Interest Revenue	88,303	111,638	88,303	111,638
Sale of Menzies MLA's to Heron Resources	73,286	-	73,286	-
Other	6,762	10,278	6,762	10,278
Total Operating Revenue	168,351	121,916	168,351	121,916
Non-Operating Activities				
Profit from Sale of listed securities in Diamond Ventures NL	-	300	-	300
Profit from sale of RAMA Mines Mauritius shares	-	177,387	-	177,387
Profit from sale of shares in Scimitar Resources	55,376	-	55,376	-
Total Non – Operating Revenue	55,376	177,687	55,376	177,687
Sale of Mineral Areas				
Loss from Sale of Menzies Highway Nickel Project to Heron Resources	(183,398)	-	(183,398)	-
Loss from sale of Munni Munni, Fifield and Mt Venn tenements to Platina Resources.	(943,771)	-	(943,771)	-
Total Revenue from Sale of Mineral Areas	(1,127,169)	-	(1,127,169)	-
Total Revenues	(903,442)	299,603	(903,442)	299,603

14. LOSS FOR THE YEAR

Expenses:				
Depreciation of non-current assets: Property, plant and equipment	44,530	56,993	44,530	56,993
Exploration and evaluation impairment losses	2,983,021	796,052	2,983,021	796,052
Operating lease rental expenses: Minimum lease payments	33,804	83,997	33,804	83,997
Loss for the year	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)

15. COMMITMENTS

a) Operating Lease Commitments

Not later than 1 year	65,000	65,000	65,000	65,000
Later than 1 year but not later than 5 years	65,000	27,083	65,000	27,083
	130,000	92,083	130,000	92,083

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 five months remaining. The Company has an option to renew the operating lease for a further period of two years and has execised the option post balance date.

b) Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration tenements, the company and Group 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 Group'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 $57,007 (2005:$105,891)) and exploration expenditure of $519,800 (2005: $747,766).

16. KEY MANAGEMENT PERSONNELS' REMUNERATION

The key management personnel of Helix Resources Limited during the year were:

R W Mosig -Executive Chairman 1 July 2005 to 31 March 2006 & Non-executive Chairman 1 April 2006 to 18 July 2006
R E Vittino -Chief Operating Officer 1 July 2005 to 31 March 2006 and Chief Executive Officer 1 April 2006 to 14 July 2006
G J Wheeler (Non-executive)
J den Dryver (Non-executive)
M H Wilson Exploration Manager (appointed 1 July 2005)

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		
2005	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
Key Management Personnel									
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

2006	Primary			Post Employment			Equity		
	Salary & Fees	Performance Based Payment	Non Monetary	Superannuation	Prescribed Benefits	Other Retirement Benefits	Options	Other Benefits	Total
	$	$	$	$	$	$	$	$	$
Key Management Personnel									
R W Mosig	168,864	-	-	12,000	-	-	-	-	180,864
R E Vittino	125,500	-	-	12,000	-		-	-	137,500
G Wheeler	30,000	-	-	-	-	-	-	-	30,000
J denDryver	30,000	-	-	-	-	-	-	-	30,000
M H Wilson	98,623	-	-	8,876	-	-	-	-	107,499
Total	452,987	-	-	32,876	-	-	-	-	485,863

Equity Options were issued to the Management Team comprising of Messrs R Mosig, A Martin and R Vittino after shareholder approval was received at the Company's 2003 Annual General Meeting. The value attributed to the Equity Option was calculated using the Black Scholes Model using 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 17 to the financial statements

17. EXECUTIVE SHARE OPTION PLAN

As at 30 June 2006 the Company had issued 3,450,000 share options (30 June 2005 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 key management personnels' 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

		2006 No.	Weighted average exercise price	2005 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)	-	-	-	-
Granted during the financial year	(iii)	-	-	-	-
Exercised during the financial year	(iv)	-	-	-	-
Balance at end of financial year	(v)	3,450,000	$0.46	3,450,000	$0.46

(i) 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						

(ii) Cancelled during the financial year
There were no options cancelled during the year ended 30 June 2006 and 2005.

(iii) Granted during the financial year
There were no options granted during the year ended 30 June 2006 and 2005.

(iv) Exercised during the financial year
There were no options exercised during the financial years ended 30 June 2006 and 2005.

(v) Balance at end of the 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						

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 2006 are fully vested.

