Rules 4.2A.3

Appendix 4D

Half Year Report

Name of entity
COMPASS GOLD LIMITED

ABN or equivalent company reference	Half yearly *(tick)*	Preliminary final *(tick)*	Half year/financial year ended ('current period')
48 008 031 034	✓		31 December 2004

Results for announcement to the market

$A'000

Financial Results				
Revenues from ordinary activities *(item 1.1)*	up	19,014.2%	to	16
Profit (loss) from ordinary activities after tax attributable to members (*item 1.22*)	up	1,330.1%	to	(210)
Profit (loss) from extraordinary items after tax attributable to members (*item 2.5(d))*	up	1,330.1%		(210)

Dividends (distributions)	Amount per security	Franked amount per security
2005 Interim Dividend	Nil	Nil
2004 Final Dividend	Nil	Nil
It is not proposed to pay a dividend.		
Record date for determining entitlements to the 2004 Interim dividends		N/A

Net Tangible Asset Backing	31 December 2004	31 December 2003
Net tangible asset backing per +ordinary security	0.056 cps	(5.8) cps

Other explanatory notes

Large increase in expenses and therefore loss for the period is due to Compass Gold Limited being inactive last year. In the current year, Compass Gold Limited has made investments, occupied an office, and is preparing to issue a Prospectus.

Net Tangible Asset Backing has been adjusted to reflect the share consolidation which occurred in September 2004.

Control gained or lost over entities having material effect	
Name of entity (or group of entities)	N/A
Date of gaining control	N/A

Distribution to Shareholders	N/A

Dividend reinvestment plan details	N/A

Joint venture and associate details	N/A

Foreign entities accounting standards used	N/A

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the 2004 annual financial report.

31 DECEMBER 2004

INTERIM
FINANCIAL REPORT

SOUTHERN EQUITY
HOLDINGS LIMITED

ABN 48 008 031 034

Half Year Financial Report

For The Half-Year Ended 31 December 2004

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2004.

DIRECTORS

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

Colin Barboutis	Non Executive Chairman	
James Tyers	Executive Director	Appointed 10 December 2004
Gary Castledine	Non Executive Director	
Angela Dent	Executive Director	

REVIEW OF OPERATIONS

In October 2004 Southern Equity Holdings Limited ("SEQ") subscribed for 33.5% of the issued capital of Dominicana Gold Pty Ltd ("Dominicana Gold") for $1.5 million. Concurrently, SEQ entered into an agreement to fund the feasibility study on the Las Lagunas Tailings Project (up to $1.6 million) and into option agreements with the existing Shareholders to purchase their shares in Dominicana Gold for $3.4 million, by 30 September 2005. The purchase of the existing shares is at SEQ's option but is subject to the completion of the feasibility study. On completion of the feasibility study SEQ will be issued additional shares in Dominicana Gold taking its shareholding to 51%. The total cost of acquiring 100% of Dominicana Gold, including the feasibility study, will be $6.5 million.

Dominicana Gold holds 50% of Las Lagunas Limited which is entitled to process 6.8Mt of sulphide tailings in the Las Lagunas Dam adjacent to the Pueblo Viejo gold mine, with contained gold and silver valued by the Dominican Republic Department of Mines at over $400 million.

In December 2004 Mr James Tyers was appointed as a Director of the Company. Mr Tyers has 16 years experience in the mining industry with the last 8 years involving senior management roles in both Gold and Iron Ore operations. He has spent the last three years developing iron ore projects in the mid west of Western Australia and was the Operations Manager of the Tallering Peak Hematite Project.

In September 2004, Shareholders approved and the Company completed, a 2 for 1 Share Consolidation. During the period the Company raised $665,000 by share issues at 5 cents prior to consolidation or 10 cents post consolidation, and converted $1.1 million of loans to equity at 5 cents per share pre-consolidation (as approved by Shareholders in June 2004).

The Company is preparing a Prospectus to raise funds for the feasibility study on the Las Lagunas Tailings Project, which is expected to be lodged with the ASX in February 2005. Successful completion of the capital raising under the Prospectus should enable re-listing on ASX in April 2005.

ROUNDING OF AMOUNTS

The economic entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the director's report have been rounded off to the nearest $1.00.

This report is signed in accordance with a resolution of the Director.

