



Helix Resources Limited

A.C.N. 009 138 738 Incorporated in Western Australia

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Manager
Company Announcements Office
Australian Stock Exchange Limited
Via Electronic Lodgement

HIGH GRADE GOLD MINERALISATION DISCOVERED AT AREA 223.

The Company is pleased to provide further details of its Drilling Program and Feasibility Study which commenced in April at the Tunkillia Gold project in the Gawler Craton of South Australia. New high grade intersections at Area 223 have the potential to significantly increase both the size and grade of the current resource which stands at 10.5mt grading 2.2g/t Au (730,000 oz).

Recent intersections at **Area 223 South** have included **3m at 17g/t and 15m at 7.7g/t in LRC 498, 5m at 15g/t in LRC 495 and 2m at 22g/t in LRC 496**, while results from **Area 223 North** include **4m at 7.7g/t in LRC 468, 3m at 6.3g/t in LRC483 and 1m at 16g/t in LRC481** (Figure 1). A full list of significant results from the program is included in Table 1.

REVERSE CIRCULATION (RC) DRILLING RESULTS

Approximately 7,800 metres of a planned 14,000 metre RC drilling program were completed. The drilling program was suspended in late May to allow the company sufficient time to assess the new results and adjust the remaining program accordingly.

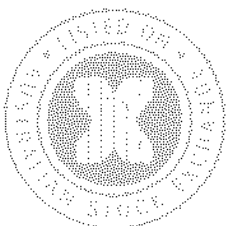
Area 223 South

The new assay results from Area 223 South represent the highest grade continuous primary mineralisation intersected to date at the Tunkillia project. The latest results from LRC 498, which represented in-fill drilling on an existing drill line, will increase both the grade and total ounces within this portion of the Area 223 resource. In addition, the new drilling results provide strong evidence of previously unrecognised high grade mineralised shoots within the Area 223 South vicinity. The high grade intersections in holes LRC 495 and 496 both represent a single continuous vein hosted lode which extends at least 50 metres north of the current Area 223 South resource limits.

Future drilling at Area 223 South will concentrate on both infill drilling to delineate high grade shoots and extensional drilling to expand the current resource to the north, south and west.

Area 223 North Infill Drilling

Results from infill drilling as detailed above and listed in Table 1, have yielded both improved grades and widths of gold mineralisation and will also have a positive impact on the resource.



Area 223 North Extensional Drilling

Drilling 100 metres north of the Area 223 resource has shown that the main mineralised lodes have been offset some 100 metres to the west. Results from line 112600N have identified a number of potentially economic intersections which are thought to correspond to similar mineralisation found during exploration in 1997 further to the north. These latest results suggest there is further drilling required to test the potential northern extension of the Area 223 resource.

Regional Exploration

Regional exploration drilling at **Area 191** (Figure 2) again produced some significant gold intersections including **5m at 2.6g/t**, however, the results are still inconclusive, and do not confirm the continuity of the mineralisation.

Exploration drilling at two other regional targets, a small gravity anomaly east of Area 223 and a structural target at Tunkillia North, failed to produce any significant results.

During the break in the RC drilling program a gradient array induced polarization (IP) survey will be carried out over the Area 223 gold resource and selected parts of the Tunkillia Anomaly. The IP survey is expected to provide important information about the nature of the gold mineralisation at Area 223, and could significantly assist in future Resource Infill Drilling and the Regional Exploration Drilling.

FEASIBILITY STUDY

As previously announced, a Study Manager was appointed at the start of May to oversee the Company's Feasibility Study of the Area 223 gold resource. The preliminary budget for the Feasibility Study (including completion of exploration drilling) is \$4.5 million. Activities on water resources, metallurgical and geotechnical aspects of the Area 223 resource will commence in August in order to achieve the target of Feasibility Study completion by early 2005.

Table 1. Significant gold results (>1g/t) from RC drilling.

Drillhole ID	Easting m	Northing m	From m	Interval m	Grade Au g/t
RESOURCE DRILLING					
<i>Area 223 South Infill Drilling</i>					
LRC494	109840	110850	87	2	1.2
LRC495	109810	110850 and incl.	115 175 177	1 5 1	1.9 15.3 72.7
LRC496	109780	110850 and and and	75 150 165 210	2 1 1 2	1.2 8.7 1.9 21.6
LRC497	109750	110850 and and	75 198 212	1 2 3	1.8 1.7 1.7

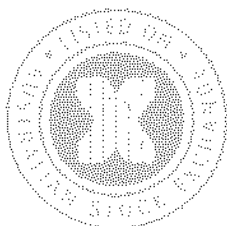


Table 1. (Cont)

Table 1 (cont.)

