Helix RESOURCES LIMITED

# ANNUAL REPORT

## 30 JUNE 2014

ACN: 009 138 738

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# CHAIRMAN'S REVIEW

Dear Shareholder

I am pleased to present the 2014 Annual Report for the Company.

The past 12 months has continued to be a challenging period for exploration companies. However Helix continues to work hard to advance a portfolio of quality exploration assets in Chile and Australia.

During the year the company has

- Announced an initial resource for the 100% owned Blanco Y Negro Mining Concession which lies within our Huallillinga Project in Region IV in Chile. The company has recently completed a follow-up drilling program to advance the project.

- Continued discussions to seek a suitable partner and joint venture arrangement for the Joshua Porphyry Project which is also located in Region IV in Chile. The project continues to attract significant technical interest from Chilean and International copper producers.

- Acquired a 100% interest in the Collerina Copper and Gold Prospect in New South Wales. Recent on ground assessment has been highly encouraging and the company is planning an exploration program in September and October to further advance the prospect.

- Defined a large gold soil anomaly called the Browns Prospect on the company's 70% owned and managed Muriel Tank project in New South Wales. The company has recently completed an initial drilling program on the prospect, results pending.

Also in this period the company welcomed new joint venture partners on the Tunkillia Gold project in South Australia and the Yalleen Iron Ore Joint Venture in Western Australia. WPG Resources acquired Mungana Goldmines Ltd interest in Tunkillia and Baosteel acquired Aquila Resources and became the largest shareholder of API Management Pty Ltd. The company welcomes both partners and looks forward to them advancing both projects.

The company has continued to focus on cost saving initiatives. The company also underwent further changes at the Board level during the year.

Mr Gordon Dunbar retired as Chairman in March 2014 and was replaced by myself. Mr Jason MacDonald, who has significant experience in resource law and private resource companies, joined the board as a Non-Executive Director in March 2014. I would like to thank Mr Gordon Dunbar for his contribution as Chairman and also previously as a Non-Executive Director of the company.

I would like to thank the Board and Staff for their contributions during the past year and their ongoing commitment to the company under challenging market conditions. The company looks forward to making further progress on its various strategies and initiatives in the year ahead and shareholders will be kept advised of all developments.

The company has recently updated its website design at www.helix.net.au. I would encourage you to visit the website for the latest information regarding our activities throughout the year.

**Pasquale Rombola**
**Chairman**

## CHILE - COPPER AND GOLD PROJECTS

**Background**
Chile hosts numerous world-class copper and gold mines. The mining sector is one of the major pillars of the Chilean economy, given that copper exports account for approximately 30% of GDP. Chile is a politically stable democracy with strong financial institutions and sound economic policy providing it the strongest sovereign debt rating in Latin America. Chile is supportive of foreign investment and Helix considers it an appropriate location to have established an asset portfolio and to use the Companies exploration skills to build and extract value from this world-class jurisdiction.

### Chile Strategy

Based on an in-house project generation model, Helix identified and concentrated its efforts on an area of interest with prospective geology, good infrastructure and an opportunity to build on an emerging mining district in Region IV, Chile.

- Joshua Copper Porphyry Project:- Attract a large JV partner to advance significant greenfields porphyry discovery
- Blanco Y Negro: Build on early drilling success in shear hosted high-grade copper/gold system
- Hualllillinga Project– Identify Structural and Porphyry style Cu/Au mineralisation; confirm prospectivity and drill test targets.
- Regional Projects – Develop geological models around cost-effective exploration; use geochemistry and mapping to prioritise target areas.

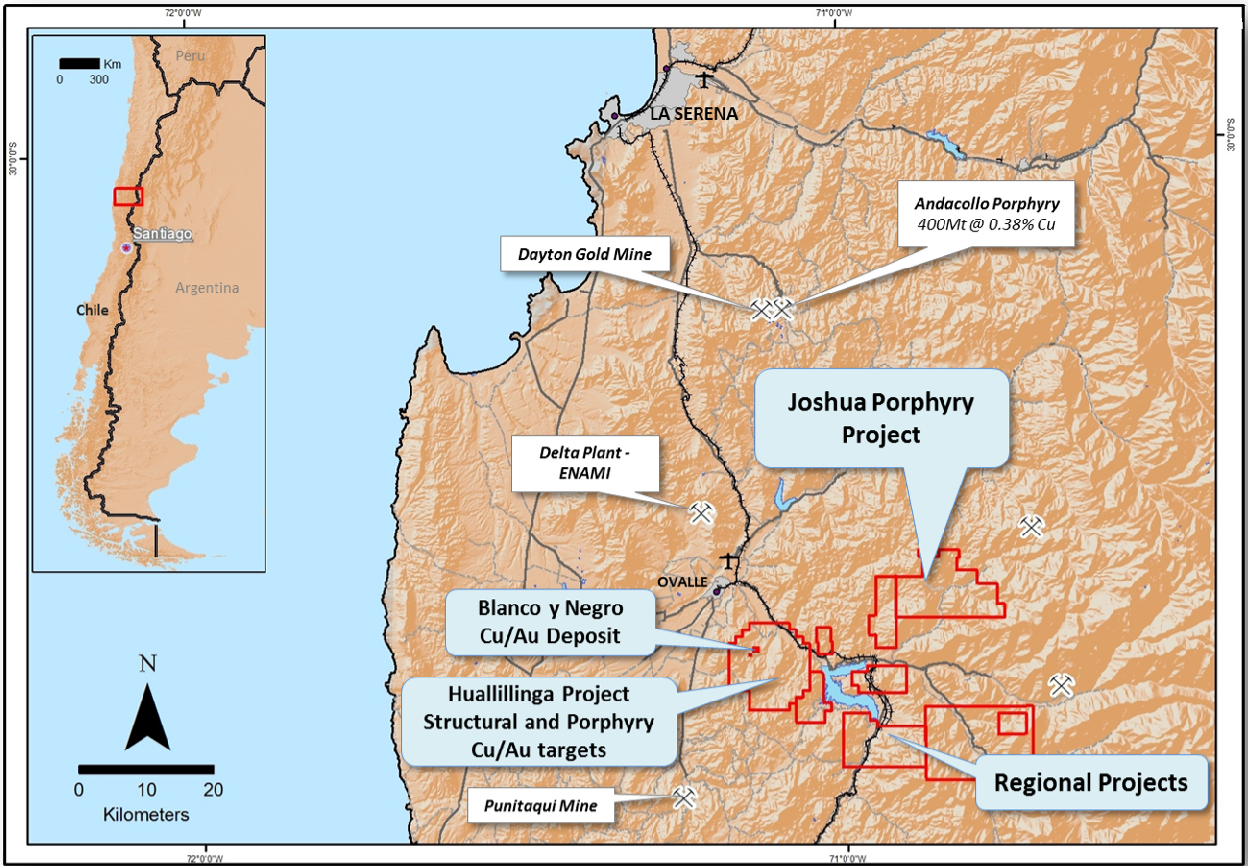



Figure 1: Helix's project locations – Region IV Chile

## *Joshua Copper Project [100%]*

The Joshua Project is Helix's most significant project in Chile. The area was chosen for its prospectivity, is at low altitude (less than 1700m), with excellent nearby infrastructure. The Project is 40km SE of Teck's Carmen de Andacollo porphyry deposit (400Mt @ 0.38% Cu Reserve) in Region IV Chile and 40km East of the township of Ovalle [Population 100,000]. Work on the 100% owned project by Helix has identified potential for a large-scale, copper-gold porphyry system.

The Joshua Project was a greenfields discovery by Helix, with four porphyry targets (Targets 1 to 4) identified to date in a regional NW structural corridor that had never been drill tested prior to Helix's involvement.

The best drilling result to date is 400m @ 0.3% Cu and 0.1 g/t Au* from surface to EOH in Target 1. All drilling has been into a portion of Target 1 and all holes have intersected Cu-Au-Mo mineralisation over significant widths. Less than 10% of main porphyry system has been drill tested (8 holes - 2,000m to date).

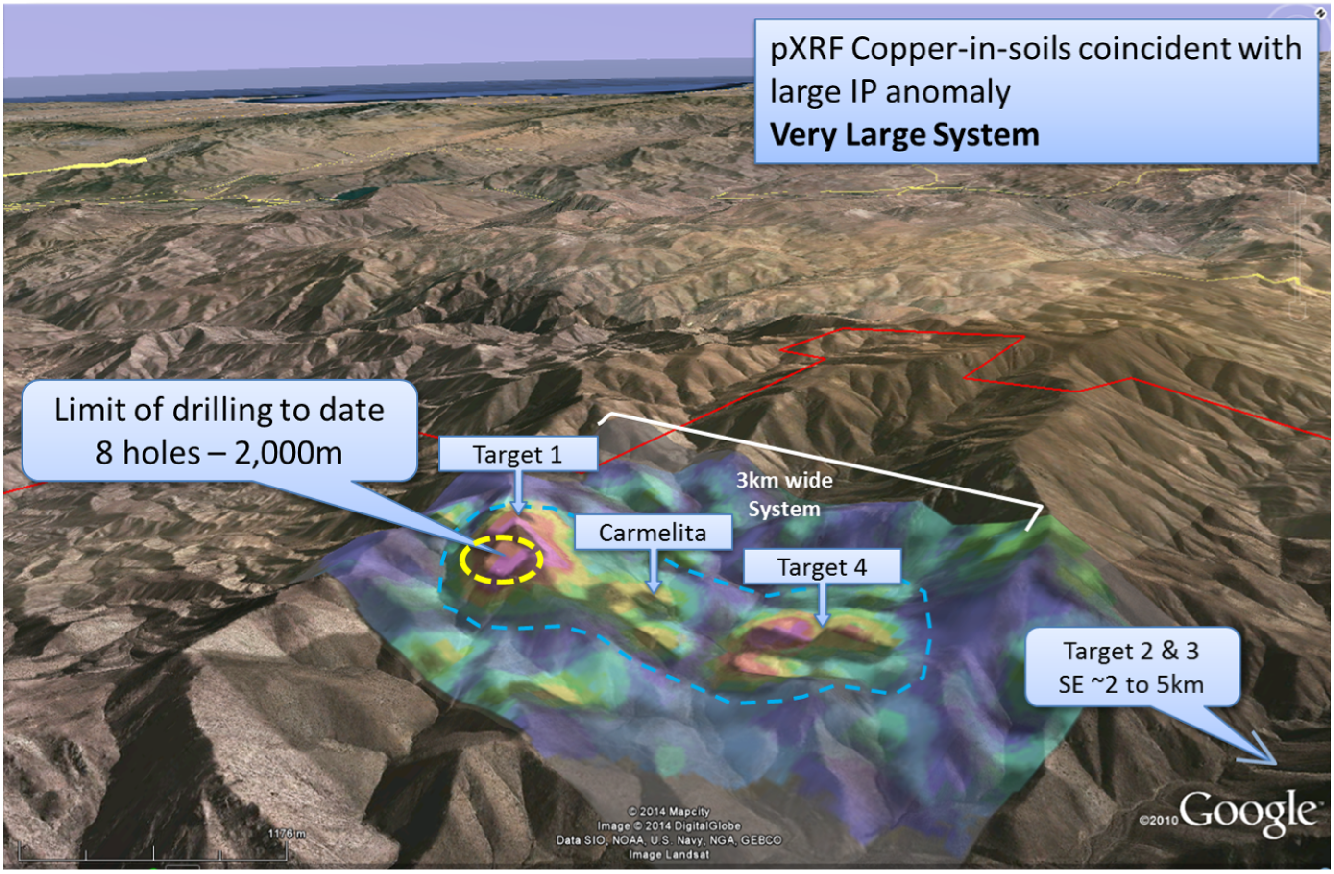



Figure 2: Joshua Porphyry Project – Copper in soils draped on topography showing extent of main porphyry target

During the year Helix made the following advances on the Joshua Project.

-In late 2013 Helix entered a 4 year option agreement over the mining concession Carmelita El Espino 1/5. Helix can purchase the concession for a total consideration of US$300,000. Helix has paid the vendor US$80,000 upon signing the option agreement and will pay US$20,000 on each anniversary, with the remaining and final payment of US$160,000 due in November 2017. At Helix's election, the Company has the right to bring forward the full ownership of the property by paying the vendor the outstanding amount at any time.

-Helix is also continuing to receive ongoing interest from numerous large national and international mining companies in the Joshua Project. In early 2014 Chile largest mining company CODELCO undertook a 6 week detailed review of the Joshua Project, confirming Helix's porphyry target potential and geological model, concluding the following;

- Presence of at least a 3km x 1km copper-in-soil anomaly coincident with porphyry-style alteration.

- Coincident IP anomaly to a depth exceeding 500m.

- Artisanal copper mine (Carmelita) present - produced +1% Cu oxide material from surface and shallow underground workings.

- Limited drilling hasn't intersected potassic zone to date, so best parts of the system remain untested.

Helix continues to seek a Major Partner with development expertise for the project under a JV arrangement that advances the asset and recognises the significance of this discovery. Helix is currently engaged with a number of parties under confidentiality agreements.

## *Blanco y Negro Copper/Gold Project*

Blanco Y Negro is a 100% owned Mining lease 15km south-east of Ovalle in Region IV Chile. The project sits within a major regional mineralised shear system (Los Mantos Fault) with multiple mineral occurrences evident throughout the surrounding district.

Helix has mapped the main NW trending mineralised shear over a strike of 1.3km (offset by cross cutting faults) within the mining lease. The company has drilled 10 holes into the main shear position with the best result being 19.5m @ 2% Cu and 1.1 g/t Au from the central 240m of strike.

A drilling program of 8 holes for 686m has recently been completed (refer to ASX release 10 September 2014). Results from the drilling continue to improve geological knowledge and has confirmed grade continuity closer to the surface.

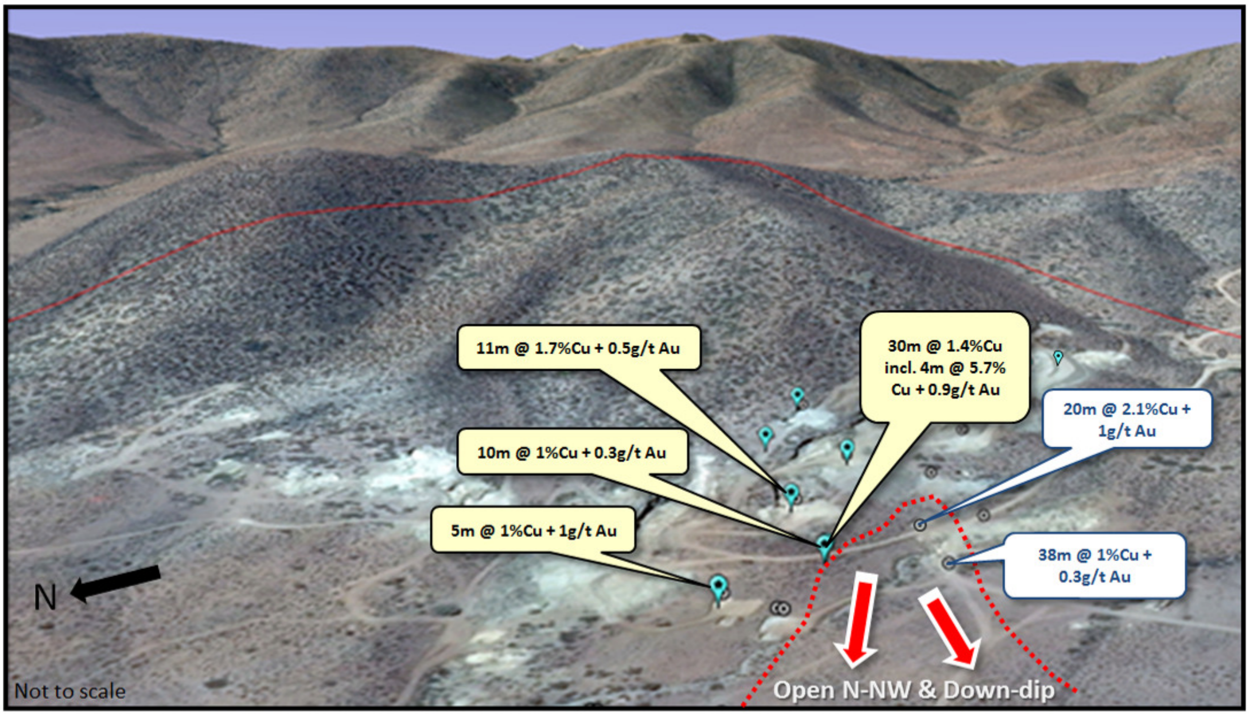



*Figure 3: Location of 2014 drill hole collars (Blue) draped on topography at the Blanco y Negro Project*

## *Regional Copper/Gold Projects- Region IV Chile*

Helix controls a further 300km² of exploration concessions surrounding our advancing Joshua and Blanco y negro Projects. These concessions, including Huallillinga, Hado and Embrujado are highly prospective for a combination of high-grade structurally controlled copper/gold sytems and large copper/gold porphyry systems.

