



FINANCIAL REPORT



HELIX RESOURCES LTD
ACN 009 138 738

HALF YEAR ENDED 31 DECEMBER 2015

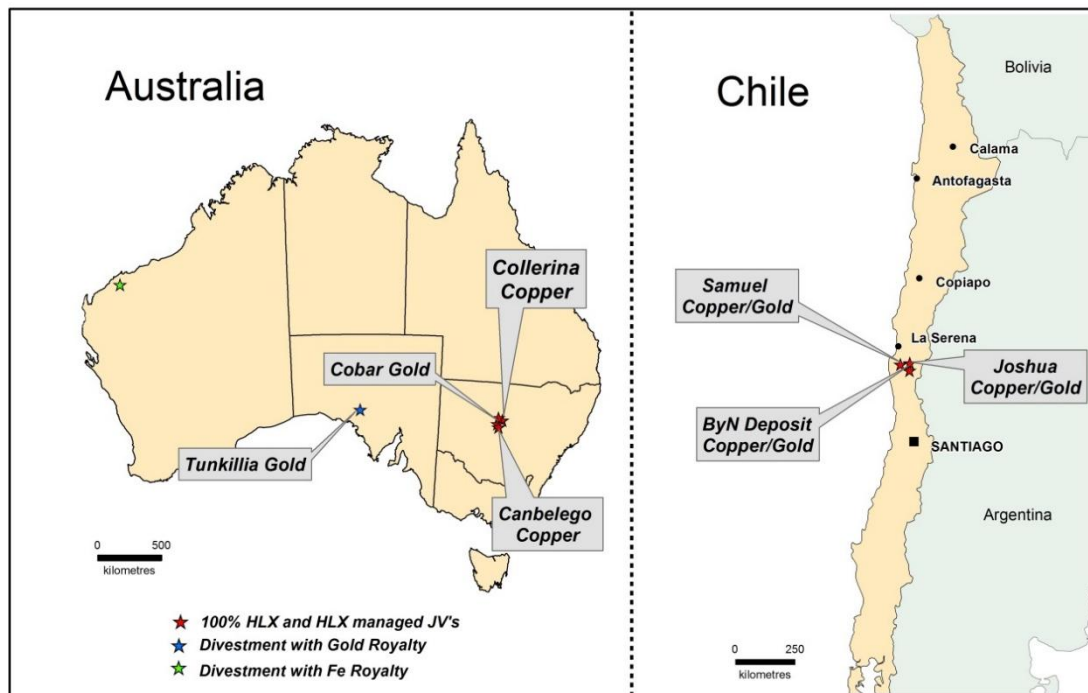
Information should be read in conjunction with the 30 June 2015 Annual Report

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PROJECT MAP LOCATION



CORPORATE DIRECTORY

Directors

P Rombola Non-Executive Chairman
M Wilson Managing Director
J Macdonald Non-Executive Director

Company Secretary & CFO

M Naylor

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ASX Listing

ASX Code: HLX

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DIRECTORS' REPORT

The Directors present the financial report of the Group, consisting of Helix Resources Ltd (the "Company") and its controlled entities, for the half-year ended 31 December 2015.

DIRECTORS

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

Mr Pasquale Rombola	Non-Executive Chairman
Mr Michael Wilson	Managing Director
Mr Jason Macdonald	Non-Executive Director

COMPANY SECRETARY

Mr Michael Naylor

REVIEW OF OPERATIONS

The Company's strategy continues to be to advance its assets in the selected prospective mineral provinces of Australia and Chile, with a focus on copper and gold, utilising the Company's geological and corporate expertise to create and extract value for the benefit of all shareholders.

NSW - COPPER & GOLD PROJECTS

Helix holds highly prospective copper and gold terrain in the Cobar-Girilambone district. Helix is carrying out targeted geochemistry and geophysics to isolate drill targets for testing in this prospective region. During the reporting period the Company has continued advancing its significant discovery, the Collerina Copper-Zinc Prospect.

Collerina Copper-Zinc Prospect

The Collerina Copper-Zinc Prospect is prospective for copper, zinc, silver and gold mineralisation and to date drilling has confirmed mineralisation over a 500m strike with high grade (>3% copper) over 250m of strike. The system remains open in all directions.

The Collerina Prospect is located on a 15km long corridor of prospective volcanic/sedimentary sequence within the tenement, which extends into Helix's regional tenements covering an additional 80kms of prospective strike. The project is close to infrastructure including the operating Tritton Mine and associated deposits to the north, and the Tottenham Cu/Au deposits to the south.

A RC drilling program was completed in October 2015 designed to test an additional 150-200m of strike in an easterly direction.

Drill hole CORC019 from targeted extensions of the main high grade zone and returned exceptional intercept of 12m @ 5% Cu, 2.1% Zn, 0.5g/t Au & 17g/t Ag from 157m downhole, within 21m @ 3.2% Cu, 1.3% Zn, 0.3g/t Au, 10g/t Ag from 153m (Refer ASX Announcement on 10 November 2015)¹ in primary sulphides, 250m east of previous high grade intercept in CORC002.

This result was the first intercept in primary sulphides within the main zone, returning peak assays of 12.6% Cu, 4.7% Zn, 1g/t Au & 39.5g/t Ag (Refer ASX Announcement on 10 November 2015)¹ in massive sulphides within this intercept.

Initial modelling of Down Hole EM from the October RC holes indicated the conductive material associated with the main zone horizon continuing at least a further 50m beyond the eastern-most hole and is modelled to continue at depth, with an off-hole conductor present in front of CORC018.

This work was followed by a three hole 410m diamond drilling program completed in December 2015. The diamond drilling program was designed to target the high grade main zone to determine lithological and structural controls of the mineralisation.

