



QUARTERLY REPORT 2003

HELIX RESOURCES LIMITED

Quarter Ending 31 December 2003

HIGHLIGHTS

- New JORC compliant ore resource completed for Area 233 at the Tunkillia Gold Project;
- Scoping Report on Area 223 nears completion.
- New program of exploration drilling to commence in the second quarter of 2004 to resource test known anomalies in the immediate and nearby vicinity of Area 223.
- \$866,250 raised via the sale of part shareholding in Diamond Ventures NL and shareholding in Imdex Limited, cash reserves now stand at \$2.3M.

SUMMARY

The Company is pleased to advise that significant advancements have been achieved during the Quarter at Area 223 of its Tunkillia Gold Project in the Gawler Craton region of South Australia. Previous drilling by Helix, Acacia and AngloGold at Area 223 had identified a 1.6 kilometre zone in which a global resource estimate of 8.5 million tonnes grading 2.3g/t for approximately 600,000 contained ounces of gold was estimated. The Company carried out extensive drilling during 2003, after it had purchased 100% of the project back from AngloGold, to confirm and upgrade the size and grade of this global resource estimate. Drilling was completed in October 2003 and AMC Consultants Pty Ltd (AMC) were contracted to compile a new ore resource down to a 250 metre vertical depth below ground level.

The new resource – the first-ever JORC-compliant resource for the project – has been estimated by AMC Consultants Pty Ltd (to a depth of 250 metres) at 7.3 million tonnes grading 2.64 g/t gold (using a 1 g/t lower cut-off) for 620,000 contained ounces. The JORC resource lies within a global envelope of 10.1 million tonnes grading 2.6g/t gold containing 850,000 ounces.

The new estimate, which has improved the earlier global resource by 40%, has also improved the grade from 2.3g/t to 2.6g/t and the original 1.6 kilometre mineralised strike length has been extended to 2.0 kilometres and remains open ended both to the north and south (refer Figure 1).

Drilling to further evaluate the resource and continue exploration on the highly prospective extensions will commence in the second quarter of 2004.

In addition to the Ore Resource calculations, AMC are undertaking a Scoping Report, summarising the salient mining issues likely to affect the Tunkillia Gold Project. This report is expected to be completed in February.

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Exploration and Development Activities

TUNKILLIA PROJECT – SOUTH AUSTRALIA

Exploration Licence 2697 - Helix Resources Limited 100%

During the quarter AMC Consultants Pty Ltd (AMC) conducted a resource estimate at Area 223 utilising the new the data from the RC drilling completed during October 2003. The resource covers a total strike length of 2.0 kilometres that includes 58,000 metres of drilling from 317 RC and diamond drill holes. The resource model is restricted to 250 metres depth below surface.

Initially a global model was constructed to provide a comparison between the previous Anglo and Snowdens global resource estimates, reported in early 2003, at a lower cut off grade greater than 1g/t Au. The global estimate within the new model by AMC showed a significant increase in both contained ounces and grade with the AMC model containing 10.1 million tonnes grading 2.6g/t of Au (850,000 ounces) compared to the previous estimates of 8.5 million tonnes grading 2.3g/t Au (600,000 ounces).

AMC have also calculated the first JORC compliant gold and silver resource from within the global envelope at Area 223. The Mineral Resource for Area 223 above a 1g/t Au lower cut is tabulated below:

TABLE 1 – AREA 223 MINERAL RESOURCE

Resource Category	Tonnes Mt	Gold		Silver	
		Grade g/t	Contained Gold	Grade g/t	Contained Silver
Indicated	3.65	2.58	302,000	7.39	866,000
Inferred	3.66	2.71	318,000	6.73	791,000
Total	7.30	2.64	620,000	7.06	1,657,000

The resource has been estimated using geological wire frames interpreted by Helix and the grades and tonnages calculated by AMC using Ordinary Kriging. Figure 2 shows a plan view of the primary resource lodes overlain by the supergene resource.

The AMC resource estimate utilised a variety of upper cut off grades with the majority of the higher grade gold lodes being top-cut at 40g/t with the corresponding Ag top-cuts varying from 40 to 150g/t.

The resource remains open at depth and along strike both to the north and south. Figure 1 shows drilling results from exploration RC drilling at the Tunkillia Anomaly outside of the Area 223 resource. There are a number of significant intersections immediately along strike from Area 223 including 30m at 1.0g/t Au, 4m at 5.25g/t Au and 83m at 0.6g/t Au. In addition there are a number of intersections in the central and eastern portion of the Tunkillia Anomaly requiring follow up exploration drilling which are shown on Figure 1.