Work during the year has been confined to small cost-effective mapping and reconnaisance activities due to a reduced staff level and exploration budgets. However the limited work has been very successful in identifying several priority target areas. Helix will look to prioritise these areas for further advancement and consolidate its tenement position in the district.

## COPPER & GOLD PROJECTS – NSW

**Background**

Helix holds approximately 100km strike of prospective VMS Copper terrain and +50km strike of epithermal Gold terrain in the Cobar-Girilambone mining district in NSW. Helix is carrying out targeted geochemistry and geophysics to isolate mineralisation in this highly prospective region, with operating mines and good infrastructure. To date Helix has established a copper resource at Canbelego and a gold resource at the Sunrise & Good Friday Prospects.

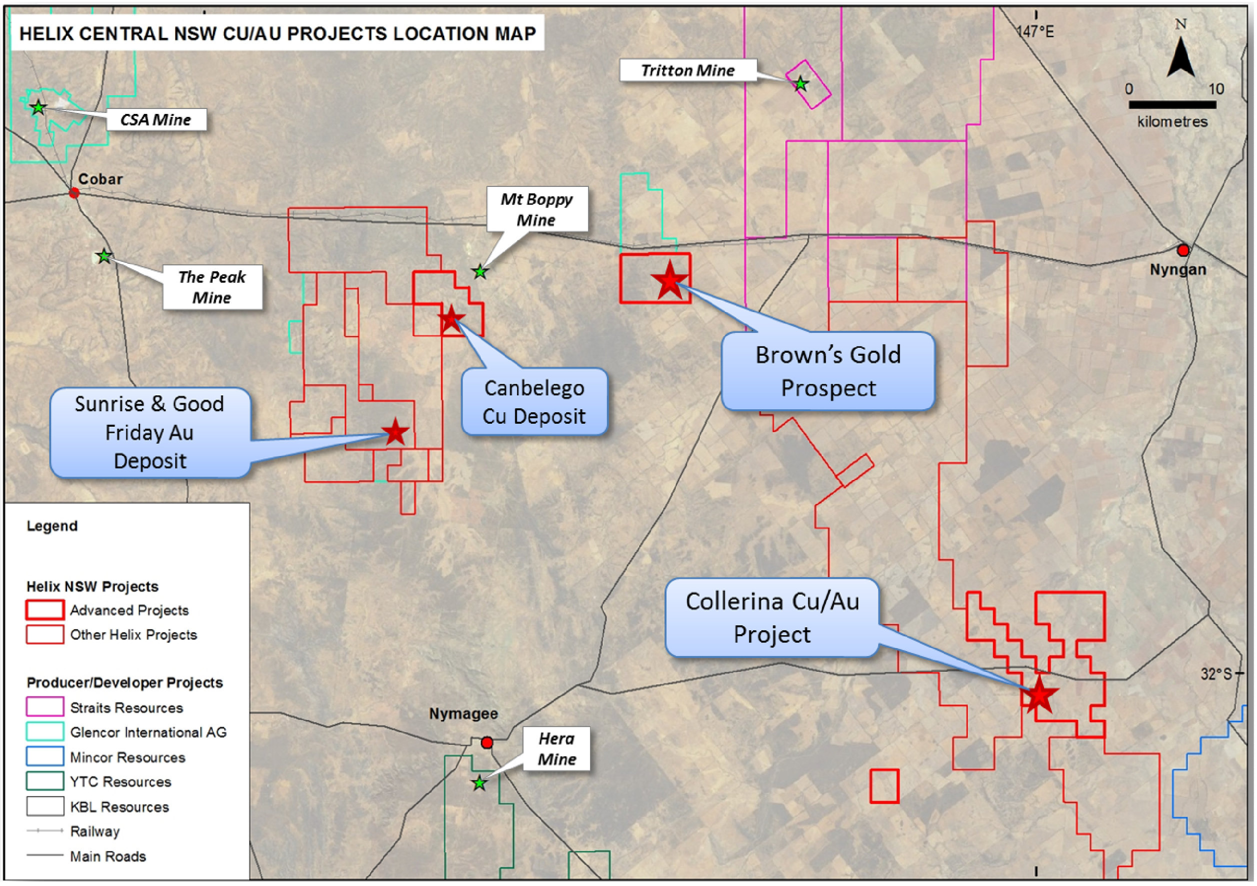



*Figure 4: Location of Helix Projects and surrounding mines in Cobar-Nygan region NSW*

## *RESTDOWN JV (INCLUDING MURIEL TANK PROJECT)*

*EL 6140, EL6501 & EL6739:-     Helix Resources 70%; Glencore 30%*

The Projects are located 40km to 70 km SE of Cobar in Central Western NSW with the tenement package covering an area of ~198km² (Restdown JV Project 154km², Muriel Tank JV Project 44km²).

### BROWNS GOLD PROSPECT (MURIEL TANK)

Activities on the JV this year has been concentrated on the Muriel Tank Project (EL6739). The project is located 20km east of the Canbelego township on the Barrier Highway in NSW. Gold lode mineralisation was historically mined in the 1920-30's from the goldfield, most commonly associated with regional shear zones. Historic workings are associated with mixed sedimentary (turbidite) sequences, generally locatied in fold hinge zones and in localised kink zones. Previous Helix rock chips have returned results of >30g/t Au from the goldfield (Figure 5).

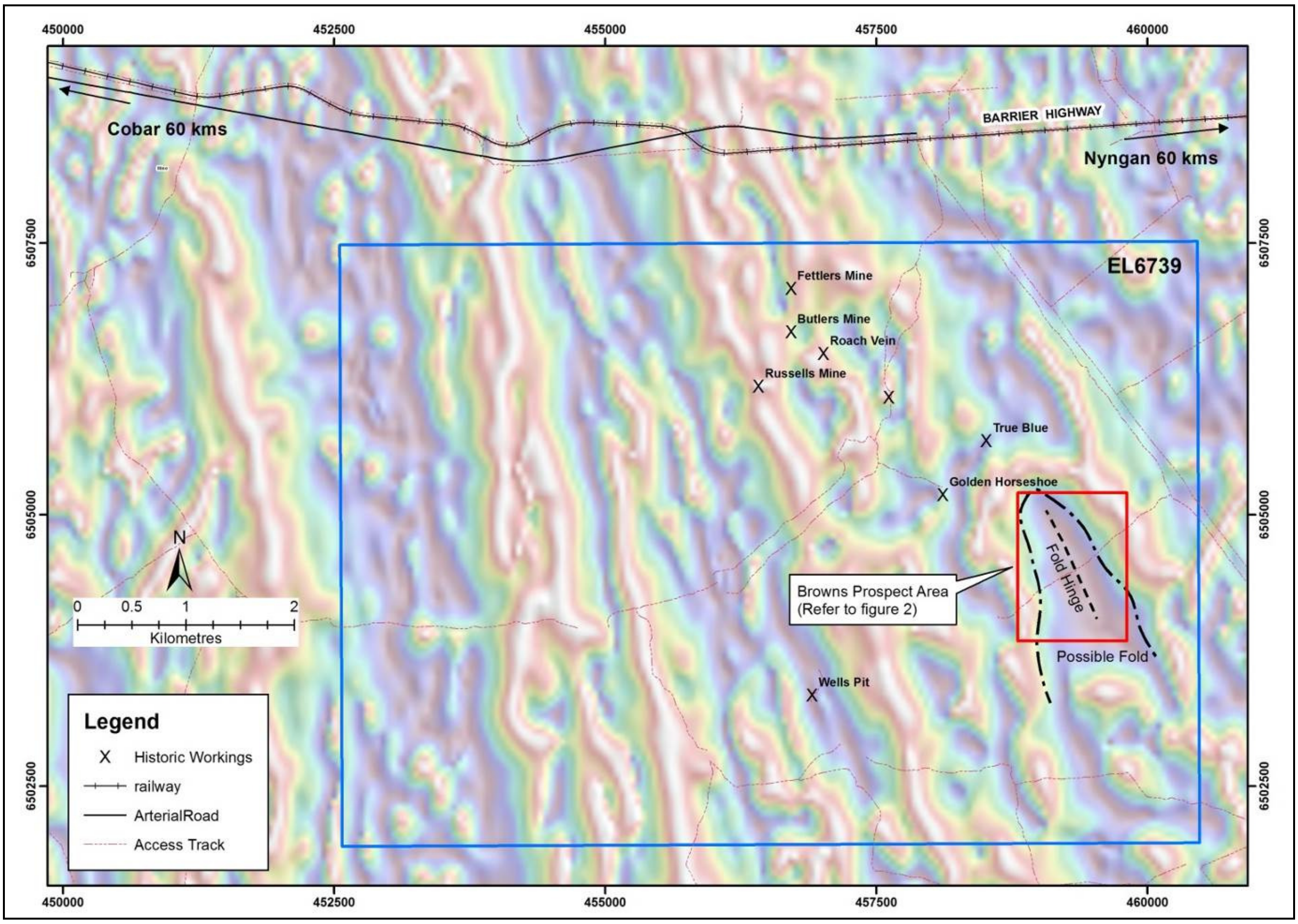
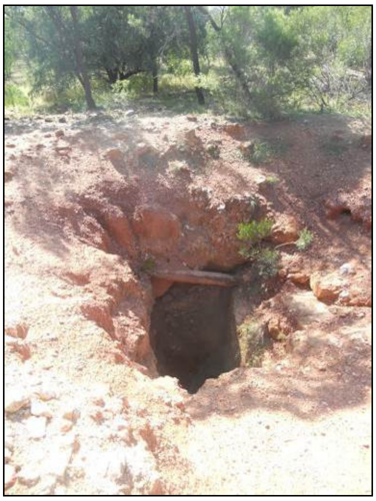



Figure 5: Muriel Tank Project: known historic prospect locations and interpreted fold feature at Browns Prospect area on aeromagnetics.

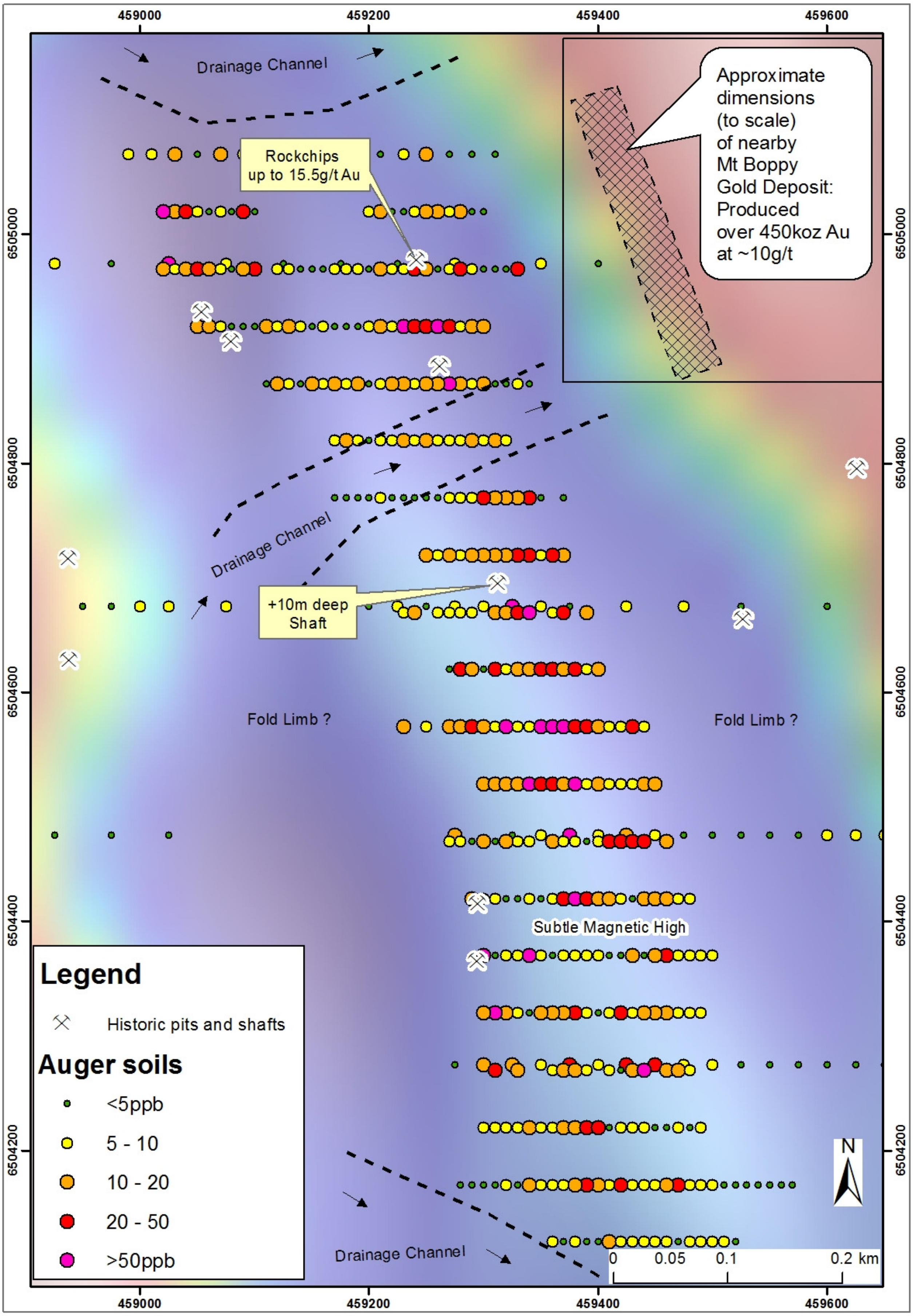
A series of hydraulic auger soil sampling programs, using Helix's Landcruiser mounted auger rig, over the past field season has identified and confirmed a strong continuous zone of gold anomalism (up to 294ppb Au) over 1 km of strike at the Browns Prospect Three phases of auger soil sampling has been undertaken with the anomaly now sampled to a density of 50m lines with 10m apart samples over the strike (Figure 5). Rock chip sampling from sub-crop and some small historic shafts and pits, have returned up to 15.5g/t Au.

The target zone at Browns Prospect corresponds with a subtle magnetic high, with sub-crops comprising chlorite altered shale breccia with quartz/carbonate/ex-sulphide matrix to the south end and strongly deformed chloritic shale with blue quartz veining to the north.

The company has recently completed a maiden RC drilling program and results are pending.



Photos: Examples of historic workings at Brown's returning rockchips up to 15.5g/t gold - peak soils to date 294ppb Au




Brown's Prospect soil sampling on detailed magnetics.

### SUNRISE/GOOD FRIDAY (RESTDOWN REGIONAL)

The Sunrise/Good Friday Prospects lie within EL6140 covering the entire Battery Tank Goldfield, 25km SW of the historic Mt Boppy Gold Mine (produced ~500,000 oz at +10g/t Au) and 35km N of Nymagee and Hera development projects. Helix has defined maiden resources at the Sunrise and Good Friday prospects, where zones of gold mineralisation are associated with sandy sediments intersected by localized shears. An inferred resource of 2.6Mt @ 1.2g/t Au for 100,000oz (refer resource table) was defined and remains open in all directions.

Regional geochemical sampling has continued in the goldfield with auger soil samples collected, confirming the continuance of the gold mineralised corridor over the entire goldfield. The new zones identified provide encouragement that multiple repeats of Sunrise-style mineralisation are present in the district, and should assist in the company's strategy of proving up economic oxide resources from surface from this goldfield.

## *CANBELEGO PROJECT JV – NSW*

*EL 6105:- Helix Resources Ltd 70%, Straits Resources 30%*

Project Summary

The Canbelego Project is located 45km SE of Cobar. Helix to date has defined an Initial inferred resource for the Canbelego Deposit at a 0.3% Cut off grade of 1.5 million tonnes at 1.2% Cu for 18,000t Contained Copper (refer resource table).

The Canbelego Deposit is a Cobar-style deposit, which remains open along strike and down dip. Historic mining produced +5% copper ore from workings off a 100m shaft at the prospect. There remain untested down-hole EM conductors below significant drill results including: CBLRC018: 2m @ 6.8% Cu and CD2: 5m @2.4% Cu.

The Canbelego Project also has significant potential for oxide copper mineralisation from surface on three prospects (Canbelego-portion of the inferred resource. Canbelego West – 1.2km by up to 400m wide 100ppm Cu soil anomaly and Caballero- 800m x 300m 100ppm Cu soil anomaly, limited drilling including 60m@0.4% Cu from 24m, incl. 7m @ 1.3% Cu (refer Figure 6).