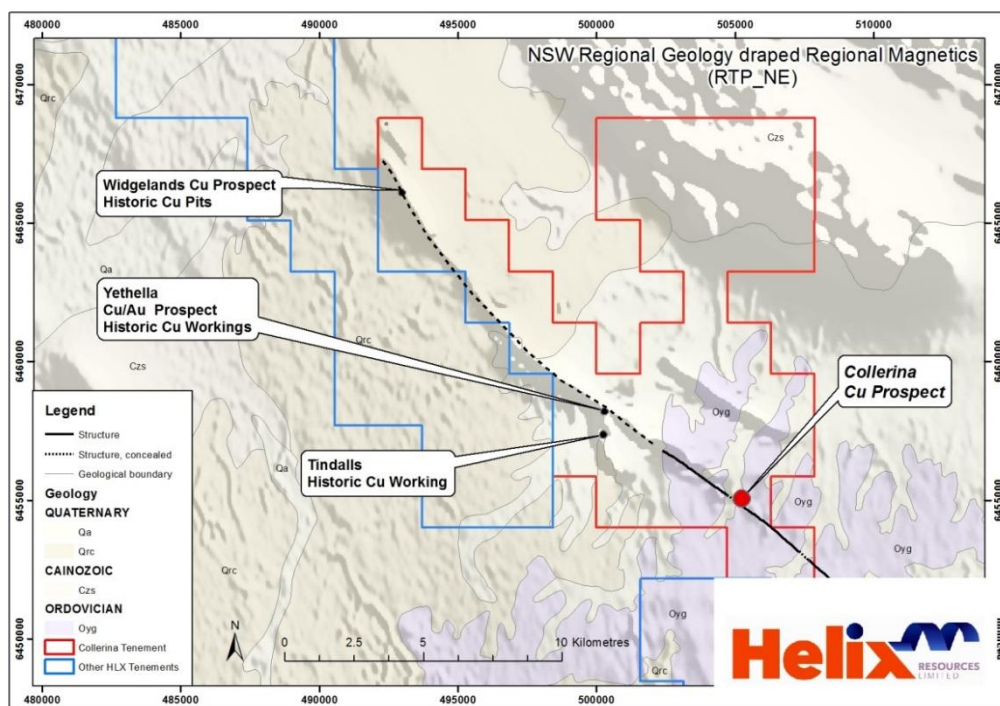


Figure 1: Collerina Prospect – Regional Prospectively

Hole 1 (CDD001) targeted the main zone copper-zinc position close to the discovery hole CORC002. Copper mineralisation in this hole is believed to be transition zone material.

CDD001 returned spectacular copper grades (Refer ASX Announcement on 18 February 2016)¹ including:

- **11.8m @ 6.6% Cu, 1.8% Zn, 0.9g/t Au and 22g/t Ag from 81.4m.**

Higher grade zones within the intercept included:

- **3.3m @ 10.8% Cu, 2.5% Zn 1.5g/t Au, and 37g/t Ag from 81.4m; and**
- **5.6m @ 7.3% Cu, 1.4% Zn, 1g/t Au and 24g/t Ag from 87.6m.**

The copper grades in the diamond drilling are significantly higher than the nearby RC hole (CORC002) with the comparable intercept returning 12m @ 4.3% Cu from 80m (Refer ASX Announcement on 15 December 2014)¹.

The 410m diamond program in three holes has also provided invaluable structural and lithological information about the Collerina copper-zinc system.

The main zone of mineralisation appears to comprise of two zones variably separated by thin zones of country rock. A high-grade copper sulphide-rich (>5% Cu) zone (refer Photo 1) and the lower massive pyrite-rich zone (typically 1-3% Cu), refer Photo 2.



Photo 1: Example copper-rich zone from 83m in CDD001 – returned 12.3% Cu, 2.5%Zn, 1.5g/t Au, 45g/t Ag



Photo 2: Example pyrite-rich zone from 104m in CORC001 – pyritic zone returned 1.4% Cu (103-104m). Blackish zone at the bottom of the photo contains chalcocite and returned 5.2% Cu from 104-105.3m.