AMC are currently using the new resource estimate to complete a Scoping study into the viability of open cut mining of Area 223. This study, which is expected to be completed in February 2004, will be used by Helix to determine if the project is sufficiently robust to commence a Feasibility Study.

Ref:3376

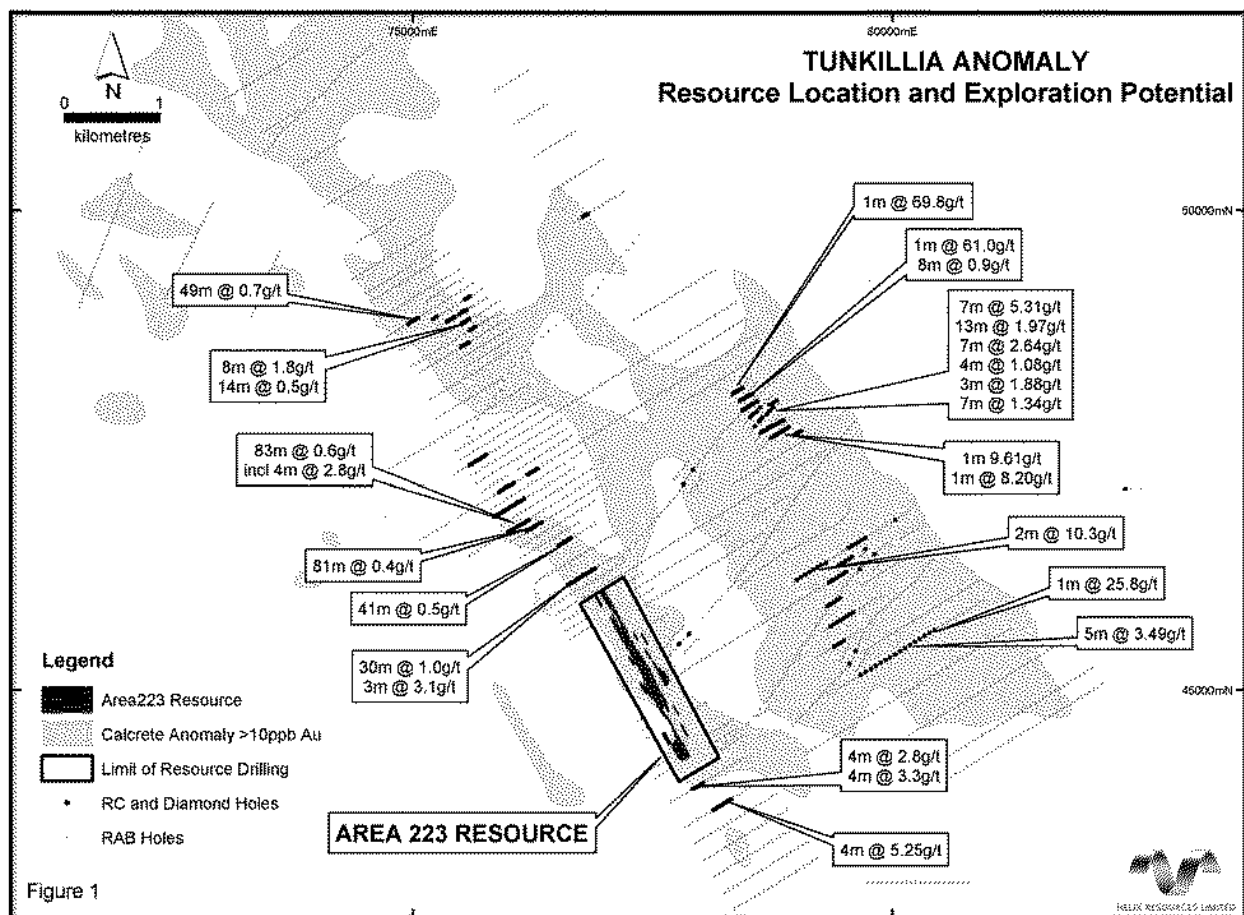
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Outside of Area 223 the company is planning a 10,000 metre RC drilling program to investigate exploration targets that may add to the overall Tunkillia resource. Drilling is expected to commence in mid to late march.