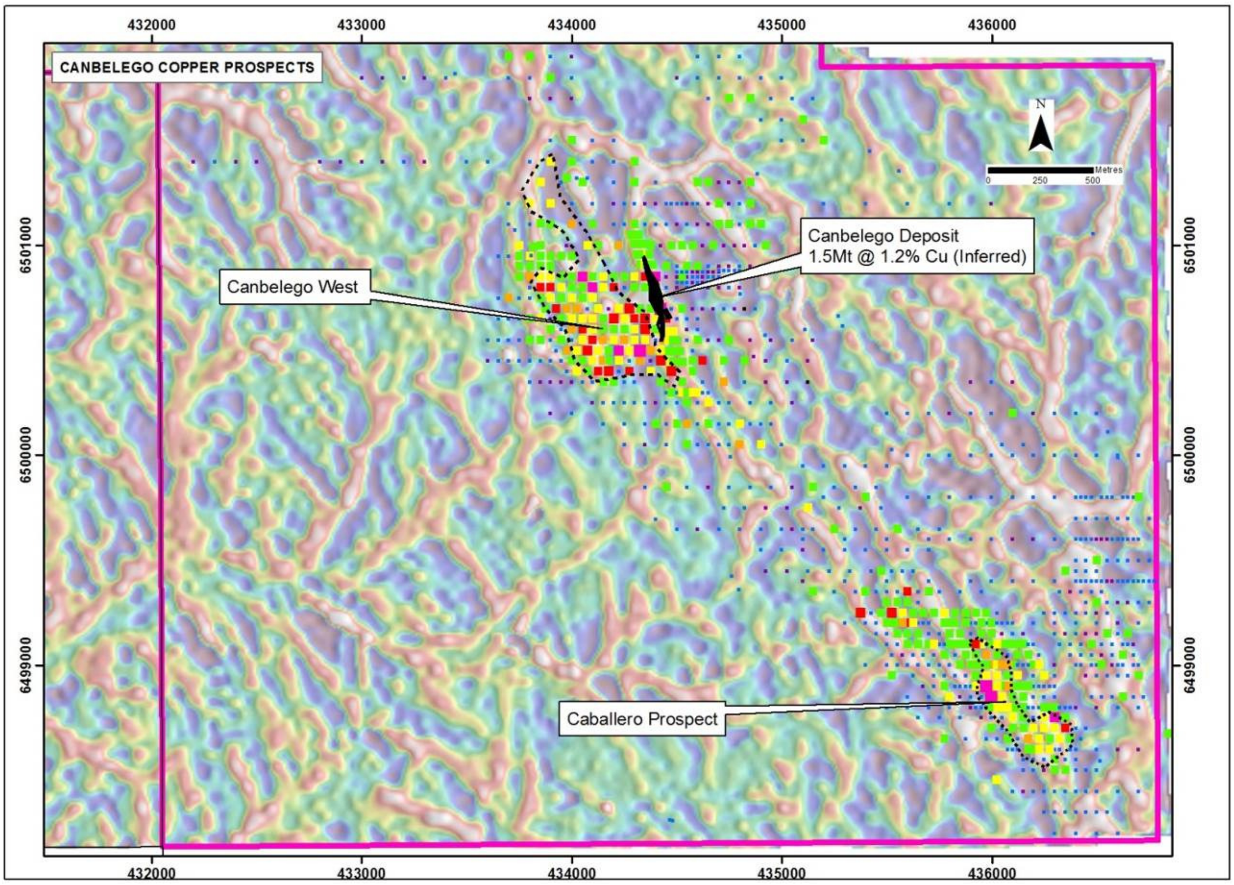



Figure 6: Canbelego soil sampling on detailed magnetics, location of the three advancing copper prospects.

### *COLLERINA PROJECT – [Helix 100% of precious and base metals discoveries]*

Helix entered into an exploration and development agreement with Augur Resources Ltd (Augur), in late 2013 covering tenement EL6336 approximately 40km SW of Nyngan in Central NSW.

Under the terms of the agreement, Helix has paid Augur $20,000 to secure the sole right to explore the tenement for precious and base metal mineralisation and will spend a minimum of $100,000 over 12 months on the tenement. The deal secures Helix 100% of the precious and base metal rights (excluding Nickel Laterite mineralisation), with Augur retaining a 1.5% net smelter royalty over Helix's discoveries.

The initial target is the Collerina Copper Prospect. The Collerina Prospect is prospective for copper and gold mineralisation. It is located on a 15km long corridor of prospective volcanic/sedimentary sequence within the tenement that abuts Helix's Quanda and Five Ways tenements (refer Figure X). The project is located within a +200km VMS belt and is close to infrastructure including the operating Tritton Mine and associated deposits to the north, and the Tottenham Cu/Au deposits to the south.

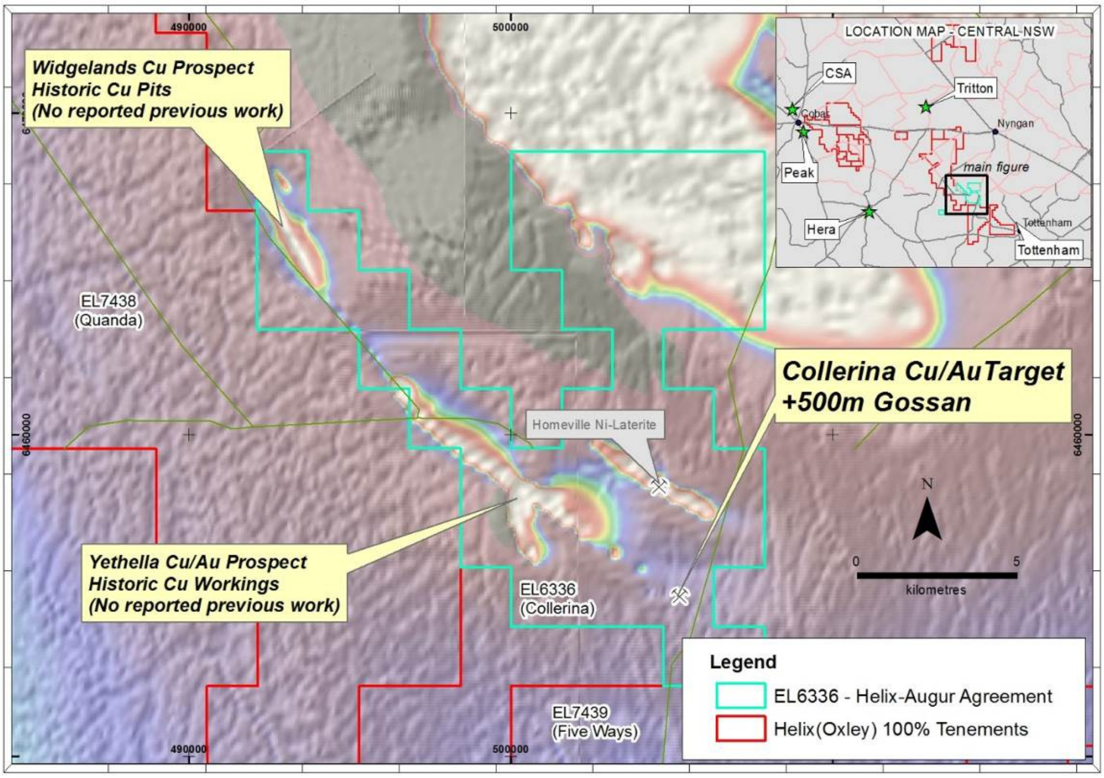



Figure 7: Location of EL6336 on regional magnetics

The Collerina Prospect has an historic copper working (early 1900's) and was subject to a broad-spaced 3 hole drilling program by CRA in the 1980's. Copper mineralisation was intersected in all three holes (4m @ 2.4% Cu from 54m, 48m @ 0.6% Cu from 30m and 4.6m @ 1.1% Cu from 65m). There has been limited exploration activity on the Prospect since.

Work conducted has highlighted copper and gold mineralised sup-cropping gossanous material over a strike of at least 500m. Rockchips with up to 3% Copper and 9.3g/t Gold were returned from sampling along the strike of the prospect area.

The high grades of gold (7 samples >1g/t Au and associated silver up to 13g/t Ag) and copper (3 samples > 1% Cu) may be associated with separate mineralisation phases, which provides scope for multiple target styles within this prospective system (refer to Table 1 and Figure 8 & 9).

Table 1: Significant copper and gold rockchips from the Collerina Prospect Area.

| PROJECT | SITE_ID | EASTING | NORTHING | Au ppb | CU ppm |
|---|---|---|---|---|---|
| EL6336 | 266631 | 505074 | 6455043 | 9320 | 1740 |
| EL6336 | 266632 | 505069 | 6455041 | 109 | 13300 |
| EL6336 | 266633 | 505065 | 6455037 | 2540 | 650 |
| EL6336 | COL001 | 505234 | 6454971 | 6 | 13300 |
| EL6336 | COL002 | 505234 | 6454971 | 2370 | 7340 |
| EL6336 | COL003 | 505234 | 6454971 | 47 | 30100 |
| EL6336 | COL006 | 505220 | 6454950 | 1570 | 2650 |
| EL6336 | COL009 | 505300 | 6454950 | 1270 | 2490 |
| EL6336 | COL011 | 505320 | 6454930 | 1800 | 1600 |
| EL6336 | Z76530 | 505364 | 6454909 | 1840 | 438 |

*Refer to ASX announcement on 11 June 2014 for full details*

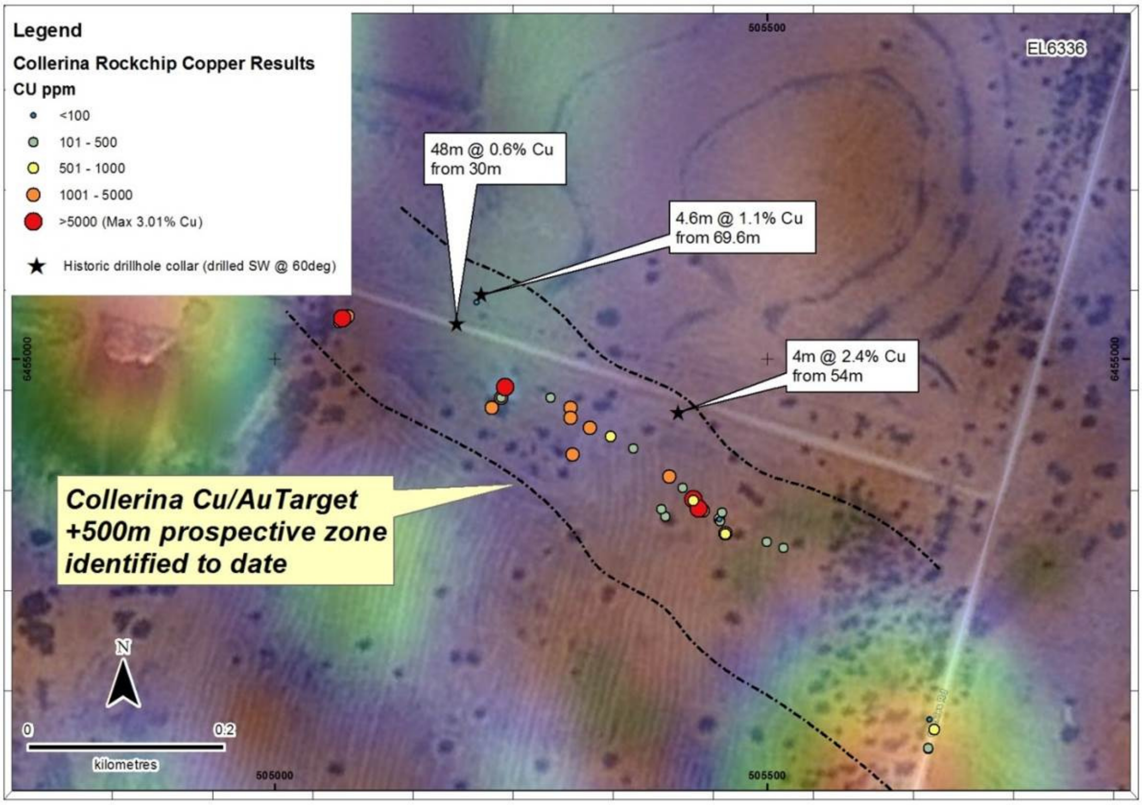



Figure 8: The Collerina Prospect: Copper rockchip result locations and historic drill collars draped on magnetics and air photo image.

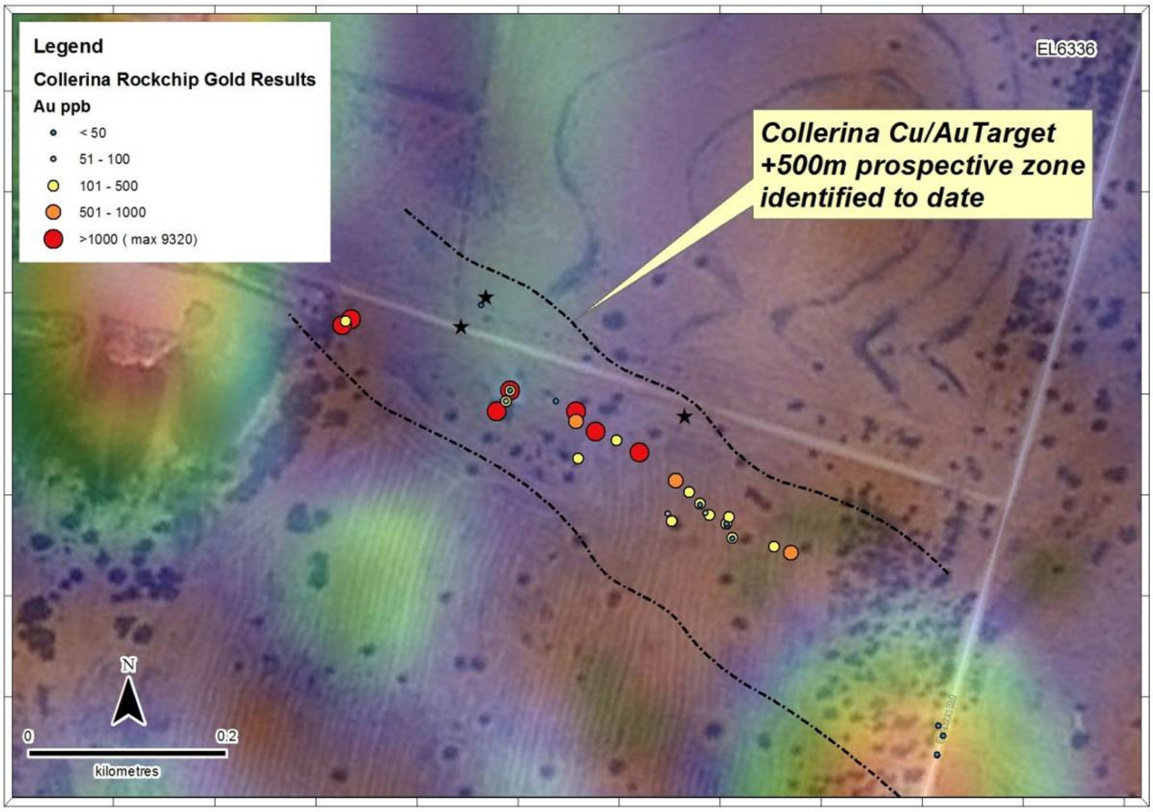



Figure 9: The Collerina Prospect: Gold rockchip result locations draped on magnetics and air photo image.

## NON MANAGED JOINT VENTURES

### *YALLEEN IRON ORE PROJECT – WA*

Helix Resources Ltd 30% (Diluting) JV interest and tenement owner; API (AMCI/Boasteel) 70% iron ore rights E 47/1169-1171

**Project Summary**

- JORC Resource based on drilling during 2007/8 currently stands at 84.3Mt @ 57.2% Fe Channel Iron.
- Yalleen Project cover 575km² of tenements in the West Pilbara owned by Helix Resources – API JV: iron ore rights only
- Helix is currently diluting to a Royalty.
- Recent corporate activity resulting in Aquila Resources being acquired by Baosteel and Aurizon is being monitored.

### *TUNKILLIA GOLD PROJECT JV – SA*

Helix Resources Ltd 30% JV interest and tenement owner; WPG Resources Ltd 70% JV interest and Operator.

**Project Summary**

Helix Resources has a 30% interest in the Tunkillia Gold Project in the Gawler Craton in South Australia. The project was discovered by Helix in the 1990's and has a total resource of 878,000 ozs of gold and 2.5m ozs of silver *(refer to appended resources table)*.