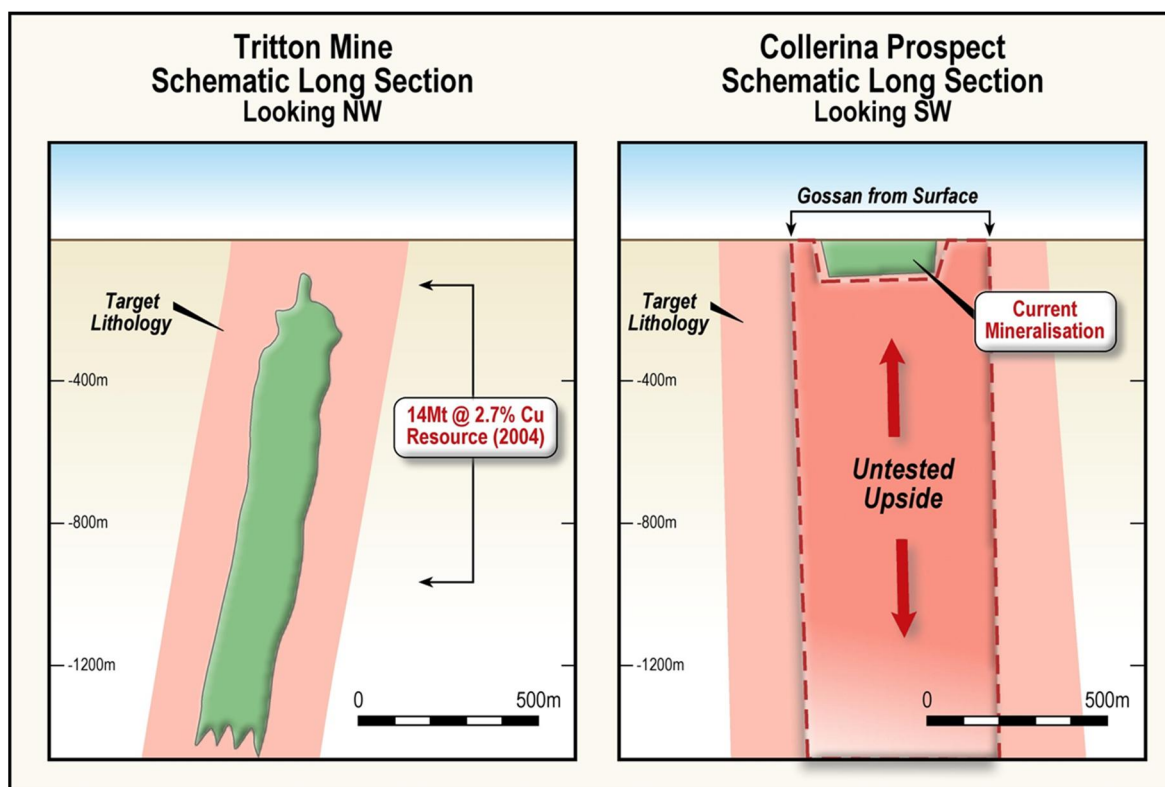


Figure 2: Schematic of the Collierina Copper-Zinc Prospect vs the nearby operation Tritton Mine Deposit – High grade intercepts to date over a strike exceeding 300m, open along strike, down dip and down plunge

The Company has been very encouraged about the results so far from Collierina and engaged geological consultant Paul Payne to review the results and assist in determining a program to advance the Project. His report was completed in February 2016 and the key findings of this report (Refer ASX announcement on 2 March 2016) included:

- Follow-up exploration at the Collierina Prospect and systematic exploration of the broader tenement holding offers excellent potential for the discovery of a commercially viable deposit or deposits.
- Excellent results have been obtained from limited exploration work with a strong zone of high grade copper mineralisation defined. This zone remains open along strike and down plunge.
- Comparisons to the Tritton Mine (operating nearby) are evident, with the added benefit that the mineralisation at Collierina begins at surface.

Canbelego Copper Project – New South Wales

(HLX 70% Manager: Straits 30%) An Inferred Resource of 1.5Mt @ 1.2% Cu for 18,000t (Refer ASX announcement on 7 October 2010)² of copper from surface at the Canbelego Prospect with further potential for oxide copper from surface on 3 advancing prospects (Canbelego, Canbelego West & Caballero). An untested primary target associated with a strong DHEM conductor sits below the current resource at the Canbelego Prospect. Up-dip intercepts include 2m @ 6.8% Cu & 5m @ 2.4% Cu (Refer ASX Announcement 26 September 2013).¹

The Cobar Gold Projects – New South Wales

(HLX 73% Manager, Glencore 27%) A series of prospective gold projects nearby to operating mines and infrastructure in the Cobar district. An inferred resource of 2.6Mt @ 1.2g/t Au for 100,000oz Au (Refer ASX announcement on 17 August 2011)² from surface at the Sunrise Prospect and nearby Good Friday Prospect. Review of targets targeting the high grade controls of the system currently underway with geochemistry and drilling planned to advance these assets in 2016.

CHILE – COPPER AND GOLD PROJECTS

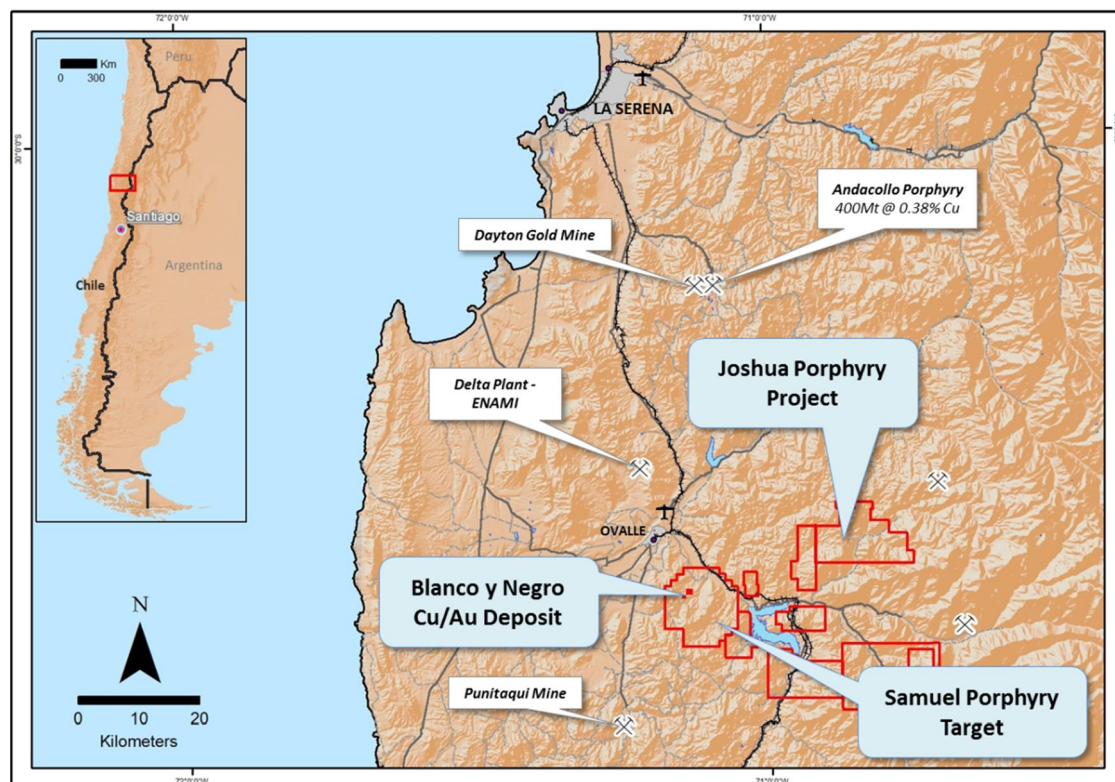


Figure 3: Location of Helix's Projects (outlines in red) near the town of Ovalle – Region IV Chile

Joshua Project

The Joshua Project is located in Region IV Chile, 40km East of Ovalle (Population 100,000), at low altitude (less than 1700m), with excellent nearby infrastructure. Four porphyry targets have been identified to date in a regionally significant north-west structural corridor within the total project area of 100km².