Colin Barboutis

Chairman

Perth, 4 February 2005

Statement of Financial Performance

For The Half-Year Ended 31 December 2004

	Note	CONSOLIDATED	
		December 2004 $	December 2003 $
REVENUES FROM ORDINARY ACTIVITIES	2	**16,088**	**84**
Administrative & operating expenses	3	127,950	95,609
Occupancy costs		29,769	-
Legal and professional costs		67,232	39,696
Interest expense		1,075	15,020
TOTAL EXPENSES		**226,026**	**150,325**
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**(209,938)**	**(150,241)**
Income tax expense relating to ordinary activities		-	-
LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(209,938)	(150,241)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS		**(209,938)**	**(150,241)**

Basic earnings per share (cents per share)	(0.57)	(2.4)
Diluted earnings per share (cents per share)	(0.57)	(2.4)

The accompanying notes form part of these Financial Statements

Statement of Financial Position

As at 31 December 2004

	Note	CONSOLIDATED	
		December 2004	**June 2004**
		$	**$**
CURRENT ASSETS			
Cash assets		17,615	33,562
Receivables		14,991	1,140,338
Other		94,149	-
Other financial assets	4(A)	868,151	-
TOTAL CURRENT ASSETS		**994,906**	**1,173,900**
NON-CURRENT ASSETS			
Other		11,200	11,200
Other financial assets	4(B)	1,575,000	868,151
Property, plant and equipment		36,053	40,309
TOTAL NON-CURRENT ASSETS		1,622,253	919,660
TOTAL ASSETS		**2,617,159**	**2,093,560**
CURRENT LIABILITIES			
Borrowings		-	1,100,000
Payables		123,082	52,544
TOTAL CURRENT LIABILITIES		123,082	1,152,544
TOTAL LIABILITIES		123,082	1,152,544
NET ASSETS		**2,494,077**	**941,016**
EQUITY			
Contributed equity	5	2,523,758	9,783,755
Reserves		180,257	180,257
Accumulated losses	6	(209,938)	(9,022,996)
TOTAL EQUITY		**2,494,077**	**941,016**

The accompanying notes form part of these Financial Statements

Statement of Cash Flows

Half-Year Ended 31 December 2004

	CONSOLIDATED	
	December 2004	December 2003
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Reimbursement of expenditures	7,511	86,551
Payments to suppliers and employees	(142,956)	(87,917)
Interest received	1,096	84
Other income	-	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	**(134,349)**	**(1,282)**
CASH FLOWS FROM INVESTING ACTIVITES		
Purchase of property, plant and equipment	(1,596)	-
Proceeds from sale of property, plant and equipment	-	-
Loans advanced to controlled entities	-	-
Loans advanced to other entities	-	-
Purchase of investments	(400,000)	-
Payments for Feasibility Study	(75,000)	-
NET CASH USED IN INVESTING ACTIVITES	**(476,596)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	665,000	-
Payment of share issue costs	(70,002)	-
Loan from potential investors	-	-
Interest on convertible note	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	**594,998**	**-**
NET INCREASE/(DECREASE) IN CASH HELD	**(15,947)**	**(1,282)**
Cash at the beginning of the financial year	33,562	30,622
CASH AT THE END OF THE FINANCIAL YEAR	**17,615**	**29,340**

The accompanying notes form part of these Financial Statements

Notes to the Financial Statements

31 December 2004

1. Basis Of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Southern Equity Holdings Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

	CONSOLIDATED	
	December 2004	**December 2003**
	$	**$**
2. Revenues From Ordinary Activities		
Interest Received - Other Corporations	1,096	-
Other income	14,992	84
Total Revenues From Ordinary Activities	**16,088**	**84**
3. Expenses And Losses		
(A) Loss form ordinary activities before income tax expense has been arrived at after charging/ (crediting) the following items:		
Depreciation of non-current assets		
Plant and equipment	5,853	795
Borrowing costs expensed		
Interest expense	1,075	15,020
(B) Individually Significant Expenses/ (Revenues) included in loss from ordinary activities before income tax expense		
Personnel costs - Directors	45,000	73,000
Occupancy expenses	29,769	-
Legal & professional	67,232	39,696
Travel	23,369	-
Admin & other operating costs	53,728	21,814
	226,026	**150,325**

4. Other Financial Assets

		CONSOLIDATED	
		December 2004 $	June 2004 $
(a) Current			
Investments in Unlisted Companies	(i)	868,151	-
(b) Non-Current			
Investments in Associates	(ii)	1,575,000	-
Investments in Unlisted Companies	(i)	-	868,151
		1,575,000	**868,151**

(i) In March 2004 the Company invested $868,151 (HK 5,000,000) In Asia Iron Holdings Limited ("AIHL") a Hong Kong registered company. Subject to Shareholder approval of a change in activities (Shareholder Meeting to be held 9 February 2005), the investment in AIHL will be sold to increase working capital. Therefore, as at 31 December 2004 the investment has been classified as current.