In May 2014, WPG Resources became a 70% holder and manager of the Tunkillia Project by purchasing Tunkillia Gold Pty Ltd and its share of the project. Helix welcomes WPG as a well-funded partner with a proven track record to advance the asset to the benefit of the Joint Venture, particularly in relation to the following points:

- An exploration focus targeting new high-grade pods suitable for early development
- Pursuing the grant of the Mining Lease covering the Tunkillia deposit
- Review to optimise the Tunkillia Resource to focus on improving gold grades
- Re-assessing treatment options to optimise economic returns from the asset

Helix looks forward to WPG executing its strategy at Tunkillia and welcomes the potential value this could add to the Project.

## Resources

| Commodity | Category | Project | Interest | Resource |
|---|---|---|---|---|
| **Iron Ore** | Indicated<br>Inferred | **Yalleen JV, WA** | 30%<br>(Diluting) | **47.9Mt @ 57.3% Fe (Channel Iron)***<br>**36.4Mt @ 57.1% Fe (Channel Iron)*** |
| Joint ventured with API Management Pty Ltd (50% Boasteel, 50% AMCI) and forms part of their West Pilbara Iron Ore Project [WPIOP] which comprises multiple JV's. | | | | |
| **Copper (+Gold)** | Inferred | **Blanco Y Negro, Chile** | 100% Helix | **1.4Mt @ 1.4% Cu for 20,000t Contained Cu + 0.5g/t for 23,000oz Au** (at 0.4% Cu Cut-off) – 2012 JORC** |
| **Copper** | Inferred | **Canbelego JV, NSW** | 70%(Straits 30%) | **1.5Mt @ 1.2% Cu for 18,000t* Contained Cu** (at 0.3% Cu Cut-off) |
| **Gold** | Inferred | **Restdown JV** | 70%<br>(Glencore 30%) | **2.6Mt @ 1.2g/t Au for 100,000oz**<br>(0.3 g/t Au cut off) |
| **Gold** | Measured<br>Indicated<br>Inferred<br>**TOTAL***<br>Measured<br>Indicated<br>Inferred<br>**TOTAL*** | **Tunkillia JV, SA** | 30%<br>(Diluting) | 4.9Mt @ 1.32 g/t – 209,000 oz Au<br>16.5Mt @ 1 g/t – 512,000 oz Au<br>5.6Mt @ 1 g/t – 173,000 oz Au<br>**27.0Mt @ 1 g/t – 894,000 oz Au**<br>4.9Mt @ 3.7 g/t – 563,000 oz Ag<br>16.5Mt @ 2.7 g/t – 1,412,000 oz Ag<br>5.6Mt @ 3.0 g/t – 545,000 oz Ag<br>**27.0Mt @ 2.9 g/t – 2,543,000 oz Ag** |
| WPG Resources Ltd JV Manager and 70% JV participant. Mining Lease application currently in Mines Department approval process. Helix has elected to dilute, with our equity position presently 30%. | | | | |

**Details of the assumptions underlying the above estimations are contained in previous ASX releases or at www.helix.net.au*

****** *Refer to ASX announcement 20 November 2013 for Table 1 details and CP Statements*

### Competent Persons Statement

The information in this announcement that relating to previous reported 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 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 a Competent Person 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 his information in the form and context in which it appears.

*Details of the assumptions underlying the above estimations are contained in previous ASX releases or at www.helix.net.au*

# CORPORATE GOVERNANCE

The directors of Helix Resources Limited believe that effective corporate governance improves company performance, enhances corporate social responsibility and benefits all stakeholders. Governance practices are not a static set of principles and the company assesses its governance practices on an annual basis. Changes and improvements are made in a substance over form manner, which appropriately reflect the changing circumstances of the company as it grows and evolves. Accordingly, the Board has established a number of practices and policies to ensure that these intentions are met and that all shareholders are fully informed about the affairs of the Company.

The Company has a corporate governance section on the website at www.helix.net.au. The section includes details on the company's governance arrangements and copies of relevant policies and charters.

**ASX Corporate Governance Council Best Practice Principles and Recommendations (2nd Edition)**

For ease of comparison to the recommendations, the Corporate Governance statement addresses each of the 8 principles in turn. Where the company has not followed a recommendation this is identified with the reasons for not following the recommendation. This disclosure is in accordance with ASX listing rule 4.10.3.

The following table outlines which of the ASX recommendations the Company has not complied with. Reasons for non-compliance are explained in this report.

| ASX Recommendation | Description |
|---|---|
| 2.4 | The board should establish a separate nomination committee |
| 3.2 | The diversity policy should include requirements for the board to establish measurable objectives for achieving gender diversity |
| 3.3 | Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them |
| 4.1 | The board should establish a separate audit committee |
| 4.2 | The audit committee should be structured so that it:<br>• consists only of non-executive directors<br>• consists of a majority of independent directors<br>• is chaired by an independent director, who is not chair of the board |
| 8.1 | The board should establish a separate remuneration committee |
| 8.2 | The remuneration committee should be structured so that it:<br>• consists of a majority of independent directors;<br>• is chaired by an independent chair; and<br>• has at least three members. |

**PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT BY THE BOARD**

The board operates in accordance with broad principles set out in its charter which is available from the corporate governance section of the company's website.

Broadly the key responsibilities of the board are:

1. Setting the strategic direction of the company with management and monitoring management implementation of that strategy;
2. Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions;
3. Approving the annual operating budget, annual shareholders report and annual financial accounts;
4. Appointing, monitoring, managing the performance of, and if necessary terminating the employment of the Managing Director;
5. Approving and monitoring the company's risk management framework;
6. Ensuring compliance with the Corporations Act 2001, ASX listing rules and other relevant regulations.

All directors and key executives reporting to the Managing Director of the company have been given formal letters of appointment outlining key terms and conditions of their appointment.

Performance evaluations for senior executives are carried out annually by the Managing Director. Performance during the previous 12 months is assessed against relevant performance indicators, and role expectations and goals are set for the following year. Performance evaluations have been completed for all executives during the reporting period in accordance with approved processes.

**PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**

**Board Members**
Details of board members, their experience, expertise, qualifications, term in office and independence status are set-out in the Directors' Report. The Board is comprised of a majority of independent directors and has an independent Chairman. The independent directors comprise Pasquale Rombola and Jason McDonald.

The Company considers an independent director to be a non-executive director who:

- is not a substantial shareholder of the Company (as defined in section 9 of the Corporations Act 2001 (Cth);
- within the last 3 years has not been employed in an executive capacity by the Company;
- within the last 3 years been a partner, director or senior employee of a provider of material professional services or material consultant to the Company;
- is not a material supplier or customer of the Company;
- has no material contractual relationship with the Company other than as a director of the Company;
- has no close family ties with any person who falls within any of the categories above; and
- has not been a director of the Company for such a period that his or her independence may have been compromised.

The board has formalised various policies on securities trading, disclosure and codes of conduct, which assist in providing a stronger governance framework for the Company. These of course are in addition to the Company's requirements under the Corporations Act 2001 and ASX Listing Rules.

Board structure and composition will be reviewed as and when the company's strategic direction and activities change. The Company will only recommend the appointment of additional directors to your board where it believes the expertise and value added outweighs the additional cost.

The board charter is available from the company's website.

A copy of the Director Nomination which outlines the Induction Process is available from the corporate governance section of the company's website.

**Nomination Committee**
The company does not comply with ASX recommendation 2.4 in that there is no separate nomination committee. Given the size of the board it has been decided that there are no efficiencies to be gained from forming a separate nomination committee. The current board members carry out the roles that would otherwise be undertaken by a nomination committee and each director excludes himself from matters in which he has a personal interest.

Each director completes an annual formal evaluation of the Board's performance including the Managing Director. The Chairman conducts an informal evaluation of the board members at least once per annum.

Further information on the performance assessment process for the board and senior executives can be found in the Directors' Report. Details of director's attendance at board meetings are detailed in the Directors' Report.

A copy of the Nomination Committee Charter is available from the corporate governance section of the company's website.

**Independent Advice**
A director of the Company is entitled to seek independent professional advice (including but not limited to legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out in the board's charter.

**PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**

**Code of Conduct**
The Company has a Code of Conduct. The Code of Conduct expresses certain basic principles that the Company and employees should follow in all dealings related to the Company. They should show the highest business integrity in their dealings with others, including preserving the confidentiality of other peoples' information and should conduct the Company's business in accordance with law and principles of good business practice.

A copy of the Code of Conduct is made available to all employees of the company.

A copy of the Code of Conduct is available from the corporate governance section of the company's website.

**Securities Trading Policy**
This policy prevents certain key executives ("Restricted Persons") from trading in the company's shares 2 weeks prior to the announcement of quarterly, half-year and the full-year reports. This is a restriction over and above the requirement to not trade in the Company's securities when in possession of inside information.

A copy of the Securities Trading Policy is available from the corporate governance section of the company's website.

**Diversity Policy**
The Diversity Policy does not include measurable objectives as the Board believes that the Company will not be able to successfully meet these given the current size of the Company.

Given the size of the Company the Directors do not consider it appropriate to set measurable objectives in relation to diversity. Notwithstanding this the Company strives to provide the best possible opportunities for current and prospective employees of all backgrounds in such a manner that best adds to overall shareholder value and which reflects the values, principles and spirit of the Company's Diversity Policy.

For the 2014 financial year the Company had a total of 3 women employees out of a total of 7 employees, with no woman in senior management positions and no women on the board.

A copy of the Diversity Policy is available in the Corporate Governance section of the Company's website.

## PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Managing Director and Chief Financial Officer have made the following certifications to the board;

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the group and are in accordance with relevant accounting standards;
- That the reports were founded on a sound system of financial risk management and internal compliance and control.

**Audit Committee**
The company does not comply with ASX recommendations 4.1 and 4.2 in that there is no separate audit committee, and it is not comprised only of non-executive Directors. Given the size of the board it has been decided that there are no efficiencies to be gained from forming a separate audit committee. The current board members carry out the roles that would otherwise be undertaken by an audit committee.

The Audit Committee Charter sets out the roles and responsibilities of the audit committee and contains information on the procedures for the selection and rotation of the external auditor. A full copy of the Audit Committee Charter is available from the corporate governance section of the Company's website.

The board believes the audit committee structure is appropriate given the company's size. The composition of the audit committee will be assessed on an ongoing basis in light of the company's overall board structure and strategic direction.

## PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

**Continuous Disclosure**
The Company has a Continuous Disclosure Policy. The policy is based upon the Company's desire to promote fair markets, honest management and full and fair disclosure. The disclosure requirements must be complied with in accordance with their spirit, intention and purpose.

The purpose of the policy is to:

- summarise the Company's disclosure obligations in accordance with the Listing Rules;
- explain what type of information needs to be disclosed;
- identify who is responsible for disclosure; and
- explain how individuals at the Company can contribute.

The Company Secretary is responsible for ensuring disclosure of information to the ASX.

A copy of the Disclosure Policy is available from the corporate governance section of the company's website.

## PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

**Shareholder Communication Strategy**
All information disclosed to the ASX is posted on the company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the group's operations, the material used in the presentation is released to the ASX and posted on the company's website. Procedures are in place to determine where price sensitive information has been inadvertently disclosed, and if so, this information is released to the ASX.

The company's website aims to be user friendly and informative for shareholders and other visitors to the site. The website continues to be updated and refined as appropriate.

The external auditor attends the annual general meeting and is available to respond to questions about the conduct of the audit and content of the independent audit report.

A full copy of the shareholder communication policy is available from the corporate governance section of the company's website.

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

**Risk assessment and management**
The company does not have a separate Risk Management committee. Given the current size of the company and board, the directors believe there are no efficiencies in forming a separate committee and the board as a whole performs this role.

The company does not have a single specific risk management policy, but rather, financial and operating risks are addressed through individual approved policies and procedures covering financial, contract management, safety and environmental activities of the company. In addition to financial audits, the company's operations in Australia are subjected to annual Risk Management reviews in accordance with Risk Management Standard AS/NZS ISO 31000:2009. The company engages an insurance broking firm as part of the company's annual assessment of the coverage for insured assets and risks. The results of all the various reviews and insurances are reported to the board at least annually.

The integrity of Helix's financial reporting relies upon a sound system of risk management and control. Accordingly, the Chief Executive Officer and Chief Financial Officer, to ensure management accountability, are required to provide a statement in writing to the board that the financial reports of Helix are based upon a sound risk management policy.

The board believes that it has a thorough understanding of the Company's key risks and is managing them appropriately. A copy of the company's risk management committee charter is available from the corporate governance section of the company's website.

**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

**Remuneration committee**
The Company does not comply with ASX recommendations 8.1 8.2 in that it has not established a separate remuneration committee. Given the current size of the company and board, the directors believe there are no efficiencies in forming a separate committee and the board as a whole performs this role. The board of directors reviews and approves recommendations in terms of compensation and incentive plan arrangements for directors and senior executives, having regard to market conditions and the performance of individuals and the consolidated entity.

**Remuneration Policies**
The Company's remuneration policies are detailed in the Remuneration report in the Directors' Report.

**Non-Executive Director Remuneration**
Non-executive directors are remunerated by way of director's fees. Apart from compulsory superannuation entitlements, non-executive directors are not eligible to receive retirement benefits.

A copy of the Remuneration Policy is available from the corporate governance section of the company's website.

The Directors of Helix Resources Limited ("Helix" or "the Company") present their Report together with the financial statements of the consolidated entity, being Helix Resources Limited and its controlled entities ("the Group") for the year ended 30 June 2014.

**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:

**Pasquale Rombola B Ec** (Appointed 1 July 2014)
Non-Executive Chairman – 10 March 2014 to present
Non-Executive Director – 1 July 2013 to 10 March 2014

Mr Rombola has extensive experience in the investment banking industry in Sydney, London, Hong Kong and Singapore specializing in Asian and Australian equities and equities business management. He has worked for both Morgan Stanley and Deutsche Bank. He held a variety of roles with Morgan Stanley, including Head of the ASEAN equity and Global Head of the Asia equity sales force. He was also responsible for the development of the Morgan Stanley equity business in Indonesia.

Mr Rombola has extensive experience in dealings with institutional equity clients, executing capital raisings for public companies and also in equity business management across product areas.

**Michael Wilson B Ec; B Sc (Hons); MAusIMM**
Managing Director – 20 June 2013 to present
Executive Technical Director - 1 June 2007 to 19 June 2013

Mr Wilson has been with the company since 1997 and has established the Company's copper and gold asset portfolios in Australia and Chile, securing tenement holdings and JV's with incumbent mine operators in the selected infrastructure-rich regions. Michael's experience includes project management; mineral exploration using geology, geochemistry, geophysics and drilling; ore resource drilling, ore resource estimation and evaluation programs; and monitoring joint venture projects. Michael's corporate skills include broker and stakeholder engagement, commercial negotiations, acquisitions and divestitures.

**Jason Macdonald LLB, Bcomm** (Appointed 10 March 2014)
Non-Executive Director – 10 March 2014 to present

Mr Macdonald is a qualified legal practitioner, he has practiced in both mining corporate/commercial and commercial litigation. Mr Macdonald is also a director of several private resource companies and has a diverse range of corporate, equity capital market and mining related experience.

**Gordon Dunbar BSc (Hons), MSc, FAusIMM, FAIG** (Resigned 30 April 2014)
Non-Executive Chairman 20 June 2013 to 30 April 2014
Non-Executive Director - Appointed 18 July 2006

Mr Dunbar is a consulting geologist with 40 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.

**Greg Wheeler BCom; FCA; SF Fin; GAICD** (Resigned 30 September 2013)
Non-Executive Director – 25 October 2004 to 14 July 2006, 20 June 2013 to 30 September 2013
Executive Chairman; Managing Director and Chief Financial Officer – 14 July 2006 to 19 June 2013

Mr Wheeler is a Fellow of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia, and has operated in many of the major accounting practices for the past 30 years in Australia and overseas. Greg was a Partner at the Chartered Accounting practices of Grant Thornton [1990 to 1999] and Deloitte [1999 to 2002], before establishing his own consulting firm in 2002. His skills include:- company and business valuations, advice to directors/shareholders; shareholder wealth strategies, capital raisings and broker presentations, acquisitions and divestitures, corporate governance; commercial negotiations and risk assessment and mitigation.

**John den Dryver BE (Mining) MSc FAusIMM (CP)** (Resigned 30 September 2013)
Non-Executive Director – 25 October 2004 to 30 September 2013

Mr den Dryver is a mining engineer with 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.

**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 |
|---|---|---|
| Jason Macdonald | Triton Minerals Limited | 28 January 2014 – 3 March 2014 |
| John den Dryver | Adelaide Resources Limited | 18 April 2005 – current |
| | Gascoyne Resources Limited | 5 October 2009 – current |
| | Centrex Metals Limited | 1 March 2011 – current |
| Gordon Dunbar | Gascoyne Resources Limited | 5 October 2009 – current |
| | Rubianna Resources Limited | 13 September 2011 – 30 June 2013 |

**COMPANY SECRETARY**

**Michael Dylan Naylor Bcom, CA, AGIA (appointed 22 May 2014)**

Michael has 17 years' experience in corporate advisory and public company management since commencing his career and qualifying as a chartered accountant with Ernst & Young. Michael has been involved in the financial management of mineral and resource focused public companies serving on the board and in the executive team focusing on advancing and developing mineral resource assets and business development. Michael is also a member of the Governance Institute of Australia.