The Stage 1 diamond drilling program was completed by the projects Joint Venture partner (EPG) and all holes intersected porphyry-style mineralisation in part or all of the hole lengths. The program has extended the known strike of the system to at least 800m (Figure 4).

Results from all holes have been received from the Joint Venture manager during the period. Hole 5 copper grades increased significantly, averaging 0.4%-0.5% Cu over several 10 metre intervals between 450-700m with a single 2m sample from 466m returning 2m @ 0.91% Cu (copper grades in Hole 5 averaged 0.2% Cu over 498m from 160m). Refer to Table 2 for full results.

The increasing grade at lower altitudes from drilling at Target 1 is consistent with the geological model for the system and bodes well for further exploration at Joshua. The 3,500m of diamond drilling has tested only an 800m x 250m portion of the 3,000m x 1,500m coincident copper-in-soil and IP anomaly which represents the main Joshua porphyry target.

The drilling has confirmed the presence of the high grade copper mineral, chalcocite in the system (Refer photo 3). Drilling also identified at least three separate porphyry events; including: Andesitic, Dacitic and Dioritic porphyry associated with the copper mineralisation at the Joshua Copper Project.

The Joint Venture manager, EPG, is currently compiling data for a detailed report on the drill program to allow the Company and EPG to assess plans for the 2016 exploration program. A decision is expected to be finalised in March.

EPG has an option to increase its equity in the project by funding a further US\$1.8m in the Joshua Copper Porphyry Project.



Photo 3: Chalcocite replacing Chalcopyrite in JO-05

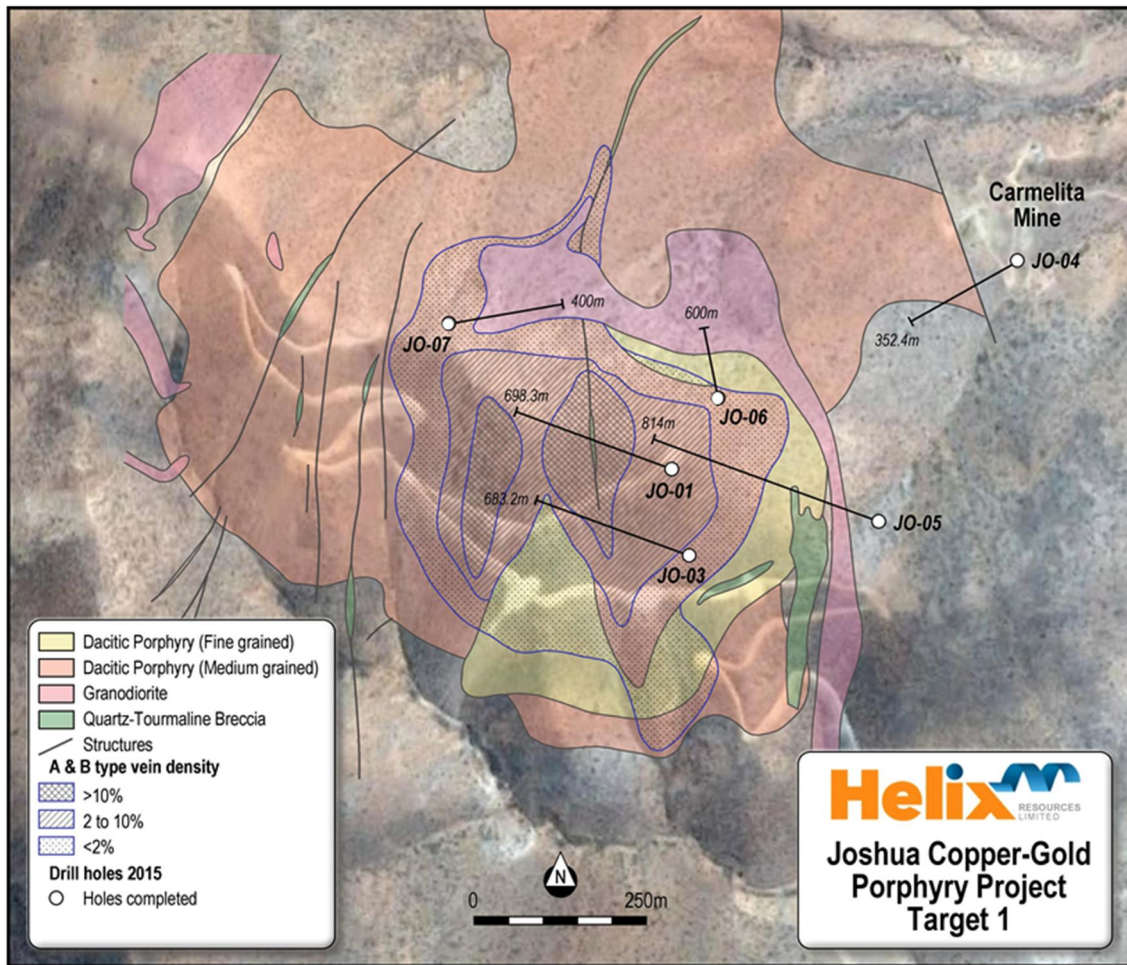


Figure 4: The 2015 Drill hole traces on Joshua Target 1 plan map

Table 1: Drill Collar locations to date

Hole ID	Easting (WGS84-19S)	Northing (WGS84-19S)	RL (above sea level)	Azimuth	Dip	Target Depth	Drilled Depth	Comment
JO-01	320750	6613450	1500	290	-70	500	695	
JO-02	320820	6613350	1444	290	-75	600	30	Abandoned
JO-03	320820	6613355	1444	280	-75	600	683	
JO-04	321250	6613750	1178	240	-60	300	352	
JO-05	321050	6613375	1348	290	-65	700	815	
JO-06	320890	6613550	1416	350	-80	600	638	
JO-07	320372	6613672	1416	80	-65	450	242	