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 key management personnels' remunerations in respect of that financial year as disclosed in note 16 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 (2005: $nil)

18. RELATED PARTY AND DIRECTORS' DISCLOSURES

a) Other Transactions with key management personnel

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

Greg Wheeler Consulting Pty Ltd provided professional services to the value of $78,785 (2005 $10,000) 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 2006 to Mr Greg Wheeler.

b) Key Management Personnels' Equity Holdings

Fully paid ordinary shares issued by Helix Resources Limited

	Balance @ 1/7/05	Granted as remuneration	Received on exercise of options	Net other change	Balance @ 30/6/06	Balance held nominally
	No.	No.	No.	No.	No.	No.
Key Management Personnel						
R W Mosig	2,484,846	-	-	500	2,485,346	-
R E Vittino	900,000	-	-	510,000	1,410,000	-
G Wheeler	753,880	-	-	(53,880)	700,000	-
J den Dryver	-	-	-	-	-	-
A R Martin	262,095	-	-	(262,095)	-	-
M H Wilson	10,000	-	-	2,500	12,500	--
Total	4,410,821	-	-	197,025	4,607,846	-

It should be noted that Mr Martin resigned on 31 July 2005 and therefore the balance of securities held as at 30 June 2006 is nil as he is no longer a specified director and therefore the net change of 262,095 is not as a result of the sale of any securities whilst a specified director.

Listed Share Options issued by Helix Resources Limited

	Bal @ 1/7/05 No.	Granted as remuneration No.	Exercised No.	Other change No.	Bal @ 30/6/06 No.	Balance held nominally No.
Key Management Personnel						
R W Mosig	857,516	-	-	-	857,516	-
R E Vittino	614,271	-	-	(214,271)	400,000	-
G.Wheeler	-	-	-	-	-	-
J. den Dryver	-	-	-	-	-	-
A R Martin	85,538	-	-	(85,538)	-	-
M H Wilson	-	-	-	2,500	2,500	-
Total	1,557,325	-	-	(297,309)	1,260,016	-

It should be noted that Mr Martin resigned on 31 July 2005 and therefore the balance of securities held as at 30 June 2006 is nil as he is no longer a director and therefore the net change of 85,538 is not as a result of the sale of any securities whilst a specified director.

Executive Share Options issued by Helix Resources Limited

	Bal @ 1/7/05 No.	Granted as remuneration No.	Exercised No.	Other change No.	Bal @ 30/6/06 No.	Bal vested @ 30/6/06 No.	Vested but not exercise-able No.	Vested and exercis-able No.	Options vested during year No.
Key Management Personnel									
R W Mosig	1,600,000	-	-	-	1,600,000	1,600,000	-	1,600,000	366,667
R E Vittino	900,000	-	-	-	900,000	900,000	-	900,000	183,333
G Wheeler	-	-	-	-	-	-	-	-	-
J denDryver	-	-	-	-	-	-	-	-	-
A R Martin	950,000	-	-	-	950,000	950,000	-	950,000	183,332
M H Wilson	210,000	-	-	-	210,000	210,000	-	210,000	50,000
Total	3,660,000	-	-	-	3,660,000	3,660,000	-	3,660,000	783,332

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 key management personnel.

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 16 and 17 to the financial statements.

19. INCOME TAX

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
Accounting loss before tax from continuing operations	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Accounting loss before tax from discontinuing operations	-	-	-	-
Accounting loss before tax	(4,762,498)	(1,297,895)	(4,762,498)	(1,297,895)
Income Tax Expense to Accounting Loss:				
Tax expense at the statutory income tax rate of 30%	(1,428,749)	(389,369)	(1,428,749)	(389,369)
Sundry non-deductible (deductible) expenses				
- non-deductible expenses	1,464	4,739	1,464	4,739
- taxable gain on sale of tenements	299,400	-	299,400	-
Benefit of tax losses and temporary differences not brought to account	1,127,885	384,630	1,127,885	384,630
Income tax benefit	-	-	-	-
Income Statement:				
Current income tax charge	(331,057)	(632,536)	(331,057)	(632,536)
Deferred income tax				
Relating to origination and reversal of temporary differences	(796,828)	247,906	(796,828)	247,906
Current year tax losses not recognised in the current period	1,127,885	384,630	1,127,885	384,630
Income tax benefit reported in income statement	-	-	-	-
Income tax benefit reported in income statement	-	-	-	-
Unrecognised Deferred Tax Balances:				
Unrecognised deferred tax asset losses	11,395,447	10,797,624	10,798,203	10,200,380
Unrecognised deferred tax assets other	24,145	45,734	24,145	45,734
Unrecognised deferred tax liabilities	(2,557,111)	(3,127,622)	(2,557,111)	(3,127,622)
Net Unrecognised deferred tax assets	8,862,481	7,715,736	8,265,237	7,118,492