**Joneen McNamara BBus, ACSA (resigned 22 May 2014)**

Mrs McNamara is an Accountant and Chartered Secretary. She has a wide range of experience in the financial management and company secretarial roles of a publicly listed entity.

**PRINCIPAL ACTIVITIES**

The principal activity of the Group constituted by Helix Resources Limited and the entities it controlled during the year consisted of gold, iron ore and base metal mineral exploration in Australia and Chile. There has been no significant change in the nature of these activities during the year.

**FINANCIAL RESULTS**

The net consolidated loss of the Group for the financial period, after provision for income tax was $1,971,585 (2013: profit of $2,730,290).

**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 entity's activities are contained in releases to the ASX on a quarterly basis, discussed in a separate section of this Annual Report as well as on our website at www.helix.net.au.

The Company's strategy continues to focus on prospective gold and copper regions in Australia and Chile and utilising our corporate and geological expertise to create and extract value for the benefit of our shareholders.

**Mineral Asset Project Highlights include:-**

**CHILE**

Joshua Copper Project [100%]

Joshua is 100% owned and located in Region IV Chile. The Project is located 40km East of the township of Ovalle [Population 100,000], at low altitude (less than 1700m), with excellent nearby infrastructure. Exploration first commenced mid-2011, with subsequent 200m spaced pole-dipole IP and ground magnetics leading to a DD program, the best hole so far, DDH2 returned 400m @ 0.31% Cu and 0.1g/t Au from surface to end of hole in Target 1. The Company has outlined potential for a large scale, bulk tonnage copper (+gold) project likely to be amenable to open pit mining.

Helix is seeking a partner to assist in funding and advancing this significant project. The company continues to receive interest from Chilean and International companies looking to secure large copper porphyry projects close to infrastructure.

Blanco y Negro Copper/Gold Project [100%]

The Blanco y Negro mining concession located within our Huallillinga Project secured for its potential to host economically exploitable Cu/Au resources. The project sits within a major regional mineralised shear system (Los Mantos Fault) with multiple mineral occurrences evident throughout the surrounding district.

Helix has mapped the main NW trending mineralised shear over a strike of 1.3km (offset by cross cutting faults) within the mining lease. The company has drilled the shear position with the best result being 19.5m @ 2% Cu and 1.1 g/t Au from the central 240m of strike. Helix continues to test various geological and geophysical targets along strike extensions of main shear zone to establish geological model to potentially expand resource inventory.

Huallillinga Copper/Gold Project [100%]
Huallillinga Project is a large 95km² area with significant potential for shear hosted copper and gold and porphyry systems. From the field activities undertaken to date, Helix has recognised at least two mineralising events associated with large structures and a large alteration system that is being assessed for its porphyry potential.

Embrujado Copper/Gold Project [100%]
The Embrujado Project is a series of exploration concessions totalling 100km² area east of the Huallillinga Project with additional potential for shear hosted copper and gold associated with the Los Mantos shear zone.

Hado Gold/Copper Project [100%]
The Hado Project targets the same geological domain as the Joshua Area (Cretaceous volcanics intruded by Paleocene intrusives) and is situated 25km S of Joshua and 18km by road from the township of Monte Patria. Hydrothermal breccias, brecciated andesite, diorite porphyry and intrusive granodiorite lithologies have been identified in first-pass geological mapping.

Exploration activities in Chile will continue 2H14 directed at specific geological, geophysical, structural and alteration targets to confirm and advance overall prospectivity of our project portfolio in Region IV.

**AUSTRALIA**

**Copper**

Collerina Copper(+Gold) Project – NSW -[Helix 100% precious and base metals]
The Collerina Prospect has an historic copper working (early 1900's) and was subject to a broad-spaced 3 hole drilling program by CRA in the 1980's. Copper mineralisation was intersected in all three holes (4m @ 2.4% Cu from 54m, 48m @ 0.6% Cu from 30m and 4.6m @ 1.1% Cu from 65m). There has been limited exploration activity on the Prospect since.

Work conducted by Helix has highlighted copper and gold mineralised sup-cropping gossanous material over a strike of at least 500m. Rockchips with up to 3% Copper and 9.3g/t Gold were returned from sampling along the strike of the prospect area. Helix plans to undertake soil auger sampling, an EM survey and drill-test the target during 2H14.

Canbelego Copper Project- NSW - [Helix 70%; Straits Resources 30%]
The project, located 40km from Cobar, has a resource (1.5Mt @ 1.2% Cu for 18,000t Inferred) at the Canbelego Mine Prospect. Exploration has highlighted several zones below and along strike of the drilling that indicate untested plunges may exist. DHEM surveys at Canbelego remain un-tested, and regional targets including Caballero and Canbelego West show opportunities to expand both oxide and primary copper resources on the project.

**Gold**

Restdown JV - NSW - [Helix 70%; Glencore 30%]
Helix continues its strategy to grow the existing Inferred resource of 2.6Mt @ 1.2g/t Au for 100,000 oz in this mineral prospective and infrastructure rich region. Detailed regional geochemical sampling continues to identify new zones and provide encouragement that multiple repeats of Mt Boppy-style mineralisation are present in the district.

On the Muriel Tank tenement, a series of hydraulic auger soil sampling programs, using Helix's Landcruiser mounted auger rig, were conducted over the past field season. Work has identified and confirmed a strong continuous zone of gold anomalism (up to 294ppb Au) over 1 km of strike at the Browns Prospect. Rock chip sampling from sub-crop and some small historic shafts and pits, have returned up to 15.5g/t Au.

The company has recently completed a maiden RC drilling program and results are pending.

NSW Cobar Regional [Helix 100%]
Helix considers the tenement holding in the region, dominated by VMS style copper and gold systems, has significant copper and gold exploration and development potential. The company has isolated a series of key structural, geochemical and lithological controls that are being used to prioritise targets within our tenement holding and with subsequent positive drill results, build on our resource base in the district.

Non-Managed JV - Tunkillia Gold Project - SA [Helix 30% & Tenement owner; WPG Resources 70% & Operator]
Helix strategy remains to dilute our interest under a favourable dilution formula, as WPG funds the project toward a Decision to Mine. HLX holds the Tenements 100% and the JV agreement requires 100% participant approval to move to mine development.

**Iron Ore**

Non Managed JV - Yalleen Project - WA [API (AMCI/Boasteel) 70% iron ore rights / Helix 30% [diluting] & Tenement owner]
The current resource stands at 84.3Mt @ 57.2% Fe channel iron (refer to Resources table) in a 572 km² project area in the West Pilbara. Helix is diluting to a royalty.

Recent corporate activity has seen previous API partner Aquila, taken over by Baosteel/Aurizon. Helix is monitoring these developments and its implications for the Yalleen agreement and the Company's interest in the Yalleen Project.

**Corporate**
The Group reported a loss of $1,971,585 during the year after impairment of $2,102,704 of carried forward exploration costs.

Major corporate events include:

- The board was restructured on 20 June 2013, and was reduced to three directors on 30 September 2013
- Staff were reduced and other cost savings initiatives were introduced to preserve cash
- A partial payment of $175,000 was received from Lodestone Equities Ltd in exchange for the extension to the deferred payment of $1.75m due on 31 March 2014 for the sale of Olary Magnetite Pty Ltd
- A placement of 30 million FPO shares at $0.025 was made to sophisticated investors to raise $0.75 million to advance Chile and Australian exploration assets and for working capital

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**
In the opinion of the Directors, other than 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**
On 21 August 2014, the Group has entered into an underwriting agreement with sophisticated investors to underwrite the conversion of the first 20,000,000 listed options (HLXO) at $0.015, including those exercised since December 2012, ensuring the Company receives proceeds of at least $300,000. The underwriters, which are not related parties of the Group, are to be paid an underwriting fee of 3% for a total consideration of $9,000. The underwriting will ensure the Company has adequate cash available to fund its stated objectives of advancing Helix's Chile and Australian exploration assets and for working capital. Since year end, 1,291,477 options were converted to fully paid ordinary shares.

**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 [AUDITED]**
The Directors of Helix present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

*Remuneration Governance*
The Board has decided there are no efficiencies to be gained from forming a separate remuneration committee and hence the current board members carry out the roles that would otherwise be undertaken by a remuneration committee with each director excluding themselves from matters in which they have a personal interest.

The Board considers and recommends:- compensation arrangements for the Managing Director and senior Executives; remuneration policies and practices; retirement termination policies and practices; Company share schemes and other incentive schemes; Company superannuation arrangements and remuneration arrangements for members of the Board.

*Principles used to determine the nature and amount of remuneration*
Remuneration paid by the Company should be reasonable and fair, taking into account the Company's legal and industrial obligations, labour market conditions and scale of business. Remuneration comprises a base salary, benefits and may include Long Term and Short Term incentives to provide reward for materially improved Company performance.

The Managing Director and Senior Executive's remuneration is reviewed on an annual basis by the members of the Board. From time to time, a review of the total remuneration package by an independent consultant in this field may be undertaken to provide an independent reference point.

Any termination payments for the Executive Directors are agreed in advance. The Managing Director is not entitled to any additional termination payments under their Service Agreements except for compensation for the employment period for the remainder of the term of their agreement.

*Overall Remuneration Framework*
The remuneration framework provides a mix of fixed and variable "at risk" remuneration and a blend of short and long-term incentives.

The remuneration for executives has three components:

- Fixed remuneration, inclusive of superannuation and allowances;
- STIs under a performance based cash bonus incentive plan; and
- LTIs through participation in the Company's shareholder approved equity incentive plans.

These three components comprise each executive's total annual remuneration.

*Executive Remuneration*
All executives receive a fixed base cash salary and other associated benefits. All executives also receive a superannuation guarantee contribution required by Australian legislation which was 9.25%. No executives receive any retirement benefits.

Fixed remuneration of executives will be set by the Board each year and is based on market relativity and individual performance. In setting fixed remuneration for executives, individual performance, skills, expertise and experience are also taken into account to determine where the executive's remuneration should sit within the market range. Where appropriate, external remuneration consultants will be engaged to assist the Board to ensure that fixed remuneration is set to be consistent with market practices for similar roles.

Fixed remuneration for executives will be reviewed annually to ensure each executive's remuneration remains fair and competitive. However, there is no guarantee that fixed remuneration will be increased in any service contracts for executives.

*Short Term Incentives*

The Managing Director and other executives were eligible to earn short-term cash bonuses upon achievement of significant performance based outcomes aligned with the Company's strategic objectives at that time. These performance based outcomes are considered to be an appropriate link between executive remuneration and the potential for creation of shareholder wealth. Given market conditions for exploration companies, no short term incentives were paid during the year.

*Long Term Incentives*

LTI awards are generally limited to executives, senior in-country managers and other key employees approved by the Board who influence or drive the strategic direction of the Company. The Company has not issued any LTI's during the year.

*Non-Executive Remuneration*

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 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.

*Details of Remuneration*

| | Primary | | | Post Employment | | | Equity | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **2014** | **Salary & Fees $** | **Performance Based Payment $** | **Non Monetary $** | **Superannuation $** | **Prescribed Benefits $** | **Other Retirement Benefits $** | **Options $** | **% of Remuneration %** | **Other Benefits $** | **Total $** |
| **Non – Executive Directors** | | | | | | | | | | |
| P Rombola | 30,000 | - | - | - | - | - | - | - | - | 30,000 |
| J Macdonald[1] | 9,274 | - | - | - | - | - | - | - | - | 9,274 |
| G Dunbar[2] | 25,000 | - | - | - | - | - | - | - | - | 25,000 |
| J den Dryver[3] | 13,730 | - | - | 1,270 | - | - | - | - | - | 15,000 |
| G Wheeler[4] | 48,387* | - | - | - | - | - | - | - | - | 48,387 |
| **Executive Directors** | | | | | | | | | | |
| M Wilson | 185,507 | - | - | 17,159 | - | - | - | - | - | 202,666 |
| **Key Management Personnel** | | | | | | | | | | |
| M Naylor[5] | 15,000 | - | - | - | - | - | - | - | - | 15,000 |
| J McNamara[6] | 76,839 | - | - | 5,168 | - | - | - | - | - | 82,007 |
| C Johnson[7] | 120,057 | - | - | 11,105 | - | - | - | - | - | 131,162 |
| **Total** | **523,794** | **-** | **-** | **34,702** | **-** | **-** | **-** | **-** | **-** | **558,496** |

1 Appointed as a Director on 10 March 2014.
2 Resigned as a Director on 30 April 2014.
3 Resigned as a Director on 30 September 2013.
4 Mr Wheeler resigned as an executive director on 19 June 2013 and became a Non-Executive Director on 20 June 2013. Resigned as a Director of 30 September 2013.
5 Appointed as CFO and Company Secretary on 22 May 2014.
6 Resigned as CFO and Company Secretary on 22 May 2014.
7 Made redundant as Exploration Manager on 26 May 2014.
* $8,465 relates to non-executive director fees. $5,000 relates to consulting fees.

| | Primary | | | Post Employment | | | Equity | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 2013 | Salary & Fees<br>$ | Perfor-mance Based Payment<br>$ | Non Monetary<br>$ | Super-annuation<br>$ | Pre-scribed Benefits<br>$ | Other Retire-ment Benefits<br>$ | Options<br>$ | % of Remu-neration<br>% | Other Benefits<br>$ | Total<br>$ |
| **Non-Executive Directors** | | | | | | | | | | |
| J den Dryver | 27,523 | - | - | 2,477 | - | - | - | - | - | 30,000 |
| G Dunbar | 30,000 | - | - | - | - | - | - | - | - | 30,000 |
| **Executive Directors** | | | | | | | | | | |
| G Wheeler | 302,247 | - | - | 27,203 | - | - | - | - | - | 329,450 |
| M Wilson | 228,990 | - | - | 20,610 | - | - | - | - | - | 249,600 |
| **Key Management Personnel** | | | | | | | | | | |
| J McNamara | 79,969 | - | - | 7,197 | - | - | - | - | - | 87,166 |
| C Johnson | 162,203 | - | - | 14,598 | - | - | - | - | - | 176,801 |
| **Total** | **830,932** | **-** | **-** | **72,085** | **-** | **-** | **-** | **-** | **-** | **903,017** |

Whilst the level of remuneration is not dependent on the satisfaction of any performance condition, the performance of Executives is reviewed on an annual basis against a number of qualitative and quantitative factors.

*Consequences of performance on shareholder wealth*
In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

| Item | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|---|---|
| Revenue | 431,802 | 353,478 | 231,667 | 5,721,673 | 112,425 |
| Net profit/(loss) | (6,885,378) | (708,373) | (441,374) | 2,730,290 | (1,971,585) |
| Share Price | $0.061 | $0.075 | $0.036 | $0.032 | $0.026 |
| Dividends | Nil | Nil | Nil | Nil | Nil |

*Service Agreements*
Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalized in a service agreement. The major provisions of the agreements relating to remuneration are set out below.

| Name | Base Salary / Fee | Term of Agreement | Notice Period by Company | Notice Period from Executive |
|---|---|---|---|---|
| M Wilson | 200,000 | 12 months expiring 20 June 2015 | 2 months | 2 months |
| M Naylor | 90,000 | Not specified | 2 months | 2 months |

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*Share-based remuneration*
There was no share based remuneration during the year.

Options held by Directors
As at 30 June 2014 the Company had issued no share options (30 June 2013: nil) in relation to the company's share option plan. 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.

The number of options to acquire shares in the Company held during the 2014 reporting period by each Director and Key Management Personnel of the Group, including their related parties are set out below. No options are held by Key management Personnel.

| Director/Key Management Personnel | Balance as at 1 July 2013 | Purchased | Exercised | Other Movements | Balance as at 30 June 2014 |
|---|---|---|---|---|---|
| M Wilson | 783,234 | - | - | - | 783,234 |
| J Macdonald | - | - | - | 415,000[1] | 415,000 |
| G Dunbar | 350,000 | - | | (350,000)[2] | - |
| J den Dryver | 200,000 | - | - | (200,000)[2] | - |
| G Wheeler | 4,744,500 | - | - | (4,744,500)[2] | - |
| J McNamara | 42,417 | - | - | (42,417)[2] | - |
| C Johnson | - | - | - | - | - |

[1] These options were owned at the date of appointment.
[2] These options were held by at the date of resignation.

All options are exercisable, have no vesting conditions and were not granted as part of remuneration.