Table 2: Compete Results of the 3,500m DDH drilling program

Hole ID	From	Result
JO-01 ^a	0m	650m @ 0.2% Cu, 0.05g/t Au, 1.1g/t Ag and 10ppm Mo
Incl.	388m	94m @ 0.4% Cu, 0.05g/t Au, 1.2g/t Ag and 10ppm Mo
JO-03 ^b	0m	654m @ 0.2% Cu, 0.04g/t Au and 25ppm Mo*
Incl.	638m	14m @ 0.6% Cu, 0.08g/t Au and 35ppm Mo (to end of porphyry rocks)
JO-04 ^c	264m	89m @ 0.1% Cu to EOH (drill hole did not reach target)
JO-05 ^c	160m	498m @ 0.2% Cu, 0.02g/t Au
Incl.	460m	10m @ 0.4% Cu (Peak 2m interval assay of 0.9% Cu)
	500m	10m @ 0.4% Cu
	622m	10m @ 0.5 % Cu
	644m	10m @ 0.4% Cu
JO-06 ^c	84m	8m @ 0.2% Cu, 0.06g/t Au
And	120m	2m @ 0.4% Cu, 0.2g/t Au
JO-07 ^c	20m	22m @ 0.2% Cu

Intersections based on 2m sampling, assayed using mixed acid digest technique for base metal and fire assay for gold.

Results are based on a 0.1% Cu cut-off grade and subject to rounding.

- a. Refer to ASX announcement dated 25 November 2015, Helix is not aware of any new information or data that materially effects the information in the said announcement.*
- b. Refer to ASX announcement dated 17 December 2015, Helix is not aware of any new information or data that materially effects the information in the said announcement.*
- c. Refer to ASX announcement dated 17 December 2015, Helix is not aware of any new information or data that materially effects the information in the said announcement.*

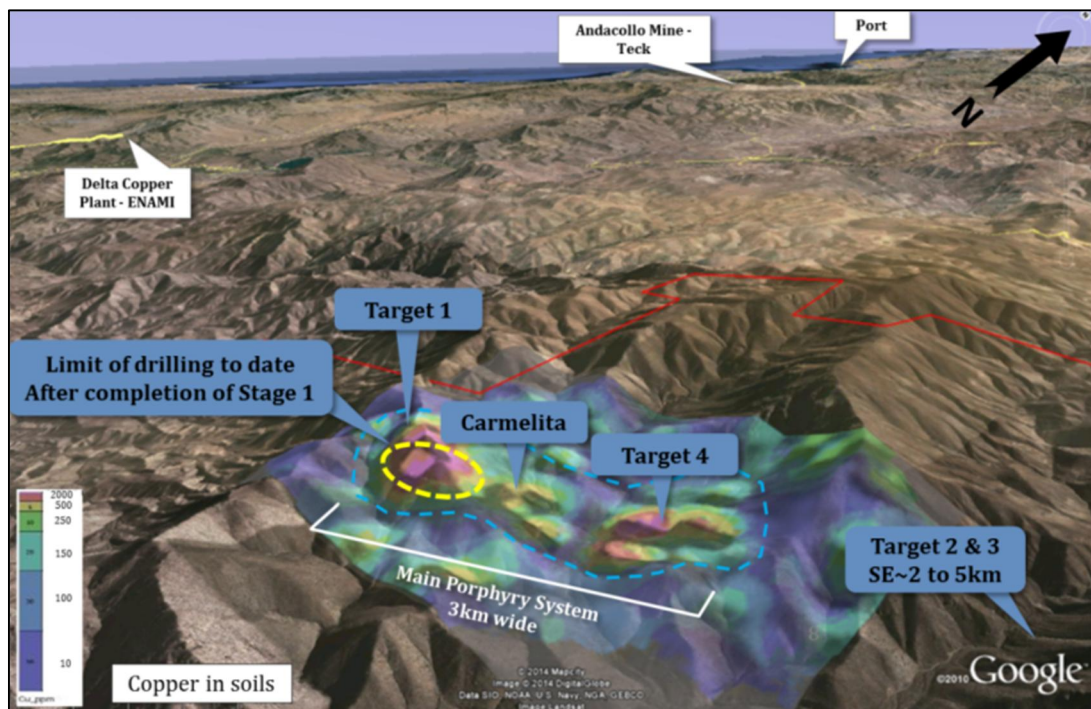


Figure 5: Main Porphyry System at Joshua Project

The main Joshua porphyry target is at least 3 kilometres across and 1 kilometre wide comprising a large copper in soil anomaly coincident with a large IP anomaly, continuing to a depth in excess of 500m from surface. The main Joshua porphyry target comprises Target 1, the Carmelita Mine zone and Target 4.



Photo 4: Chalcopyrite mineralisation from 650m in JO-05

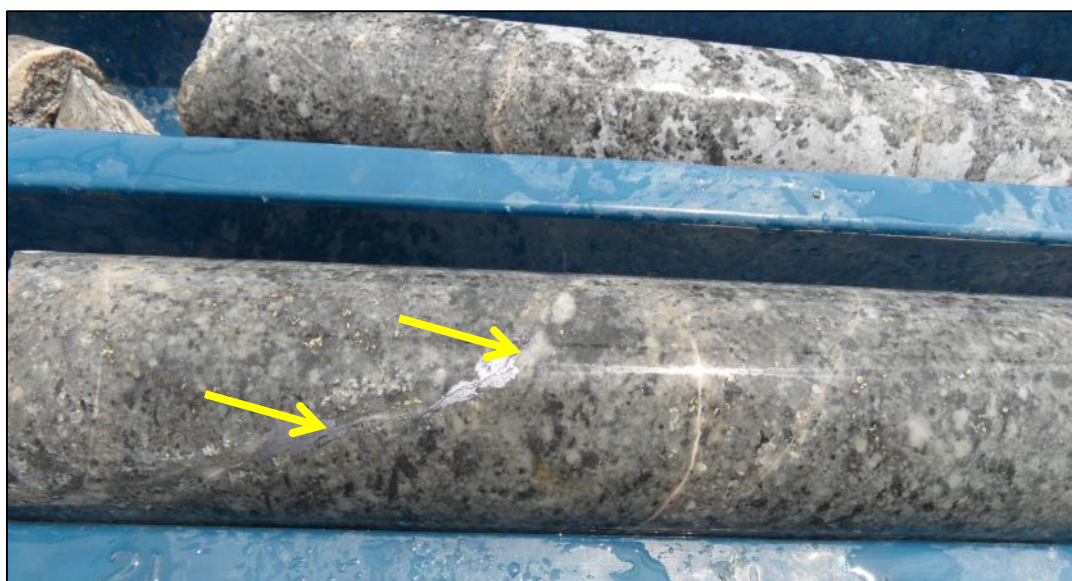


Photo 5: Example of molybdenum veining present at Joshua.