(ii) In October 2004 Southern Equity Holdings Limited ("SEQ") subscribed for 33.5% of the issued capital of Dominicana Gold Pty Ltd ("Dominicana Gold") for $1.5 million. Concurrently, SEQ entered into an agreement to fund the feasibility study on the Las Lagunas Tailings Project (up to $1.6 million) and into option agreements with the existing Shareholders to purchase their shares in Dominicana Gold for $3.4 million, by 30 September 2005. As at balance date $75,000 had been paid to Dominicana Gold for the Feasibility Study.

5. Contributed Equity

	December 2004 $	June 2004 $
(a) Issued and paid up capital		
Ordinary Shares fully paid	2,513,753	9,783,750
Preference Shares Fully Paid	5	5
Ordinary Shares to be issued	10,000	-
	2,523,758	**9,783,755**

5. Contributed Equity (cont)

	December 2004		June 2004	
	No. of Shares	$	No. of Shares	$
(b) Movements in Ordinary Shares on Issue				
Beginning of the financial year	54,551,000	9,783,750	12,951,000	8,371,750
Issued at 3 cents	-	-	38,400,000	1,152,000
Issued at 5 cents	32,800,000	1,640,000	1,200,000	60,000
Issued at 10 cents	-	-	2,000,000	200,000
1 for 2 consolidation	(43,675,491)	-	-	-
Issued at 10 cents (post consolidation)	1,150,000	115,000	-	-
Capital Raising Costs	-	(2,000)	-	-
Capital Reduction	-	(9,022,996)	-	-
Balance at the end of year	**44,825,509**	**2,513,754**	**54,551,000**	**9,783,750**

6. Retained Losses

	CONSOLIDATED	
	December 2004 $	June 2004 $
Balance at the Beginning of the Year	(9,022,996)	(8,777,156)
Capital Reduction	9,022,996	-
Net loss from operating activities	(209,938)	(245,840)
Balance at end of year	**(209,938)**	**(9,022,996)**

In September 2004, pursuant Shareholder approval, the Company reduced its issued capital reflecting the non-recoverability of losses accumulated to 30 June 2004.

7. Events Subsequent To Reporting Date

On 7 January 2005 the Company sent a Notice of General Meeting to Shareholders. At the Meeting to be held on 9 February 2005 Shareholders will be asked to approve a change of name to "Compass Gold Limited", a change of activities to "identification and development of mineral resources particularly gold and gold tailings" and the issue of Shares and Options under a Prospectus to be lodged with ASIC following the Meeting.

8. Contingent Liability

There are no contingent liabilities as at the reporting date.

9. Segment Reporting

Segment products and locations

Prior to 31 December 2003 all activities of the Consolidated Entity took place within the cash and equities segment within Australia. Since 1 January 2004 the Consolidated Entity has made investments in the mining/ manufacturing sector in Hong Kong based Asia Iron Holdings Limited, and in the mining sector in the Dominican Republic.

In the current period neither investment has generated revenues or incurred any material expenditure. The loss to 31 December 2004 arises from corporate administrative expenditure and cannot be allocated to any segment.

Directors' Declaration

The Directors of the company declare that:

(a) the financial statements and notes as set out in page 2 to 8:

   i) comply with Accounting Standards AASB 1029: Interim Financial Reporting and the Corporations Regulations; and

   ii) give a true and fair view of the economic entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date.

(b) 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.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board

COLIN BARBOUTIS
DIRECTOR

Dated this 4th Day of February 2005

Hall Chadwick
Chartered Accountants & Business Advisers

SOUTHERN EQUITY HOLDINGS LIMITED
ABN 48 008 031 034
AND CONTROLLED ENTITIES

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INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF SOUTHERN EQUITY HOLDINGS LIMITED

SCOPE

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Southern Equity Holdings Limited (the company) and the consolidated entity, for the half-year ended 31 December 2004. The consolidated entity comprises both the company and the entities it controlled during that half-year.

The directors of the company are responsible for the preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", 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.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's, and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Southern Equity Holdings Limited is not in accordance with:

(a) the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of Southern Equity Holdings Limited and the consolidated entity at 31 December 2004 and of their performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia.

HALL CHADWICK	**MICHAEL HILLGROVE**
Chartered Accountants	**Partner**

DATED at PERTH this 8th day of February 2005