Shares held by Directors and Key Management Personnel

| Director/Key Management Personnel | Balance as at 1 July 2013 | Purchased | Disposed | Other Movements | Balance as at 30 June 2014 or date of resignation |
|---|---|---|---|---|---|
| P Rombola | 5,813,829[1] | 1,619,256 | - | | 7,433,085 |
| J Macdonald | - | - | - | 8,087,500[1] | 8,087,500 |
| M Wilson | 2,349,700 | - | - | - | 2,349,700 |
| G Dunbar | 1,050,000 | - | - | - | 1,050,000[2] |
| J den Dryver | 600,000 | - | - | - | 600,000[2] |
| G Wheeler | 16,873,259 | - | - | - | 16,873,259[2] |
| J McNamara | 142,256 | - | - | - | 142,256[2] |
| C Johnson | - | - | - | - | - |

[1] These shares were owned at the date the Director was appointed.
[2] These options were held by at the date of resignation.

No shares were issued as part of remuneration.

*Related Party Transactions*
The Company has adopted a policy to contract the services of certain Director Related entities to retain access to relevant expertise. The policy provides that Helix will only enter into a transaction with a Director Related entity in the following circumstances:-

a. Any proposed transaction is at arm's length and on normal commercial terms; and
b. Where it is believed that the Director Related entity is the best equipped to undertake the work after taking into account: experience, expertise, knowledge of the Group; and value for money.

*Use of Remuneration Consultants*
During the year ended 30 June 2014 the Board did not engage the services of remuneration consultants.

*Voting and comments made at the Company's last Annual General Meeting*
Helix received more than 99% of "yes" votes on its Remuneration Report for the financial year ending 30 June 2013. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

**END OF AUDITED REMUNERATION 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**
The number of meetings held during the year by Company Directors (including meetings of committees of Directors) and the number of those meetings attended by each Director was:

| | Board of Directors' Meetings | | Remuneration Committee Meetings | | Audit Committee Meetings | |
|---|---|---|---|---|---|---|
| | Entitled to Attend | Attended | Entitled to Attend | Attended | Entitled to Attend | Attended |
| P Rombola | 5 | 5 | - | - | - | - |
| M Wilson | 5 | 5 | - | - | - | - |
| J Macdonald[1] | 2 | 2 | - | - | - | - |
| G Wheeler[2] | 1 | 1 | - | - | - | - |
| J den Dryver[2] | 1 | 1 | - | - | - | - |
| G Dunbar[3] | 3 | 3 | - | - | - | - |

[1] Appointed Non-Executive Director on 10 March 2014
[2] Resigned 30 September 2013
[3] Resigned 30 April 2014

**NON-AUDIT SERVICES**
The auditors did not provide any non-audit services during the financial year.

**AUDITOR'S INDEPENDENCE DECLARATION**
The auditor's independence declaration is included on page 26 of the financial report.

Dated at Perth this 26th day of September 2014.

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.

**Pasquale Rombola**
**Non-Executive Chairman**

Competent Persons Statement
The information in this announcement 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 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 a Competent Person 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 his information in the form and context in which it appears.

Details of the assumptions underlying any Resource estimations are contained in previous ASX releases or at www.helix.net.au

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**Auditor's Independence Declaration**
**To the Directors of Helix Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Helix Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 26 September 2014

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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## Independent Auditor's Report
## To the Members of Helix Resources Limited

### Report on the financial report

We have audited the accompanying financial report of Helix Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independence**
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**
In our opinion:

a the financial report of Helix Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**
We have audited the remuneration report included in pages 21 to 24 of the directors' report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Helix Resources Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 26 September 2014

# DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The consolidated financial statements and notes, as set out on pages 31 to 53 are in accordance with the Corporations Act 2001 and:-
    a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the group; and
    c. complies with International Financial Reporting Standards as disclosed in Note 1.
2. the Chief Executive Officer and Chief Finance Officer have each declared that:-
    a. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
    b. the financial statements and notes for the financial year comply with the Accounting Standards; and
    c. the financial statements and notes for the financial year give a true and fair view;
3. 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 Directors

**Pasquale Rombola**
**Chairman**

Signed at Perth this 26th day of September 2014.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2014

| | Note | CONSOLIDATED 2014 | 2013 |
|---|---|---|---|
| | | $ | $ |
| **Current Assets** | | | |
| Cash and Cash Equivalents | 2 | 1,711,410 | 2,840,252 |
| Trade and Other Receivables | 3 | 79,235 | 1,825,754 |
| Other Financial Assets | 4 | 60,624 | 240 |
| **Total Current Assets** | | **1,851,269** | **4,666,246** |
| **Non-Current Assets** | | | |
| Property, Plant & Equipment | 6 | 52,859 | 94,962 |
| Exploration and Evaluation | 7 | 11,892,694 | 12,038,911 |
| Trade and Other Receivables | 3 | 2,500,243 | 1,000,000 |
| Other Financial Assets | 5 | 123,585 | 200,000 |
| **Total Non-Current Assets** | | **14,569,381** | **13,333,873** |
| **Total Assets** | | **16,420,650** | **18,000,119** |
| **Current Liabilities** | | | |
| Trade and Other Payables | 8 | 242,370 | 478,381 |
| Short Term Provisions | 9 | 44,981 | 186,735 |
| **Total Current Liabilities** | | **287,351** | **665,116** |
| **Non- Current Liabilities** | | | |
| Long Term Provisions | 9 | 467 | 5,602 |
| **Total Non-Current Liabilities** | | **467** | **5,602** |
| **Total Liabilities** | | **287,818** | **670,718** |
| **Net Assets** | | **16,132,832** | **17,329,401** |
| **Equity** | | | |
| Share Capital | 10 | 60,009,350 | 59,192,640 |
| Reserves | 11 | 873,247 | 914,941 |
| Accumulated Losses | 12 | (44,749,765) | (42,778,180) |
| **Total Equity** | | **16,132,832** | **17,329,401** |

This statement should be read in conjunction with the Notes to the Financial Statements

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| | Note | CONSOLIDATED 2014 $ | CONSOLIDATED 2013 $ |
|---|---|---|---|
| Revenue | 13 | 112,425 | 5,721,673 |
| Employment Costs | | (118,482) | (85,833) |
| Audit and Accountancy | | (86,892) | (69,670) |
| Corporate Marketing | | (19,001) | (11,962) |
| Directors' Fees | | (48,971) | (38,560) |
| Depreciation | 14 | (17,691) | (31,056) |
| Foreign Exchange Loss | | (8,832) | - |
| Impairment of Exploration and Evaluation Assets | 7 | (2,102,704) | (2,873,508) |
| I T Costs | | (2,919) | (8,427) |
| Premises Costs | | (40,585) | (43,607) |
| Professional Services | | (13,964) | (41,035) |
| Travel expenses | | (9,473) | (3,849) |
| Revaluation of Shares in Listed Companies | | 384 | (336) |
| Share of loss from equity accounted investment | | - | (42,646) |
| Other expenses | | (45,969) | (33,534) |
| Finance costs | | (74,757) | 0 |
| Profit / (Loss) before income tax | | (2,477,431) | 2,437,649 |
| Income tax benefit | 18 | 505,846 | 292,641 |
| Profit / (Loss) for the year | | (1,971,585) | 2,730,290 |
| **Other Comprehensive Income** | | | |
| Fair value movements on available for sale financial assets | | - | - |
| Income tax relating to other comprehensive income | | - | - |
| Other comprehensive income, after tax | | - | - |
| **Total Comprehensive Profit / (Loss) attributable to members of Helix Resources Limited** | | (1,971,585) | 2,730,290 |
| **Earnings/(Loss) Per Share** | | | |
| Basic (cents per share) | 20 | (0.96) | 1.33 |
| Diluted (cents per share) | 20 | (0.96) | 1.33 |

This statement should be read in conjunction with the Notes to the Financial Statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| | Note | CONSOLIDATED 2014 $ | 2013 $ |
|---|---|---|---|
| **Cash Flow From Operating Activities** | | | |
| Payments to suppliers and employees | | (471,033) | (236,770) |
| Interest received | | 45,288 | 73,072 |
| Income tax benefit | | 505,846 | 292,641 |
| Other receipts | | 53,921 | 139,488 |
| Net cash provided by operating activities | 2(b) | 134,022 | 268,431 |
| **Cash Flow From Investing Activities** | | | |
| Payments for capitalised exploration & evaluation expenditure | | (2,220,463) | (2,664,785) |
| Payments for property, plant & equipment | | - | (3,700) |
| Proceeds from sale of mineral interest | | 175,000 | 2,500,000 |
| Proceeds from sale of available for sale financial assets | | - | 740,474 |
| Proceeds from security deposits | | 16,415 | 2,712 |
| Net cash provided by/used in investing activities | | (2,029,048) | 574,701 |
| **Cash Flow From Financing Activities** | | | |
| Proceeds from issue of shares | | 750,000 | 918,879 |
| Proceeds from issue of options | | 25,016 | 2,362 |
| Net cash provided by financing activities | | 775,016 | 921,241 |
| Net increase / (decrease) in cash and cash equivalents held | | (1,120,010) | 1,764,373 |
| Exchange rate adjustment | | (8,832) | - |
| Cash and cash equivalents at beginning of financial year | | 2,840,252 | 1,075,879 |
| **Cash and cash equivalents at End of Financial Year** | 2(a) | 1,711,410 | 2,840,252 |

This statement should be read in conjunction with the Notes to the Financial Statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

| CONSOLIDATED<br>2014 | Share Capital<br>Ordinary<br>$ | Other Reserves<br>$ | Accumulated Losses<br>$ | Total<br>$ |
|---|---|---|---|---|
| Total equity at the beginning of the financial year | **59,192,640** | **914,941** | **(42,778,180)** | **17,329,401** |
| Shares issued during the financial year | 750,000 | - | - | 750,000 |
| Exercise of options during the financial year | 66,710 | (41,694) | - | 25,016 |
| Total transactions with owners | 60,009,350 | 873,247 | (42,778,180) | 18,104,417 |
| Loss for the year | - | - | (1,971,585) | (1,971,585) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income | - | - | (1,971,585) | (1,971,585) |
| **Total equity at the end of the financial year** | **60,009,350** | **873,247** | **44,749,765** | **16,132,832** |

| CONSOLIDATED<br>2013 | Share Capital<br>Ordinary<br>$ | Other Reserves<br>$ | Accumulated Losses<br>$ | Total<br>$ |
|---|---|---|---|---|
| Total equity at the beginning of the financial year | **59,186,339** | **665,000** | **(45,513,470)** | **14,337,869** |
| Shares sold during the financial year | - | (660,000) | - | (660,000) |
| Options issued during the financial year | - | 918,879 | - | 918,879 |
| Exercise of options during the financial year | 6,301 | (3,938) | - | 2,363 |
| Expiry of options during the financial year | - | (5,000) | 5,000 | - |
| Total transactions with owners | 59,192,640 | 914,941 | (45,508,470) | 14,599,111 |
| Profit for the year | - | - | 2,730,290 | 2,730,290 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income | - | - | 2,730,290 | 2,730,290 |
| **Total equity at the end of the financial year** | **59,192,640** | **914,941** | **(42,778,180)** | **17,329,401** |

This statement should be read in conjunction with the Notes to the Financial Statements

### 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, Australian Accounting Standards and Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and complies with other requirements of the law. The financial report includes financial statements for Helix Resources Limited as the Consolidated Entity (Group) consisting of Helix Resources Limited and its controlled entities. The Group is a for-profit entity for financial reporting purposes.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

**Accounting policies**

Material 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.

*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) Principles of Consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

**b) Cash and Cash Equivalents**

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

**c) 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.

Rebates received for research and development tax concessions are recognised in the profit or loss.

**d) Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

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% |

De-recognition and disposal

An item of property, plant and equipment is derecognised on disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

**e) Exploration and evaluation**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

**f) 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.

**g) Non-derivative financial instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

*(i) 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 reporting date.

*(ii) 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 reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

*(iii) 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.

*(iv) 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 reporting 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 statement of profit or loss and other comprehensive income 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 profit or loss 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 reporting 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 or loss - is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss.

**h) 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.

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 reporting 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.

**i) Interest in Associates and Joint Ventures**

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

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

**j) 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.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument and is net of GST.

**k) 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.

**l) Receivables**

Other receivables are recorded at amounts due less any specific allowance for impairment.

**m) Goods and Services Tax**

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

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

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

**n) Impairment of Non-financial Assets**

Non-financial 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).

**o) 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 reporting 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 reporting 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.

**p) Critical Accounting Estimates and Other Accounting Judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group is of the view that there are no critical accounting estimates and judgements in this financial report, other than accounting estimates and judgements in relation to the following:

*Exploration and evaluation expenditure*

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at $11.89M.

*Fair value of options issued*

Management apply valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**q) 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 statement of profit or loss and other comprehensive income 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.

**r) New Accounting Standards for Application in Future Periods**
The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting period, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9 *Financial Instruments* (December 2010) introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach of classification and measurement of financial assets compared with the requirements of AASB 139. The Group has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018.

AASB 10 *Consolidated Financial Statements* establishes a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. When adopted, this Standard is not expected to significantly impact the Group's financial statements.

AASB 11 *Joint Arrangements* requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). When adopted, this Standard is not expected to significantly impact the Group's financial statements.

AASB 12 *Disclosure of Interests in Other Entities* contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity: concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. As this is a disclosure standard only, there will be no impact on amounts recognised in the Group's financial statements. However, additional disclosures will be required for interests in associates and joint arrangements.

AASB 119 *Employee Benefits* contains amendments in relation to the requirements for contributions from employees or third parties that are linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit. When these amendments are first adopted, there will be no material impact on the entity.

AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting financial assets and financial liabilities* adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132. There will be no impact on the Group as this standard merely clarifies existing requirements of AASB 132.

AASB 2013-3 *Recoverable Amount Disclosures for Non-Financial Assets* contains narrow-scope amendments that address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments are unlikely to have any significant impact on the Group given that they are largely of the nature of clarification of existing requirements.

AASB 2014-1 *Amendments to Australian Accounting Standards* makes amendments to various Australian Accounting Standards, one of them being AASB 13 *Fair Value Measurement*. AASB 2014-1 amends paragraph 52 of AASB 13. An entity shall apply that amendment for annual reporting periods beginning on or after 1 July 2014. The Group has not yet assessed the full impact of these amendments.

**s) 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 monetise 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 arrangements where exploration is funded by a third party.

**t) Foreign Currency Translation**
*Functional and presentation currency*
The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of all entities in the group.

*Foreign currency transactions and balances*
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

## 2. NOTES TO THE CASH FLOW STATEMENT

**a) Reconciliation of Cash**

For the purposes of the statement of cash flows and statement of financial position, 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 statement of cash flows is reconciled to the related items in the statement of financial position as follows:

| | CONSOLIDATED | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| Cash at Bank | 1,482,547 | 2,618,994 |
| Cash at Bank – Chile | 10,330 | 43,021 |
| Cash at Bank – FX Account | 218,533 | 178,237 |
| Total Cash | 1,711,410 | 2,840,252 |

**b) Reconciliation of loss after income tax to cash flows provided by operating activities**

| | CONSOLIDATED | |
|---|---|---|
| | 2014<br>$ | 2013<br>$ |
| Profit /(Loss) after income tax | (1,971,585) | 2,730,290 |
| **Non-cash flows in Loss** | | |
| Depreciation | 17,691 | 31,056 |
| Impairment of Exploration and evaluation | 2,102,704 | 2,873,508 |
| Profit on sale of fixed assets | (13,058) | (620,475) |
| Loss on revaluation of fair value through profit & loss financial assets | (384) | 336 |
| Loss on foreign exchange transactions | 8,832 | (4,264,934) |
| Finance costs | 74,757 | |
| **Cash flows excluded from profit attributable to operating activities** | | |
| Option fee received on sale of mineral interest | - | (500,000) |
| **Changes in Net Assets and Liabilities** | | |
| **(Increase)/Decrease in Assets** | | |
| (Increase)/decrease in trade and other receivables | 43,846 | (81,058) |
| **Increase/(Decrease) in Liabilities** | | |
| Increase / (decrease) in trade and other payables | 18,108 | 104,939 |
| Increase / (decrease) in provisions | (146,889) | (5,231) |
| Net Cash provided by Operating Activities | 134,022 | 268,431 |

### 3. TRADE AND OTHER RECEIVABLES

| CURRENT RECEIVABLES | CONSOLIDATED 2014 $ | CONSOLIDATED 2013 $ |
|---|---|---|
| Prepayments | 11,753 | 13,140 |
| Deferred payment for sale of Olary Magnetite Pty Ltd to Lodestone Equities Ltd | - | 1,750,000 |
| Other Receivables | 67,482 | 62,614 |
| Total Current Receivables | 79,235 | 1,825,754 |

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

| NON-CURRENT RECEIVABLES | CONSOLIDATED 2014 $ | CONSOLIDATED 2013 $ |
|---|---|---|
| Deferred payment for sale of Olary Magnetite Pty Ltd to Lodestone Equities | 2,500,243 | 1,000,000 |
| Total Non-Current Receivables | 2,500,243 | 1,000,000 |

The amount receivable from Lodestone Equities Limited of $2,500,243 is considered to be recoverable either by completing the transaction on a revised timeframe, entering a commercial arrangement with Lodestone or via the rights held by Helix Resources Limited under the Olary Magnetite Sale Agreements. Under the Sale Agreement, Helix Resources Limited has the right to elect to reclaim the assets previously sold, and that there would be no impairment required to be recognised.