About the Joshua Project Joint Venture

An Earn-In Agreement over the Joshua Project was executed in June 2015 with Fondo De Inversion Privado EPG Exploracion Minera (EPG Mining Exploration Fund). The fund is managed by EPG Partners S.A, a Chilean based private equity and advisory company. The fund retains an experienced team and is uniquely suited to capturing exploration opportunities in Chile.

Key terms:

- Stage 1: EPG has the option to earn a 33.4% interest in the Joshua Project by undertaking a minimum of 3,500m of diamond drilling within 1 year for a minimum commitment of US\$1.2m.
- Stage 2: Upon completion of Stage 1, EPG can then elect to increase its interest to 50.1% in the Joshua Project by completing up to 6,500m of RC and diamond drilling within 1.5 years for a minimum commitment of US\$1.8m.
- Following the completion of the two stage program, EPG will have a 50.1% interest in the project and Helix will retain a 49.9% interest in the project. A Joint Venture over the project will then form to progress the project.

Blanco Y Negro Copper-Gold Deposit

Helix completed a resource update on the ByN deposit in Region IV, Chile.

The new resource estimation has increased the tonnes by approximately 10% and upgraded the classification of the ByN deposit, with 60% of the resource moving into the Indicated JORC category. Infill Reverse Circulation (RC) drilling was undertaken as part of the RC program completed in late 2014. This additional drilling has improved knowledge of metal distribution and confirmed geological continuity in the main zone.

Drilling at ByN has intersected copper and gold mineralisation with results including 19.5m @ 2% Cu and 1.1 g/t Au and 30m @ 1.4% Cu and 0.3g/t Au. The deposit remains open to the northwest along strike and down dip (Figure 6)

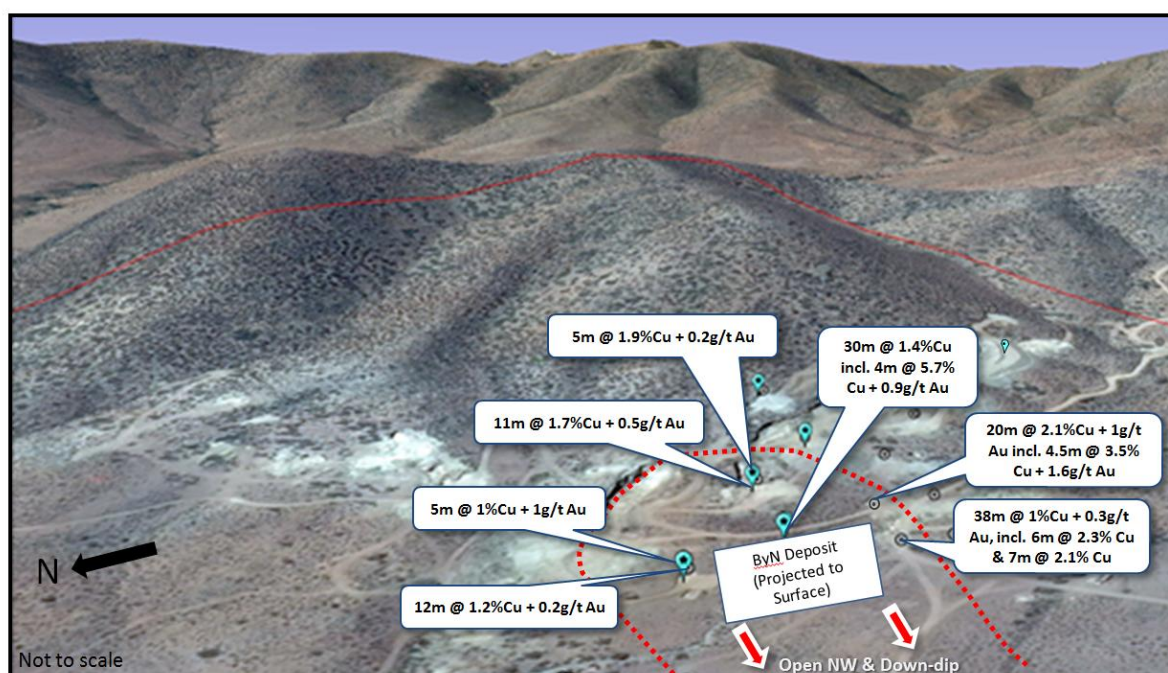


Figure 6: Approximate position of B y N Deposit on local topography with significant results.