Drillhole ID	Easting m	Northing m	From m	Interval m	Grade Au g/t
LRC498	109815	110700	93	1	2.9
		and	100	3	16.9
		and	120	15	7.7
		incl.	128	2	43.9
		and	172	1	12.6
Area 223 North Infill Drilling					
LRC468	110030	112450	60	8	4.9
		incl.		4	7.7
LRC469	110000	112450	68	11	2.4
		and	85	2	2.9
		and	97	3	3.6
		and	108	2	1.8
		and	114	8	1.6
LRC 477	109970	112450	101	6	1.1
		and	155	7	1.9
		and	166	4	1.3
LRC478	109940	112450	100	1	4.4
LRC479	110030	112350	49	6	1.2
		and	56	9	1.5
LRC480	110000	112350	90	1	1.7
LRC481	109970	112350	126	1	16.2
LRC482	109940	112350	135	1	4.0
LRC483	110030	112250	63	3	6.3
LRC484	110000	112250	66	4	1.2
		and	100	6	1.2
		and	104	3	2.7
LRC485	109970	112250	50	1	1.8
		and	119	1	1.6
		and	140	4	1.5
LRC486	109940	112250	39	2	2.6
		and	187	5	1.3
NEAR PIT EXPLORATION					
Area 223 North Extensional Drilling					
LRC455	110020	112600	75	1	2.3
LRC457	109960	112600	95	1	2.8
LRC466	109930	112600	157	1	1.6
LRC467	109900	112600	63	2	1.9
		and	75	2	1.9
		and	82	2	4.2
		and	94	1	1.7
		and	222	1	3.3
		and	244	1	2.1
LRC499	109870	112600	88	2	2.1
			131	1	3.2
			138	4	1.3
Hanging Wall Mineralisation Line 111000N					
LRC458	109820	111000	269	7	1.7
LRC459	109760	111000	172	2	2.0
Footwall Mineralisation Line 111200N					
4 holes completed - no significant results					

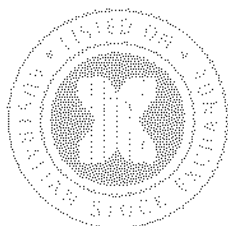


Table 1. (Cont)

Drillhole ID	Easting m	Northing m	From m	Interval m	Grade Au g/t
REGIONAL EXPLORATION					
Area 191					
LRC470	112435	113265 and	72 80	2 6	1.8 1.3
LRC471	112435	113295 and	63 102	5 1 1	2.6 4.8 2.0
LRC472	112435	113325	51	1	1.6
LRC473	112400	113425 and	51 63	2 1	1.7 1.5
Gravity Anomaly					
2 holes completed - no significant results					
Tunkillia North - Western Demagnetised Zone (WDZ)					
4 holes completed - no significant results					

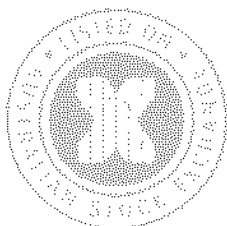
Holes drilled at 60 degrees towards grid east except Area 191 which were drilled at 60 degrees towards grid south

Assays by Aqua-Regia, AAS utilising 1 metre conical split samples.

Assay intervals reported are >1g/t with a maximum of 3 consecutive metres of internal dilution.

Intervals tabled represent down hole length

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.