### 4. OTHER FINANCIAL ASSETS

| | CONSOLIDATED 2014 $ | CONSOLIDATED 2013 $ |
|---|---|---|
| **Current:** | | |
| Security Deposits | 60,000 | - |
| Shares in listed corporations – at fair value through profit or loss | 624 | 240 |
| Total Current Financial Assets | 60,624 | 240 |

4(a) Shares in subsidiaries

| Name | Country of Incorporation | Percentage Held 2014 | Percentage Held 2013 |
|---|---|---|---|
| Oxley Exploration Pty Ltd | Australia | 100% | 100% |
| Leichhardt Resources (QLD) Pty Ltd | Australia | 100% | 100% |
| Helix Resources (Overseas) Pty Ltd | Australia | 100% | 100% |
| Helix Resources Chile Limitada | Chile | 100% | 100% |

### 5. OTHER FINANCIAL ASSETS

| | CONSOLIDATED | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| **Non-Current** | | |
| Security Deposits | 123,585 | 200,000 |
| Total Other Assets – Non-Current | 123,585 | 200,000 |

### 6. PROPERTY, PLANT AND EQUIPMENT

| | CONSOLIDATED | | |
|---|---|---|---|
| **2014** | Plant & Equipment | Motor Vehicles | Total |
| | $ | $ | $ |
| **Gross Carrying Amount** | | | |
| Balance at 30 June 2013 | 180,678 | 182,556 | 363,234 |
| Disposals | (61,145) | (87,700) | (148,845) |
| Balance at 30 June 2014 | 119,533 | 94,856 | 214,389 |
| **Accumulated Depreciation** | | | |
| Balance at 30 June 2013 | 126,803 | 141,469 | 268,272 |
| Depreciation | 10,247 | 7,444 | 17,691 |
| Depreciation write off on disposal | (50,971) | (73,462) | (124,433) |
| Balance at 30 June 2014 | 86,079 | 75,451 | 161,530 |
| **Net Book Value** | | | |
| 30 June 2013 | 53,875 | 41,087 | 94,962 |
| 30 June 2014 | 33,454 | 19,405 | 52,859 |

| 2013 | CONSOLIDATED Plant & Equipment | Motor Vehicles | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Gross Carrying Amount** | | | |
| Balance at 30 June 2012 | 176,978 | 182,556 | 359,534 |
| Additions | 3,700 | - | 3,700 |
| Balance at 30 June 2013 | 180,678 | 182,556 | 363,234 |
| **Accumulated Depreciation** | | | |
| Balance at 30 June 2012 | 146,014 | 153,314 | 299,328 |
| Depreciation | 19,211 | 11,845 | 31,056 |
| Balance at 30 June 2013 | 126,803 | 141,469 | 268,272 |
| **Net Book Value** | | | |
| 30 June 2012 | 69,386 | 52,932 | 122,318 |
| 30 June 2013 | 53,875 | 41,087 | 94,962 |

**7. EXPLORATION AND EVALUATION EXPENDITURE (NON-CURRENT)**

| | CONSOLIDATED 2014 | 2013 |
|---|---|---|
| | $ | $ |
| Balance at beginning of the financial year | 12,038,911 | 12,558,617 |
| Expenditure incurred during the year | 1,956,487 | 3,058,659 |
| Sale of Olary Magnetite area of interest | - | (704,857) |
| Impairment losses | (2,102,704) | (2,873,508) |
| Balance at the end of the financial year | 11,892,694 | 12,038,911 |

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.

The impairment losses for the current financial year related to the following projects:

- Oxley Exploration Pty Ltd ($994,893) – tenements were relinquished.
- Restdown JV project ($522,723) - Carrying value was adjusted to reflect reductions in tenure with remaining Expenditure carried forward.
- Tunkillia JV project ($585,088) – Carrying value was adjusted to reflect current market value.

| | CONSOLIDATED 2014 | 2013 |
|---|---|---|
| | $ | $ |
| **8. TRADE AND OTHER PAYABLES (CURRENT)** | | |
| Trade payables | 242,370 | 478,381 |
| All amounts are short term. The carrying value of trade payables is considered to be a reasonable approximation of fair value. | | |

| | | |
|---|---|---|
| **9. PROVISIONS** | | |
| **Current** | | |
| Employee Benefits | 44,981 | 186,735 |
| Balance at end of financial year | 44,981 | 186,735 |
| **Non -Current** | | |
| Employee Benefits | 467 | 5,602 |
| Balance at end of financial year | 467 | 5,602 |
| **10. SHARE CAPITAL** | | |
| 236,474,341 Fully Paid Ordinary Shares (2013: 204,806,589) | 60,009,350 | 59,192,640 |
| Balance at end of financial year | 60,009,350 | 59,192,640 |

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **No** | **$** | **No** | **$** |
| **Fully Paid Ordinary Shares** | | | | |
| Balance at beginning of financial year | 204,806,589 | 59,192,640 | 204,649,072 | 59,186,339 |
| Conversion HLXO Options @ $0.04 | 1,667,752 | 66,710 | 157,517 | 6,301 |
| Share Issue: 30,000,000 Fully Paid Shares @ $0.025 | 30,000,000 | 750,000 | - | - |
| Balance at end of financial year | 236,474,341 | 60,009,350 | 204,806,589 | 59,192,640 |

Fully paid ordinary shares have no par value, carry one vote per share and carry the right to dividends. Options carry no voting rights until converted to fully paid ordinary shares.

**Capital Management**

Management controls the capital of the group in order to maximise the return to shareholders and ensure that the group can fund its operations and continue as a going concern.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels, distributions to shareholders and share and option issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

**11. OTHER RESERVES**

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **No.** | **$** | **No.** | **$** |
| **Listed Options** | | | | |
| Balance at beginning of financial year | 36,597,605 | 914,941 | - | - |
| Options issued during the financial year | - | - | 36,755,122 | 918,879 |
| Exercise of Options to Fully Paid Shares | (1,667,752) | (41,694) | (157,517) | (3,938) |
| Balance at end of financial year | 34,929,853 | 873,247 | 36,597,605 | 914,941 |

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | **No.** | **$** | **No.** | **$** |
| **Share Options** | | | | |
| Balance at beginning of financial year | - | - | 7,500,000 | 5,000 |
| Expiry of Terminated Employee Incentive Options | - | - | - | - |
| Issue of Options to corporate consultant | - | - | - | - |
| Expiry of Options to corporate consultant | - | - | (7,500,000) | (5,000) |
| Balance at end of financial year | - | - | - | - |

The Listed and Share Options Reserves records items recognised as expenses on valuation of options.

| | CONSOLIDATED | |
|---|---|---|
| | **2014 $** | **2013 $** |
| **Financial Assets Reserve** | | |
| Balance at beginning of financial year | - | 660,000 |
| Fair Value of Gascoyne Resources shares | - | - |
| Sale of Gascoyne Resources shares | - | (660,000) |
| Balance at end of financial year | - | - |

The financial asset reserve records revaluation of available for sale financial assets.

## 12. ACCUMULATED LOSSES

| | | |
|---|---|---|
| Balance at beginning of financial year | (42,778,180) | (45,513,470) |
| Net Profit / (Loss) attributable to members of the parent entity | (1,971,585) | 2,730,290 |
| Expiry of Options to corporate consultant | - | 5,000 |
| Balance at end of financial year | (44,749,765) | (42,778,180) |

## 13. REVENUE

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

| | CONSOLIDATED | |
|---|---|---|
| | **2014 $** | **2013 $** |
| **Operating Activities** | | |
| Interest Revenue | 45,446 | 74,473 |
| Joint Venture Management Fee | - | 164,893 |
| Other | 53,921 | 54,252 |
| **Total Operating Revenue** | 99,367 | 293,618 |
| **Other Revenue** | | |
| Lodestone Equities Ltd Option Fee – Olary Magnetite Pty Ltd | - | 500,000 |
| Profit on Sale of Mineral Interest – Olary Magnetite Pty Ltd | - | 4,307,580 |
| Profit on sale of available for sale financial assets | - | 620,475 |
| Profit on sale of fixed assets | 13,058 | - |
| **Total Other Revenue** | 13,058 | 5,428,055 |
| **Total Revenues** | 112,425 | 5,721,673 |

## 14. LOSS FOR THE YEAR

**Expenses**

| | CONSOLIDATED | |
|---|---|---|
| | **2014** | **2013** |
| | **$** | **$** |
| Depreciation of non-current assets: Property, plant and equipment | 17,691 | 31,056 |
| Impairment of exploration and evaluation assets | 2,102,704 | 2,873,508 |
| Operating lease rental expenses: Minimum lease payments | 151,896 | 137,385 |
| Defined contribution superannuation expense | 53,090 | 90,868 |
| Finance Costs | 74,757 | - |
| Profit / (Loss) for the year | (1,971,585) | 2,730,290 |

## 15. COMMITMENTS

**a) Operating Lease Commitments**

| | | |
|---|---|---|
| Not later than 1 year | 17,710 | 114,419 |
| Later than 1 year but not later than 2 years | - | - |
| Later than 2 years but not later than 5 years | - | - |
| | 17,710 | 114,419 |

The lease for the shed is for a 1 year term with no option to extend. As at reporting date, there was a balance of 9 months remaining on the lease. Subsequent to 30 June 14, the company renewed its office lease from 1 July 2014 until 31 December 2014 at a cost of $40,650.

**b) Exploration Expenditure Commitments**

In order to maintain current rights of tenure to exploration tenements, the Group is 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 Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure commitments beyond the next 12 months. It is anticipated that expenditure commitments for the next twelve months will be tenement rentals of $191,755 (2013: $120,000) and, subject to cash reserves and economic conditions, exploration expenditure of $1,031,473 including the above rentals (2013: $1,068,000). JV partners are expected to fund activities in accordance with our current Joint Venture arrangements.

## 16. KEY MANAGEMENT PERSONNELS' REMUNERATION

Please refer to disclosures contained in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

| | **2014<br>$** | **2013<br>$** |
|---|---|---|
| Short term employee benefits | 523,794 | 830,932 |
| Post-employment benefits | 34,702 | 72,085 |
| **Total** | **558,496** | **903,017** |

## 17. RELATED PARTY AND DIRECTORS' DISCLOSURES

**a) Other Transactions with key management personnel**

There were no items of expenses that resulted from transactions other than remuneration with key management personnel or their personally-related entities as shown in the remuneration report. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

| 18. INCOME TAX | CONSOLIDATED | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| Accounting profit / (loss) before tax from continuing operations | (2,477,431) | (2,437,649) |
| Accounting profit / (loss) before tax | (2,477,431) | (2,437,649) |
| **Reconciliation of Income Tax Expense / (Benefit) to Accounting Profit / (Loss)** | | |
| Prima facie tax payable / (benefit) at Australian rate of 30% (2013 – 30%) | (743,229) | 732,510 |
| Prima facie tax payable / (benefit) at Chilean rate of 20% (2013 – 20%) | - | (810) |
| Adjusted for tax effect of the following: | | |
| - taxable / non-deductible items | 422 | 266 |
| - non-taxable / deductible items | (8,327) | (15,993) |
| -under / (over) provision in prior year | 197,120 | 195,094 |
| - benefit of previously unrecognised tax losses | - | (911,878) |
| - adjustment for change of Chilean tax rate | - | (3,122) |
| - income tax benefit not brought to account | 554,014 | 3,933 |
| Income tax expense / (benefit) | - | - |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Current income tax charge | - | - |
| R&D tax benefit | (505,846) | (292,641) |
| Deferred income tax | | |
| Relating to origination and reversal of temporary differences | 101,488 | 310,525 |
| Australian temporary differences not brought to account | (302,152) | (627,047) |
| Adjustment for change of Chilean tax rate | - | (38,800) |
| Chilean deferred tax liabilities offset by deferred tax asset losses | 200,664 | 355,322 |
| Income tax expense/(benefit) reported in statement of profit or loss & other comprehensive income | (505,846) | (292,641) |
| **Unrecognised Deferred Tax Balances**: | | |
| Australian deferred tax asset losses | 11,377,789 | 10,802,938 |
| Australian deferred tax asset losses lapsed | (564,629) | - |
| Chilean deferred tax asset losses | 42,441 | 42,442 |
| Australian deferred tax assets other | 24,343 | 67,609 |
| Net Unrecognised deferred tax assets | 10,879,944 | 10,912,989 |
| **Recognised Deferred Tax Balances:** | | |
| Deferred tax assets: | | |
| Australian deferred tax assets | 2,016,083 | 2,361,502 |
| Chilean deferred tax assets | 1,034,515 | 833,850 |
| Deferred tax assets | 3,050,598 | 3,195,352 |
| Deferred tax liabilities: | | |
| Australian deferred tax liabilities | (2,016,083) | (2,361,502) |
| Chilean deferred tax liabilities | (1,034,515) | (833,850) |
| Deferred tax liabilities | (3,050,598) | (3,195,352) |
| Net deferred tax | - | - |

### 19. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed on the basis it is a mineral exploration company operating predominately in the geographical region of Australia, mainly in Western Australia, New South Wales and South Australia, with a developing operation in Chile which currently represents ±43% of mineral asset expenditure. The mineral assets held via outright ownership or joint venture are considered one business segment and the minerals currently being targeted include gold, copper, iron ore and other base metals. Decisions are made on a prospectivity basis, not a geographical or commodity basis.

| | Australia | | Chile | | Total | |
|---|---|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** | **2014** | **2013** |
| **Current Assets** | | | | | | |
| Cash | 1,701,080 | 2,797,231 | 10,330 | 43,021 | 1,711,410 | 2,840,252 |
| **Non-Current Assets** | | | | | | |
| Mineral Assets | 8,822,823 | 10,739,117 | 5,172,575 | 4,173,302 | 13,995,398 | 14,912,419 |
| Impairment expense | (2,102,704) | (2,869,458) | - | (4,050) | (2,102,704) | (2,873,508) |
| **Carrying Amount** | 6,720,119 | 7,869,659 | 5,172,575 | 4,169,252 | 11,892,694 | 12,038,911 |
| **Current Liabilities** | | | | | | |
| Trade payables | 150,135 | 342,381 | 92,235 | 136,000 | 242,370 | 478,381 |
| **Revenue** | 112,425 | 5,721,673 | - | - | 112,425 | 5,721,673 |
| **Depreciation** | 17,691 | 31,056 | - | - | 17,691 | 31,056 |
| **Profit /(Loss) before tax** | (2,477,431) | 2,441,699 | - | (4,050) | (2,477,431) | 2,437,649 |

### 20. EARNINGS PER SHARE

| | COMPANY | |
|---|---|---|
| | **2014** | **2013** |
| | **Cents Per share** | **Cents Per share** |
| Basic earning / (loss) per share | (0.96) | 1.33 |
| Diluted earning /(loss) per share | (0.96) | 1.33 |

***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:

| | **2014** | **2013** |
|---|---|---|
| | **$** | **$** |
| Earnings / (loss) (a) | (1,971,585) | 2,730,290 |

| | **2014** | **2013** |
|---|---|---|
| | **No.** | **No.** |
| Weighted average number of ordinary shares (b) | 205,317,481 | 204,651,661 |

(a) Earnings used in the calculation of basic earnings per share is net profit (loss) after tax of ($1,971,585) (2013: $2,730,290).

(b) The executive share 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: | | |
|---|---|---|
| | **2014** **$** | **2013** **$** |
| Earnings/(loss) (a) | (1,896,828) (1,971,585) | 2,730,290 |
| | **12 months to 30 June 2014** **No.** | **12 months to 30 June 2013** **No.** |
| Weighted average number of ordinary shares and potential ordinary shares (b) | 205,317,481 | 204,651,661 |

(a) Earnings used in the calculation of diluted loss per share is net loss after tax of ($1,971,585) (2013: profit of $2,730,290).