*Resource is reported at a 0.5% Cu cutoff grade and figures are subject to rounding (refer Table 3)

**Table 3 : ByN Deposit Material Type (Refer ASX Announcement on 13 August 2015)²
August 2015 Mineral Resource Estimation (0.5% Cu cut off)**

	Oxide		Transition		Fresh		Total
	Tonnes & Grade	Metal	Tonnes & Grade	Metal	Tonnes & Grade	Metal	
Indicated	360kt @ 1.0% Cu, 0.2 g/t Au	4,000t Cu 2,500oz Au	280kt @ 1.8% Cu, 0.6g/t Au	5,000t Cu 5,600oz Au	140kt @ 2.2% Cu, 0.8g/t Au	3,000t Cu 3,500oz Au	0.8Mt @ 1.5% Cu, 0.5g/t Au for 12,000t Cu & 12,000oz Au
Inferred	140kt @ 0.8% Cu, 0.6g/t Au	1,000t Cu 3,000oz Au	30kt @ 0.7% Cu, 0.4g/t Au	240t Cu 460oz Au	480kt @ 1.4% Cu, 0.6g/t Au	7,000t Cu 9,000oz Au	0.7Mt @ 1.3% Cu, 0.6g/t Au for 8,000t Cu & 12,000oz Au
Total	500kt @ 1.0% Cu, 0.3g/t Au	5,000t Cu 5,000t Au	310kt @ 1.6% Cu, 0.6g/t Au	5,200t Cu 6,100oz Au	620kt @ 1.6 % Cu, 0.6g/t Au	10,000t Cu 12,500oz Au	1.5Mt @ 1.4% Cu, 0.5g/t Au for 20,000t Cu & 24,000oz Au

Note: discrepancies in totals are due to rounding

Yalleen Iron Ore Project – Western Australia

Yalleen Project has a resource 84Mt @ 57% Iron ore (Refer to ASX Announcement on 24 April 2009)² in Indicated and Inferred Resources on 575km² of tenements in the West Pilbara owned by Helix Resources – API JV: iron ore rights only.

Helix is diluting to a royalty over iron ore production from the tenements. 2014 corporate activity resulted in Aquila Resources being acquired by Baosteel and Aurizon. The Project is currently on care and maintenance.

CORPORATE

Cash and Investments

As at 31 December 2015, the Company remains adequately funded to achieve its 2016 business goals with \$1.6m in cash.

The Company disposed of its shareholding in WPG Resources Limited and Tigers Realm Coal Limited for total proceeds of \$0.65m.

RESULT

The operating result for the half-year ended 31 December 2015 for the Group was a loss after income tax of \$1,308,519 (2014: \$2,076,464).

EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to the current balance date requiring additional disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under s 307C of the Corporations Act 2001 is presented on page 13 of this half-year financial report.

Signed in accordance with a resolution of the Board of Directors.



P Rombola

Non-Executive Chairman

Dated this 11th day of March 2016

Competent Persons Statements

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.

Notes

¹ For full details of exploration results refer to released ASX announcement. Helix Resources is not aware of any new information or data that materially effects the information included in the said announcement.

² Refer how the mineral resource estimates were derived in the said ASX announcement. Helix is not aware of any new information or data that materially effects the information included in the said announcement.

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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 review of Helix Resources Limited for the half-year ended 31 December 2015, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 11 March 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated	
		31 Dec 2015	31 Dec 2014
		\$	\$
Revenue		14,994	78,086
Employment costs		(80,940)	(102,634)
Audit and accountancy		(13,410)	(15,175)
Corporate marketing		(9,894)	(3,838)
Directors' fees		(45,000)	(45,000)
Depreciation		(4,408)	(5,615)
IT costs		(11,458)	(13,087)
Premises costs		(32,262)	(63,833)
Professional fees		(500)	(9,315)
Travel and accommodation costs		(11,081)	(9,454)
Impairment of exploration and evaluation assets	4	(8,185)	(267,802)
Fair value loss/gain on financial assets	3	(932,231)	96
Loss on sale of mineral interest	9	-	(1,578,000)
Share-based payments	7	(135,441)	-
Other expenses from ordinary activities		(38,703)	(40,893)
LOSS BEFORE INCOME TAX		(1,308,519)	(2,076,464)
INCOME TAX BENEFIT		-	-
LOSS FOR THE PERIOD		(1,308,519)	(2,076,464)
Other Comprehensive Income			
Fair value movement on available for sale assets		-	-
Income tax relating to other comprehensive income		-	-
Other comprehensive income, after tax		-	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED		(1,308,519)	(2,076,464)
Basic loss per share (cents)		(0.49)	(1.6)
Diluted loss per share (cents)		(0.49)	(1.6)

The consolidated financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Consolidated	
		31 Dec 2015	30 Jun 2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,659,082	1,582,850
Trade and other receivables	2	29,698	49,939
Other financial assets	3	10,081	1,660,000
TOTAL CURRENT ASSETS		1,698,861	3,292,789
NON-CURRENT ASSETS			
Property, plant and equipment		37,313	41,721
Exploration and evaluation expenditure	4	9,530,925	9,142,899
Other financial assets	3	110,117	87,148
TOTAL NON-CURRENT ASSETS		9,678,355	9,271,768
TOTAL ASSETS		11,377,216	12,564,557
CURRENT LIABILITIES			
Trade and other payables		178,187	197,221
Provisions		66,866	62,396
TOTAL CURRENT LIABILITIES		245,053	259,617
NON CURRENT LIABILITIES			
Provisions		2,954	2,653
TOTAL NON CURRENT LIABILITIES		2,954	2,653
TOTAL LIABILITIES		248,007	262,270
NET ASSETS		11,129,209	12,302,287
EQUITY			
Share capital	6	61,280,044	61,280,044
Reserves	7	135,441	-
Accumulated losses		(50,286,276)	(48,977,757)
TOTAL EQUITY		11,129,209	12,302,287

The consolidated financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2015

		\$		\$	\$
		Share Capital			Total
	Note	Ordinary	Options Reserve	Accumulated Losses	
Balance at 1.7.2015		61,280,044	-	(48,977,757)	12,302,287
Loss for the year		-	-	(1,308,519)	(1,308,519)
Total comprehensive loss		-	-	(1,308,519)	(1,308,519)
Transactions with owners					
Options issued during the year	7	-	135,441	-	135,441
Balance at 31.12.2015		61,280,044	135,441	(50,286,276)	11,129,209
Balance at 1.7.2014					
		60,009,350	873,247	(44,749,765)	16,132,832
Loss for the year		-	-	(2,076,464)	(2,076,464)
Total comprehensive loss		-	-	(2,076,464)	(2,076,464)
Transactions with owners					
Shares issued during the year on conversion of options	6	1,279,694	(799,808)	-	479,886
Share issue costs during the year		(9,000)	-	-	(9,000)
Options expired during the year		-	(73,439)	73,439	-
Balance at 31.12.2014		61,280,044	-	(46,752,790)	14,527,254