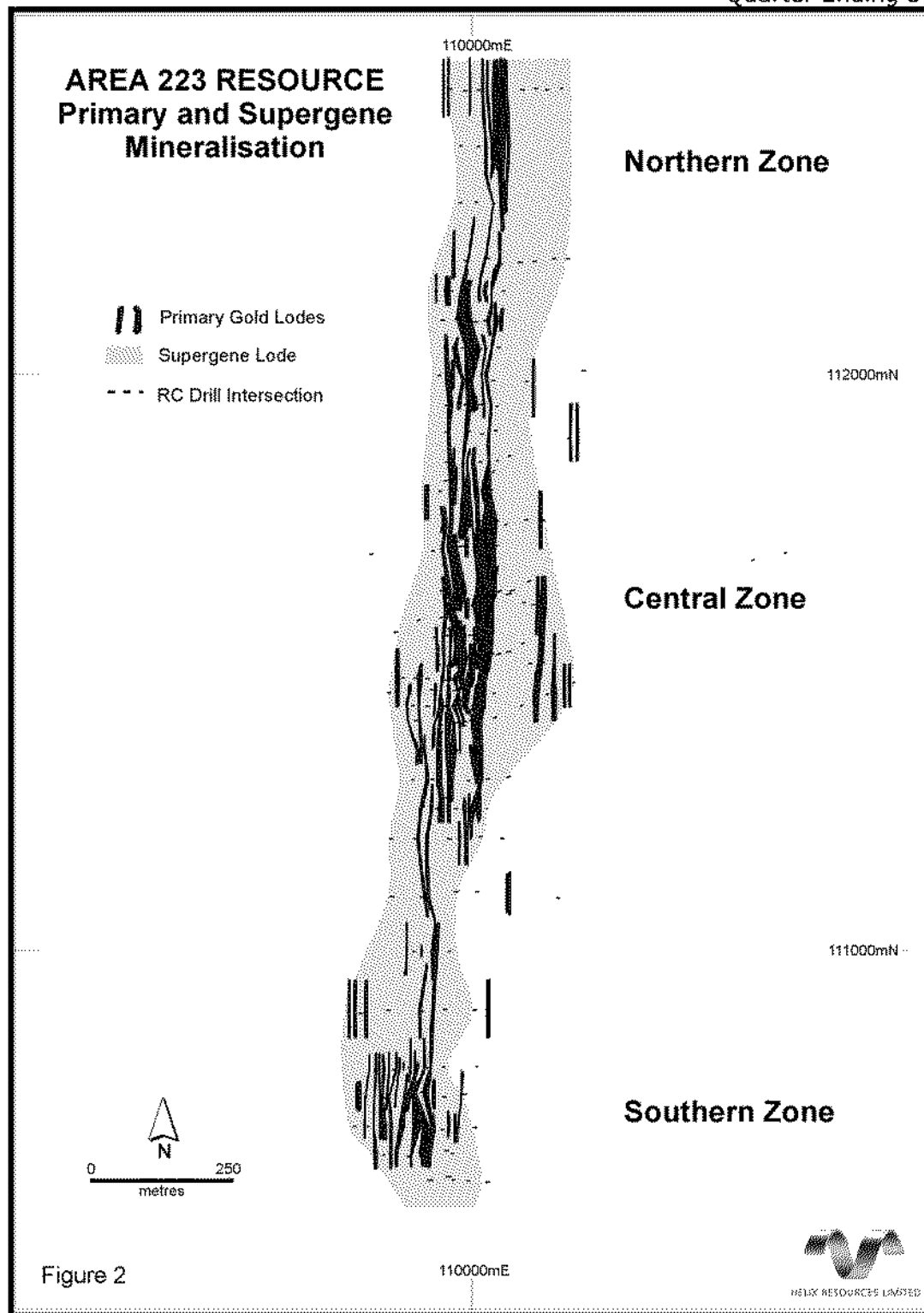
The information in this report that relates to Mineral Resources is based on information compiled by Anthony Martin a full time employee of Helix Resources Limited, and who is a Member of The Australasian Institute of Mining and Metallurgy. The report is based on the resource model completed by John Tyrrell a full time employee of AMC Consultants Pty Ltd who is also a Member of The Australasian Institute of Mining and Metallurgy. Anthony Martin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he (or she) is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Anthony Martin and John Tyrrell consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



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Exploration and Development Activities cont.