(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:

| | **2014** **No.** | **2013** **No.** |
|---|---|---|
| Viaticus options | - | - |
| Listed options | 34,929,853 | 36,597,605 |

## 21. INTEREST IN JOINT OPERATIONS

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

| Joint Operations Project | Percentage Interest | Principal Exploration Activities |
|---|---|---|
| Tunkillia | 30% (2013: 30%) (WPG Resources Limited) | Gold |
| Yalleen | 30% (2013: 30%) (API Management Pty Ltd 70% Iron Ore rights) | Iron Ore |
| Restdown JV | 70% (2013: 70%) (Glencore) | Gold |
| Canbelego | 70% (2013: 70%) (Straits Resources) | Copper |

The joint operations 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 operations. The Group's interest in exploration expenditure in the above mentioned joint operations is as follows:

| | Yalleen Joint Operation 30% | Tunkillia Joint Operation 30% | Restdown Joint Operation 70% | Canbelego Joint Operation 70% |
|---|---|---|---|---|
| **Non-Current Assets** | | | | |
| Mineral Assets | 3,630 | 3,043,088 | 2,168,419 | 1,061,015 |
| Impairment | - | (585,088) | (522,723) | - |
| Carrying Amount | 3,630 | 2,458,000 | 1,645,696 | 1,061,015 |

The recoverability of the carrying amount of the mineral assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

## 22. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The 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 |
| | % | $ | $ | $ | $ | $ |
| **2014** | | | | | | |
| **Financial Assets** | | | | | | |
| Current Receivables | | - | - | - | 79,235 | 79,235 |
| Non-current Receivables | | - | - | 2,500,243 | - | 2,500,243 |
| Held for trading assets | | - | - | - | 624 | 624 |
| Cash and cash equivalent assets | 2.40% | - | 1,711,410 | - | - | 1,711,410 |
| Security deposits and deposits at financial institutions | 3.15% | - | 60,000 | 123,585 | - | 183,585 |
| Available for sale assets | | - | - | - | - | - |
| | | - | 1,771,410 | 2,623,828 | 79,859 | 4,475,097 |
| **Financial Liabilities** | | | | | | |
| Trade Payables (all payable within 30 days) | | - | - | - | 242,370 | 242,370 |
| | | - | - | - | 242,370 | 242,370 |

| | | Floating Interest Rate Maturity | | | | |
|---|---|---|---|---|---|---|
| | Average Interest Rate | Fixed Interest Rate | Less than 1 year | More than 1 Year | Non Interest Bearing | Total |
| | % | $ | $ | $ | $ | $ |
| **2013** | | | | | | |
| **Financial Assets** | | | | | | |
| Other Receivables | | | | | 1,825,754 | 1,825,754 |
| Non-current Receivables | | - | - | - | 1,000,000 | 1,000,000 |
| Held for trading assets | | - | - | - | 240 | 240 |
| Cash and cash equivalent assets | 3.4% | - | 2,840,252 | - | - | 2,840,252 |
| Security deposits and deposits at financial institutions | 4.3% | - | - | 200,000 | - | 200,000 |
| Available for sale assets | | - | - | - | - | - |
| | | 2,840,252 | - | 200,000 | 2,825,994 | 5,866,246 |
| **Financial Liabilities** | | | | | | |
| Trade Payables (all payable within 30 days) | | - | - | - | 478,381 | 478,381 |
| | | - | - | - | 478,381 | 478,381 |

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.

**Financial Instruments Measured at Fair Value**

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

— quoted prices in active markets for identical assets or liabilities (Level 1);

— inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

— inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

| 2014 | Level 1 | Total $ |
|---|---|---|
| **Financial Assets** | | |
| Held for trading assets | 624 | 624 |
| Available for sale assets | - | - |
| | 624 | 624 |

| 2013 | Level 1 | Total $ |
|---|---|---|
| **Financial Assets** | | |
| Held for trading assets | 240 | 240 |
| Available for sale assets | - | - |
| | 240 | 240 |

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

**Financial Risk Exposures and Management**

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. The Board is responsible for the financial risk management.

**Interest Rate Risk**

Interest rate risk is managed by investing cash with major financial institutions in both cash on deposit and term deposit accounts.

**Interest Rate Risk Sensitivity Analysis**

At 30 June 2014, the effect on loss and equity as a result of a 50% increase in the interest rate, with all other variables remaining constant would be an decrease in loss (2013: increase in profit) by $22,723 (2013: $37,236) and an increase in equity by $22,723 (2013: $37,236). The effect on loss and equity as a result of a 50% decrease in the interest rate, with all other variables remaining constant would be an increase in loss (2013: decrease in profit) by $22,723 (2013: $37,236) and a decrease in equity by $22,723 (2013: $37,236).

**Liquidity Risk**

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.
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.

**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.

**23. EMPLOYEE BENEFITS**

The aggregate employee benefits liability recognised and included in the financial statements is as follows:

| | CONSOLIDATED | |
|---|---|---|
| | 2014 | 2013 |
| | $ | $ |
| Provision for employee benefits: | | |
| Current (Note 9) | 44,981 | 186,735 |
| Non-Current (Note 9) | 467 | 5,602 |
| | 45,448 | 192,337 |
| | No | No |
| Number of employees at end of financial year | 3 | 7 |

**24. CONTINGENT LIABILITIES**

**Bank Guarantees**

The Company may be required to issue bank guarantees to secure tenement holdings. The Company currently has bank guarantees to the value of $133,500 (2013: $80,000) for tenement holdings and $27,085 (2013: $27,000) for office premises.

**25. REMUNERATION OF AUDITORS**

| | 2014<br>$ | 2013<br>$ |
|---|---|---|
| **a) Auditor of the Parent Entity** | | |
| Auditing the financial report | 28,315 | 24,270 |
| | 28,315 | 24,270 |

The auditor of Helix Resources Limited for the 2014 financial year is Grant Thornton Audit Pty Ltd.

**26. HELIX RESOURCES LIMITED PARENT COMPANY INFORMATION**

| | Note | 2014 | 2013 |
|---|---|---|---|
| | | $ | $ |
| **Assets** | | | |
| Current Assets | | 4,454,039 | 4,666,246 |
| Non-current Assets | | ,11,994,381 | 13,333,873 |
| **Total Assets** | | **16,448,420** | **18,000,119** |
| **Liabilities** | | | |
| Current Liabilities | 8, 9 | 315,121 | 665,116 |
| Non-current Liabilities | 9 | 467 | 5,602 |
| **Total Liabilities** | | **315,588** | **670,718** |
| **Equity** | | | |
| Issued Capital | | 60,009,350 | 59,192,640 |
| Accumulated Losses | | (44,749,765) | (42,778,179) |
| Options Reserve | | 873,247 | 914,941 |
| **Total Equity** | | **16,132,832** | **17,329,402** |
| **Financial Performance** | | | |
| Profit / (Loss) for the year | 14 | (1,971,585) | 2,730,290 |
| **Total Comprehensive Income** | | (1,971,585) | **2,730,290** |

**27. SUBSEQUENT EVENTS**

On 21 August 2014, the Group has entered into an underwriting agreement with sophisticated investors to underwrite the conversion of the first 20,000,000 listed options (HLXO) at $0.015, including those exercised since December 2012, ensuring the Company receives proceeds of at least $300,000. The underwriters, which are not related parties of the Group, are to be paid an underwriting fee of 3% for a total consideration of $9,000. The underwriting will ensure the Company has adequate cash available to fund its stated objectives of advancing Helix's Chile and Australian exploration assets and for working capital. Since year end, 1,291,477 options were converted to fully paid ordinary shares.

**28. ADDITIONAL COMPANY INFORMATION**

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

Registered Office
Suite 7, 29 Ord Street
WEST PERTH WA 6005
Tel (08) 9321 2644

Principal Place of Business
Suite 7, 29 Ord Street
WEST PERTH WA 6005
Tel (08) 9321 2644

The financial report for Helix Resources Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on the 26th September 2014.

## *AS AT 29TH AUGUST 2014*

# NUMBER OF SHARES HELD

| Spread of Holdings | Number of Shareholders | Number of Shares |
|---|---|---|
| 1–1000 | 85 | 29,913 |
| 1,001–5,000 | 174 | 545,564 |
| 5,001–10,000 | 272 | 2,355,032 |
| 10,001–100,000 | 653 | 24,231,940 |
| 100,001 and over | 244 | 209,395,841 |
| Total | 1,428 | 236,558,290 |

| | | |
|---|---|---|
| Number of shareholders holding less than a marketable parcel | 651 | 4,475,969 |

**PERCENTAGE HELD BY 20 LARGEST SHAREHOLDERS**

| | Shareholder | Number of Shares | % of Issued Capital |
|---|---|---|---|
| 1 | Yandal Investments | 21,172,514 | 8.95 |
| 2 | Gee Vee Pty Ltd | 16,873,259 | 7.13 |
| 3 | Brisbane Investments I and II Ltd | 13,063,829 | 5.52 |
| 4 | HSBC Custody Nominees (Aust) Ltd | 9,850,186 | 4.16 |
| 5 | Rombola Family Pty Ltd | 7,677,127 | 3.25 |
| 6 | Creekwood Nominees Pty Ltd | 7,250,000 | 3.07 |
| 7 | Wythenshawe Pty Ltd | 4,999,917 | 2.11 |
| 8 | BTX Pty Ltd | 4,681,293 | 1.98 |
| 9 | Mr William Henry Hernstadt | 4,502,728 | 1.90 |
| 10 | Blamnco Trading Pty Ltd | 4,000,000 | 1.69 |
| 11 | Ocean View WA Pty Ltd | 4,000,000 | 1.69 |
| 12 | Ms Philippa Cummins | 4,000,000 | 1.69 |
| 13 | Niddrie Holdings Pty Ltd | 3,303,673 | 1.40 |
| 14 | Penoir Pty Ltd | 3,000,000 | 1.27 |
| 15 | Technica Pty Ltd | 2,784,999 | 1.18 |
| 16 | Mr Michael Hood Wilson | 2,330,000 | 0.99 |
| 17 | Funding Securities Pty Ltd | 2,300,000 | 0.97 |
| 18 | HJH Nominees Pty Ltd | 2,020,500 | 0.85 |
| 19 | Seefeld Investments Pty Ltd | 2,000,000 | 0.85 |
| 20 | Finook Pty Ltd | 2,000,000 | 0.85 |
| | Top 20 Total | 121,810,025 | 51.50 |

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

## SUBSTANTIAL SHAREHOLDERS

| Shareholder | Number of Shares | % of Issued Capital |
|---|---|---|
| Yandal Investments | 21,172,514 | 8.95 |
| Gee Vee Pty Ltd | 16,873,259 | 7.13 |
| Brisbane Investments I and II Ltd | 13,063,829 | 5.52 |

## DIRECTORS' INTEREST IN SHARE CAPITAL

| Director | Fully Paid Ordinary Shares | Listed Options |
|---|---|---|
| M H Wilson | 2,349,700 | 783,234 |
| P R Rombola | 7,677,127 | - |
| J Macdonald | 8,087,500 | 415,000 |
| Total | 18,114,327 | 1,198,234 |

*AS AT 29TH AUGUST 2014*

# NUMBER OF OPTIONS HELD

| Spread of Holdings | Number of Optionholders | Number of Options |
|---|---|---|
| 1–1000 | 21 | 8,855 |
| 1,001–5,000 | 49 | 150,326 |
| 5,001–10,000 | 32 | 245,928 |
| 10,001–100,000 | 100 | 3,820,879 |
| 100,001 and over | 51 | 30,619,916 |
| Total | 253 | 34,845,904 |

**PERCENTAGE HELD BY 20 LARGEST OPTIONHOLDERS**

| | Shareholder | Number of Options | % of Issued Capital |
|---|---|---|---|
| 1 | Blamnco Trading Pty Ltd | 6,000,000 | 17.22 |
| 2 | Gee Vee Pty Ltd | 4,744,500 | 13.62 |
| 3 | Aotea Minerals Ltd | 2,000,000 | 5.74 |
| 4 | Niddrie Holdings Pty Ltd | 1,101,225 | 3.16 |
| 5 | Funding Securities Pty Ltd | 1,100,000 | 3..16 |
| 6 | Tattersfield Securities Ltd | 1,000,000 | 2.87 |
| 7 | Pershing Australia Nominees Pty Ltd | 1,000,000 | 2.87 |
| 8 | Creekwood Nominees Pty Ltd | 997,227 | 2.86 |
| 9 | Technica Pty Ltd | 928,333 | 2.66 |
| 10 | Mr Trevor Neil Hay | 856,000 | 2.46 |
| 11 | Mr Michael Hood Wilson | 776,667 | 2.23 |
| 12 | HJH Nominees Pty Ltd | 703,334 | 2.02 |
| 13 | Mr Bulent Besim | 700,000 | 2.01 |
| 14 | HSBC Custody Nominees | 581,068 | 1.67 |
| 15 | Tromso Pty Ltd | 500,000 | 1.44 |
| 16 | Zero Nominees Pty Ltd | 486,669 | 1.40 |
| 17 | Forsyth Barr Custodians Ltd | 480,829 | 1.38 |
| 18 | Comsec Nominees Pty Ltd | 438,711 | 1.26 |
| 19 | Mr Ian Trager | 360,000 | 1.03 |
| 20 | Mr Gordon John & Mrs Diana Lyle Dunbar | 350,000 | 1.00 |
| | Top 20 Total | 25,104,563 | 72.05 |

# TENEMENT SCHEDULE

| Tenement | Name | Mineral | Ownership |
|---|---|---|---|
| **NSW COPPER & GOLD PROJECTS (INCL. CANBELEGO AND RESTDOWN JV's)** | | | |
| EL6105 | Canbelego | Copper/Gold | Helix 70%, Straits 30% |
| EL6140 | Restdown | Gold/Copper | Helix 70%, Glencore 30% |
| EL6336 | Collerina | Copper/Gold | HLX 100% precious and base metals |
| EL6501 | South Restdown | Copper/Gold | Helix 70%, Glencore 30% |
| EL6739 | Muriel Tank | Gold/Copper | Helix 70%, Glencore 30% |
| EL7438 | Quanda | Copper/Gold | HLX 100% |
| EL7439 | Fiveways | Copper/Gold | HLX 100% |
| EL7482 | Little Boppy | Copper/Gold | HLX 100% |
| EL7567 | Restdown | Copper/Gold | HLX 100% |
| EL7745 | Koree | Copper/Gold | HLX 100% |
| EL8183 | Thorndale | Copper/Gold | HLX 100% |
| **LAKE EVERARD (INCL. TUNKILLIA)** | | | |
| EL4596 | Yellabinna | Gold/Uranium/Base metals | HLX 100%, WPG 70% all minerals other than uranium |
| EL4812 | Lake Everard | Gold/Uranium/Base metals | HLX 100%, WPG 70% all minerals other than uranium |
| EL4495 | Lake Everard West | Gold/Uranium/Base metals | HLX 100%, WPG 70% all minerals other than uranium |
| **YALLEEN IRON ORE PROJECT** | | | |
| E47/1169-I | Yalleen | Iron ore/Base metals | HLX 100%, API Management Pty Ltd 70% iron ore rights |
| E47/1170-I | Yalleen | Iron ore/Base metals | HLX 100%, API Management Pty Ltd 70% iron ore rights |
| E47/1171-I | Yalleen | Iron ore/Base metals | HLX 100%, API Management Pty Ltd 70% iron ore rights |
| **CHILE PROJECTS** | | | |
| **EXPLORATION CONCESSIONS** | | | |
| Joshua 1-39 | Joshua | Copper/Gold | HLX 100% |
| Bogarin 1-51 | Huallillinga | Copper/Gold | HLX 100% |
| Hado 1-52 | Hado | Copper/Gold | HLX 100% |
| Embrujado 1-68 | Embrujado | Copper/Gold | HLX 100% |
| **EXPLOITATION CONCESSIONS** | | | |
| Blanco Y Negro 1/20 | Blanco Y Negro | Copper/Gold | HLX 100% |
| La Cana 11/20 | Blanco Y Negro | Copper/Gold | HLX 100% |
| Joshua A1/150 | Joshua | Copper/Gold | HLX 100% |

***Abbreviations and Definitions used in Schedule:***

*EL or E* — *Exploration Licence*

# CORPORATE DIRECTORY

**Directors**

| | |
|---|---|
| Pasquale Rombola | Non-executive Chairman |
| Michael Wilson | Managing Director |
| Jason Macdonald | Non-executive Director |

**Australian Business Number**

27 009 138 738

**Head and Registered Office**

Suite 7, 29 Ord Street

West Perth Western Australia 6005

PO Box 825 West Perth Western Australia 6872

Telephone: +61 8 9321 2644

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Email: helix@helix.net.au Website: www.helix.net.au

**Share Registry**

Advanced Share Registry

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Nedlands Western Australia 6009

PO Box 1156 Nedlands Western Australia 6909

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Level 6, 225 Clarence Street

Sydney NSW 2000

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+61 2 8096 3502

**Auditor**

Grant Thornton Audit Pty Ltd

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

CODES: HLX and HLXO