20. SEGMENT INFORMATION

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

21. EARNINGS PER SHARE

	COMPANY	
	2006	2005
	Cents Per share	Cents Per share
Basic loss per share	(5.36)	(1.84)
Diluted loss per share	(5.36)	(1.84)

Basic Loss per Share

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

	2006	2005
	$	$
Earnings / (loss) (a)	(4,762,498)	(1,297,895)
	2006	2005
	No.	No.
Weighted average number of ordinary shares (b)	88,895,929	70,613,737

(a) Earnings used in the calculation of basic earnings per share is net loss after tax of $4,762,498 (2005 : $1,297,895).

(b) The staff and listed options are not 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:

	2006	2005
	$	$
Earnings (a)	(4,762,498)	(1,297,895)
	12 months to 30 June 2006	12 months to 30 June 2005
	No.	No.
Weighted average number of ordinary shares and potential ordinary shares (b)	88,895,929	70,613,737

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of $4,762,498 (2005: $1,297,895).

(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:

	2006	2005
	No.	No.
Staff options	3,450,000	3,450,000
Listed options	19,139,475	16,437,863

22. INTEREST IN JOINT VENTURES

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

Joint Venture Project	Percentage Interest	Principal Exploration Activities
Bilyuin	90% (2005:90%) (JA Bunting & Associates)	Gold
Tunkillia	100% (2005: 100%) Diluting to 49% (Mintoaur Exploration)	Gold
Lake Everard Uranium	100% (2005: 100%) Diluting to 49% (Toro Energy)	Uranium
Yalleen	100% (2005: 100%) Diluting to 30% (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 Group's interest in exploration expenditure in the above mentioned joint ventures is included in note 7 and at 30 June 2006 is $136,149 (2004 : $399,220).

23. 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 main risks are determined to be interest rate and credit risk.

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

			Floating Interest Rate Maturity			
	Average Interest Rate	Fixed Interest Rate	Less than 1 year	More than 1 Year	Non Interest Bearing	Total
	%	$	$	$	$	$
2006						
Financial Assets						
Other Receivables (incl tenement app'ns)		-	-	-	435,082	435,082
Financial assets		-	-	-	890	890
Cash and cash equivalent assets	5.1%	1,150,828	-	-	200	1,151,028
Security deposits and deposits at financial institutions	5.3%	-	249,554	154,583	-	404,137
		1,150,828	249,554	154,583	436,172	1,991,137
Financial Liabilities						
Trade Payables		-	-	-	186,625	186,625
		-	-	-	186,625	186,625
2005						
Financial Assets						
Other Receivables		-	-	-	41,699	41,699
Financial assets		-	-	-	890	890
Cash and cash equivalent 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
		-	-	-	214,856	214,856

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 Group. The Group 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 Group measures risk on a fair value basis.

The maximum credit risk on financial assets of the Group 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.

24. EMPLOYEE ENTITLEMENTS
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	$	$	$	$
Provision for employee entitlements:				
Current (Note 8)	25,784	67,375	25,784	67,375
Non-Current (Note 8)	21,953	10,538	21,953	10,538
	47,737	77,913	47,737	77,913
	No	No	No	No
Number of employees at end of financial year	7	8	7	8

25. REMUNERATION OF AUDITORS

	2006	2005	2006	2005
	$	$	$	$
a) Auditor of the Parent Entity				
Auditing the financial report	25,500	27,000	25,500	27,000
Taxation services	-	6,300	-	6,300
Other services – A-IFRS	-	7,700	-	7,700
	25,500	41,000	25,500	41,000

The auditor of Helix Resources Limited for the 2006 financial year is Bentlys mri Perth Partnership.

26. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS.

The impacts of the adoption of Australian equivalents to International Financial Reporting Standards were outlined in the 30 June 2005 Annual Report. Reconciliations of equity at the date of transition to A-IFRS compared to previous accounts prepared under Australian Generally Accepted Accounting Principles ["AGAAP"] is outlined in the Consolidated Statement of Changes in Equity.