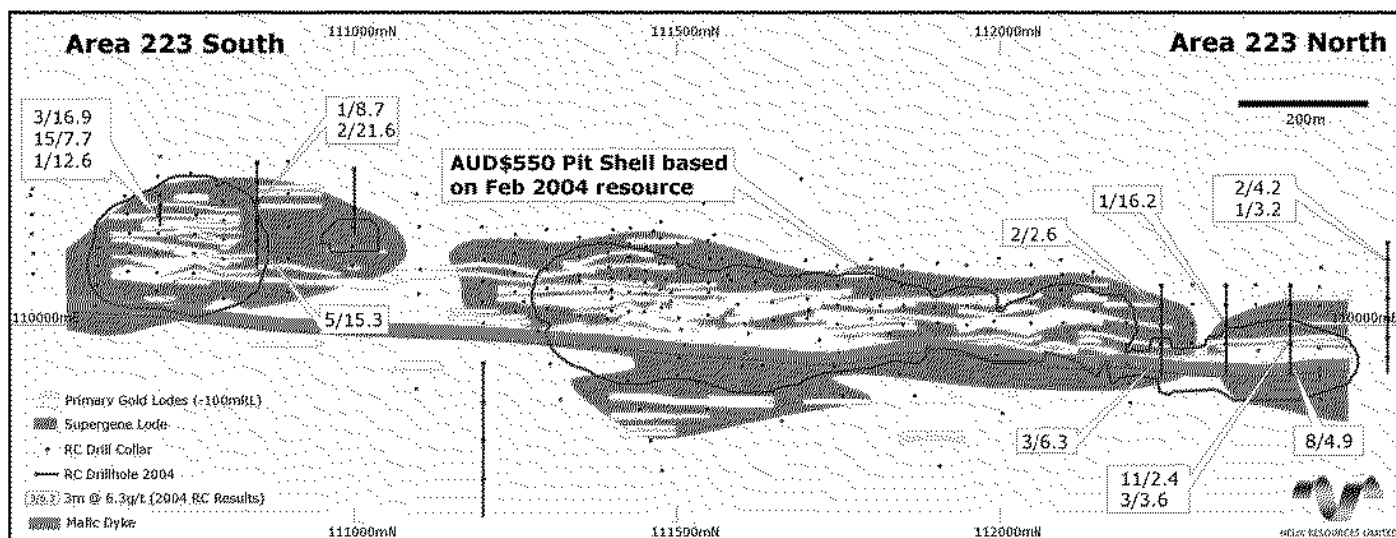


Figure 1: Area 223 Resource and Drillhole Location Plan showing High Grade Assays

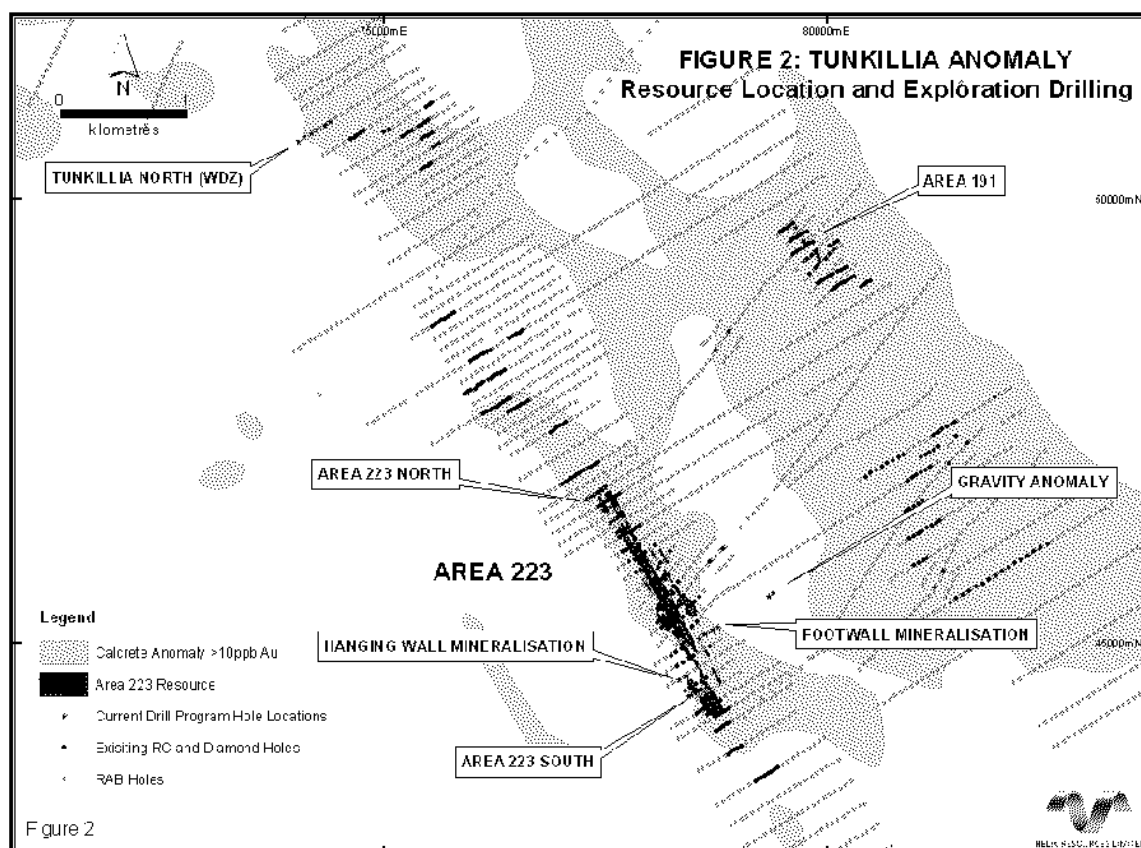


Figure 2