WEST PILBARA DIAMOND JOINT VENTURE

EL's 47/0905, 1015, 1074-1075,

ELA's 47/1090, 1144-46, 1169-71

De Beers Australia Exploration Limited earning 51% equity for diamonds only.

In July 2003 agreement was reached with Helix Resources whereby De Beers would explore for diamonds in eleven Helix tenements covering some 1984km² in the West Pilbara region of WA.

Fieldwork involved the first-pass collection of 470 stream samples, 219 soil samples and 21 rock samples. Reconnaissance heavy mineral stream sampling was conducted at a sample density of approximately one sample per 4km². 70% of the samples have been visually sample examined to date of these 249 samples have reported spinel.

A further 131 follow-up stream, soil and rock samples were collected in three areas and anomalous spinel has been found in all three areas.

A total of 13 Hyperspectral Scanner anomalies were ground investigated and sampled, the heavy mineral results from this work are awaited and a full assessment of the results is still to be conducted by DeBeers.

Although full sample results are awaited De Beers have concluded that the results to date justify further follow-up sampling.

In addition to the work planned by De Beers, Helix is planning to investigate whether any of the spinel identified by De Beers is related to PGE bearing ultramafic lithologies.

Corporate Activities

During the quarter Helix liquidated its shareholding in Imdex Limited and sold part of its shareholding in Diamond Ventures NL (ASX: DDV) realising a total of \$866,250. Helix is still a major shareholder in DDV, with a holding of 6.32%.

ROBERT W MOSIG
MANAGING DIRECTOR

ANTHONY R MARTIN
DIRECTOR – EXPLORATION

This report is based on information compiled by full time employees of Helix Resources Limited, Messrs R W Mosig and A R Martin, who are competent persons as described by Listing Rule Appendix 5A. The report reflects the information compiled by them for the purposes of Listing Rules 5.10 and 5.12.

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Corporate Directory

Directors

Ewen W J Tyler	Non Executive Chairman
Robert W Mosig	Managing Director
Anthony R Martin	Executive Director
Ian K Macpherson	Non Executive Director
Bryce E Wauchope	Non Executive Director

Company Secretary

Riccardo E Vittino

Australian Business Number

27 009 138 738

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Perth Western Australia 6000

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HELIX RESOURCES LIMITED

ABN

27 009 138 738

Quarter ended ("current quarter")

31 December 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (..6... months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(502)	(1,552)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	23	58
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(802)	(2,172)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(62)	(1,000) (62)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	866	866
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	804	(196)
1.13 Total operating and investing cash flows (carried forward)	2	(2,368)

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1.13	Total operating and investing cash flows (brought forward)	2	(2,368)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		1,077
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		100
	Net financing cash flows		1,177
	Net increase (decrease) in cash held	2	(1,191)
1.20	Cash at beginning of quarter/year to date	2,529	3,722
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,531	2,531

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

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	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	750
4.2 Development	
Total	750

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	0	0
5.2 Deposits at call	2,175	2,178
5.3 Bank overdraft		
5.4 Other (provide details)	356	351
Total: cash at end of quarter (item 1.22)	2,531	2,529

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL3036	Expired -- not renewed	100%	0%
		EL3050	Expired -- not renewed	100%	0%
		E69/1860	Application Withdrawn	0%	0%
		E69/1861	Application Withdrawn	0%	0%
		E69/1862	Application Withdrawn	0%	0%
		E69/1863	Application Withdrawn	0%	0%
		E80/1734	Surrendered	0%	0%
		E80/1735	Surrendered	0%	0%
		P29/1257	Surrendered	0%	0%
		P29/1259	Surrendered	0%	0%
6.2	Interests in mining tenements acquired or increased	ELA2253	Application Lodged	0%	0%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	56,938,958	56,938,958		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,962,999	Nil	<i>Exercise price</i> Various	<i>Expiry date</i> Various
	14,109,310	14,109,310	25 cents	30 November 2005
7.8 Issued during quarter	2,586,999	387,000	Various	Various
7.9 Exercised during quarter				
7.10 Expired during quarter	2,679,999	Nil	Various	Various
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				



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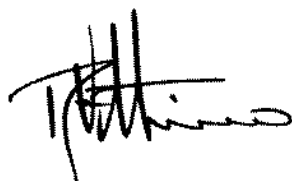
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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 28th January 2004.

Print name: Riccardo Vittino.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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