There are no material differences between the financial statements presented under A-IFRS and the financial statements presented under previous AGAAP.

27. 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

The financial report of Helix Resources Limited for the year ended 30 June 2006 was authorised for issue in accordance with a resolution of the directors on the 7th day of September 2006.

SHAREHOLDING INFORMATION
ANALYSIS OF SHAREHOLDERS AS AT 7 SEPTEMBER 2006

NUMBER OF SHARES HELD

Spread of Holdings	Number of Shareholders	Number of Shares
1–1000	150	98,384
1,001–5,000	521	1,765,080
5,001–10,000	432	3,648,745
10,001–100,000	865	32,006,965
100,001and over	149	58,347,753
Total	2,117	95,866,927

Number of shareholders holding less than a marketable parcel	405	670,190

PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS

	Shareholder	No of Shares	%
1	Yandal Investments	8,953,460	9.34
2	Dr. Peter John Woodford	4,158,383	4.34
3	Colter Holdings Pty Ltd	2,547,179	2.66
4	Blamnco Trading Pty Ltd	2,000,000	2.09
5.	Mr Peter John Woodford	1,660,743	1.73
6.	Zero Nominees Pty Ltd	1,435,007	1.49
7.	Anglogold Ashanti Australia	1,413,417	1.47
8.	Nefco Nominees Pty Ltd	1,350,831	1.41
9.	Technica Pty Ltd	1,297,613	1.35
10.	Niddrie Holdings Pty Ltd	1,229,115	1.28
11.	C H Administration Pty Ltd	1,000,000	1.04
12.	Mr Daniel Ronald Watson	1,000,000	1.04
13.	ANZ Nominees Limited	804,814	0.84
14.	Mr Maxwell Alfred Kippe	750,000	0.78
15.	Yan’s Investment Pty Ltd	700,000	0.73
16.	Ms Seiko Furuse & Mr Savas Turem	650,000	0.68
17.	Mr Abdelaziz Soliman	628,500	0.67
18.	National Nominees Limited	623,273	0.65
19.	Spar Resources Pty Ltd	532,000	0.55
20.	Mr John Halaska	510,416	0.53
	Top 20 Total	32,994,751	34.41

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

SUBSTANTIAL SHAREHOLDERS

Shareholder	No of Shares	% of Issued Capital
Yandal Investments Pty Ltd	8,953,460	9.34
P Woodford	6,768,678	7.06

DIRECTORS' INTEREST IN SHARE CAPITAL

Director	Fully Paid Ordinary Shares	Listed Options	Staff Options
G J Wheeler	700,000	-	-
J den Dryver	-	-	-
G Dunbar	-	-	-
	700,000	-	-

NUMBER OF OPTIONS HELD

Spread of Holdings	Number of Option Holders	Number of Options
1–1000	74	42,364
1,001–5,000	131	372,320
5,001–10,000	64	476,085
10,001–100,000	142	4,939,943
100,001and over	41	13,308,763
TOTAL	452	19,139,475

PERCENTAGE HELD BY 20 LARGEST OPTIONHOLDERS

	Optionholder	No of Options	%
1.	Yandal Investments Pty Ltd	2,219,054	11.59
2.	Mrs Li Ming Yu	1,020,000	5.33
3.	Blamnco Trading Pty Ltd	850,000	4.44
4.	Technica Pty Ltd	849,523	4.43
5.	Mr Manuel Arthur Samios	530,000	2.77
6.	Shipsters Investments Pty Ltd	509,500	2.66
7.	Zero Nominees Pty Ltd	405,007	2.12
8.	Davsms Investments Pty Ltd	400,000	2.09
9.	Mr Pak Hang Chan	320,000	1.67
10,	Mr Leonid Charuckyj	300,000	1.57
11.	Mrs Florence Lynette Kellett	300,000	1.57
12.	Aquatreat Services Pty Ltd	300,000	1.57
13.	Ms Seiko Furuse & Mr Savas Turem	300,000	1.57
14.	Mr Andrew Denis Story & Mrs Evelyn Muriel Story	300,000	1.57
15.	Mr Eugene Severi	298,623	1.56
16.	Hazurn Pty Ltd	250,000	1.31
17.	Scalia Holdings Pty Ltd	230,000	1.20
18.	Mr Jia Jian Chen & Mrs Zhang Ping	225,000	1.17
19.	Mrs Rhonda Karen Beatson	200,000	1.04
20.	Mr Ralph Maurice Henger & Mr Mark James Henger	200,000	1.04
	Top 20 Total	10,006,707	52.28

The above listed options are due to expire on 31 March 2007 and are exercisable at $0.14 each.

Tenement Schedule

Tenement	Name	Mineral	Ownership
GAWLER JV			
EL2854	Lake Everard West	Gold	Helix Resources Limited 100%
EL3403	Lake Everard	Gold	Minotaur Exploration Earning 51%
EL3335	Childarra	Gold	Toro Energy Earning 51% Uranium Rights
GLENBURGH			
EL09/0644	Glenburgh	Gold	Helix Resources Limited 100%
EL09/1079	Glenburgh	Gold	
PL09/0424	Glenburgh	Gold	
PL09/0425	Glenburgh	Gold	
PL09/0426	Glenburgh	Gold	
PL09/0427	Glenburgh	Gold	
ELA09/1278	Carey Downs	Gold	
ELA09/1279	Callytharra Springs	Gold	
ELA09/1280	Milly Milly	Gold	
ELA09/1281	Warrigal	Gold	
ELA09/1282	Carradarra Well	Gold	
ELA09/1283	Deep Well	Gold	
ELA09/1284	Challenger	Gold	
ELA09/1285	Minga	Gold	
ELA09/1286	Yalbra Well	Gold	
ELA09/1287	Willagrad Bore	Gold	
ELA09/1288	Garden Well	Gold	
ELA09/1289	Rabbit Bore	Gold	
ELA09/1325	Glenburgh	Gold	
MLA09/0087	Glenburgh	Gold	
MLA09/0088	Glenburgh	Gold	
MLA09/0122	Glenburgh	Gold	
MLA09/0123	Glenburgh	Gold	
MLA09/0124	Glenburgh	Gold	
MLA09/0125	Glenburgh	Gold	
LAKE THROSSELL*			
ELA38/1807	Lake Throssell	Gold	Helix Resources Limited 100%
ELA38/1808	Cosmo Newberry	Gold	*(Tenements were sold to Crusader Holdings NL for
EL38/1476	Mt Venn East	Gold	750,000 shares in July 2006)
ELA38/1775	Browns Gap	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

Tenement	Name	Mineral	Ownership
WEST PILBARA			
EL47/1169	Yalleen	Diamonds	Helix Resources Limited 100%
EL47/1170	Yalleen	Diamonds	API Limited earning 70% (Iron Ore)
EL47/1171	Yalleen	Diamonds	
EL47/1144	Pinderi Hills	Diamonds	Helix Resources Limited 100%
EL47/1145	Pinderi Hills	Diamonds	
ELA47/1146	Cooya Pooya	Diamonds	
EL47/1075	Munni Munni South	Diamonds	
ELA47/1089	Munni Munni South	Diamonds	
ELA47/1090	Munni Munni South	Diamonds	
MLA47/0786	Munni Munni South	Diamonds	
MLA47/0787	Munni Munni South	Diamonds	
MLA47/0788	Munni Munni South	Diamonds	
MLA47/0789	Munni Munni South	Diamonds	
MLA47/0790	Munni Munni South	Diamonds	
MLA47/0791	Munni Munni South	Diamonds	
MLA47/0792	Munni Munni South	Diamonds	
MLA47/0793	Munni Munni South	Diamonds	
MLA47/0794	Munni Munni South	Diamonds	
NARRACOOTA / BILYUIN			
EL52/1496	Bilyuin	Gold	Helix Resources Limited 90%
			JA Bunting and Assoc. 10%

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

Gregory J Wheeler	Executive Chairman
John den Dryver	Non-executive Director
Gordon Dunbar	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

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Share Registry

Advanced Share Registry

110 Stirling Highway

Nedlands Western Australia 6009

PO Box 1156 Nedlands Western Australia 6909

Telephone: +61 8 9389 8033

Facsimile: +61 8 9389 7871

Auditor

Bentleys mri Perth Partnership

Level 1, 10 Kings Park Road

West Perth Western Australia 6005

Telephone: +61 8 9480 2000

Facsimile: +61 8 9322 7787

Stock Exchange

The Company Securities are quoted on the Australian Stock Exchange Limited

CODE: HLX and HLXO

HELIX RESOURCES LIMITED

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