The consolidated financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Consolidated	
Note	Dec 2015	Dec 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(251,717)	(367,800)
Interest received	9,484	16,860
R&D tax benefit received	-	-
Other receipts	-	34,674
NET CASH USED IN OPERATING ACTIVITIES	(242,233)	(316,266)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for capitalised exploration and evaluation expenditure	(410,752)	(669,183)
Proceeds from sale of property, plant and equipment	-	37,041
Proceeds from sale of investments	647,817	-
Payments for security deposits	(10,000)	-
Refund of security deposits	85,000	30,000
NET CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES	312,065	(602,142)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	479,886
Payment of share issue costs	-	(9,000)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	-	470,886
NET INCREASE (DECREASE) IN CASH HELD	69,832	(447,522)
Exchange differences on cash and cash equivalents	6,400	26,275
CASH AT BEGINNING OF PERIOD	1,582,850	1,711,410
CASH AT END OF PERIOD	1,659,082	1,290,163

The consolidated financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2015

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the interim reporting period ended 31 December 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Helix Resources Ltd and its controlled entities (the Group). It is recommended the interim financial report should be read in conjunction with the annual financial report for the year ended 30 June 2015 together with any public announcements made by Helix Resources Limited during the half-year.

Accounting policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2015 annual financial report. There were no policies that became effective in the interim reporting period ended 31 December 2015 that had an impact on the balances or transactions in the half year financial statements presented.

Critical Accounting Estimates and Other Accounting Judgments

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 Company 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 carrying value of mineral exploration expenditure. There have been no changes to any estimates used since 30 June 2015.

2. TRADE AND OTHER RECEIVABLES

Current Receivables	Note	CONSOLIDATED	
		Dec 2015 \$	June 2015 \$
Prepayments		-	10,385
Other Receivables		29,698	39,554
Total Current Receivables		29,698	49,939

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

3. OTHER FINANCIAL ASSETS

Other Financial Assets - Current	Note	CONSOLIDATED	
		Dec 2015 \$	June 2015 \$
Security deposits		10,081	80,000
Shares in listed corporations – held for trading ¹		-	1,580,000
Total Other Financial Assets - Current		10,081	1,660,000

¹Movement in shares in listed corporations – held for trading is as follows:

	Note	CONSOLIDATED	
		Dec 2015 \$	June 2015 \$
Opening balance		1,580,000	624
Acquisitions		-	1,567,500
Proceeds on disposal		(647,817)	12,500
Loss on disposal		(932,183)	-
Transfer to non-current		-	(624)
Closing balance		-	1,580,000

Other Financial Assets – Non-Current	Note	CONSOLIDATED	
		Dec 2015 \$	June 2015 \$
Security deposits		109,517	86,500
Shares in listed corporations – held for trading		600	648
Total Other Financial Assets – Non-Current		110,117	87,148

The Group accounts for its shares in listed corporations at fair value through profit and loss, with the fair value of nil (30 June 2015 - \$1,580,000) determined using Level 1 inputs, quoted prices per the ASX, at balance date.

The Group accounts for its security deposits at amortised cost.

4. EXPLORATION AND EVALUATION EXPENDITURE

	Note	CONSOLIDATED	
		Dec 2015 \$	June 2015 \$
Opening balance		9,142,899	11,892,694
Expenditure incurred during the period		396,211	1,091,773
Disposals		-	(2,458,000)
Impairment losses		(8,185)	(1,383,568)
Closing balance		9,530,925	9,142,899

5. INCOME AND EXPENSES

Impairment of mineral assets carrying value

During the financial period the Group conducted an assessment of the carrying value of its exploration assets pursuant to its accounting policy. As a result of the assessment of the economic recoverability of certain tenements, the Group made a provision for impairment of \$8,185 (2014: \$0.268M) against the carrying value of its exploration and evaluation expenditure.

6. EQUITY SECURITIES ISSUED

	Dec 2015 No.	June 2015 No.	Dec 2015 \$	June 2015 \$
Fully paid ordinary shares				
Balance at beginning of financial year	268,466,692	236,474,341	61,280,044	60,009,350
Conversion of HLXO options @ \$0.04	-	31,992,351	-	1,279,694
Share issue costs	-	-	-	(9,000)
Balance at end of financial year	268,466,692	268,466,692	61,280,044	61,280,044

7. RESERVES

	Dec 2015 No.	June 2015 No.	Dec 2015 \$	June 2015 \$
Listed options				
Balance at beginning of financial year	-	34,929,853	-	873,247
Issue of options	14,250,000	-	135,441	-
Exercise of options to fully paid shares	-	(31,992,351)	-	(799,808)
Expiry of options	-	(2,937,502)	-	(73,439)
Balance at end of financial year	14,250,000	-	135,441	-

On 16 November 2015, 14.25M options were issued to key management personnel, employees and consultants.

The terms and conditions of the Group Employee Option Plan are as follows:

Group Employee Option Plan	Tranche 1	Tranche 2	Tranche 3
Number of options	4,750,000	4,750,000	4,750,000
Grant date	16 Nov 2015	16 Nov 2015	16 Nov 2015
Fair value at grant date (per option)	\$0.0410	\$0.0410	\$0.0410
Exercise price	\$0.0675	\$0.0675	\$0.0675
Expiry date	15 Nov 2018	15 Nov 2018	15 Nov 2018
Vesting date	15 Nov 2015	15 Nov 2016	15 Nov 2017

8. OPERATING SEGMENTS

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 New South Wales and South Australia, with an operation in Chile representing ±56% of mineral asset expenditure. The mineral assets held via outright ownership or joint arrangement 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	
	Dec 2015	June 2015	Dec 2015	June 2015	Dec 2015	June 2015
<u>Current Assets</u>						
Cash	1,643,612	1,578,678	15,470	4,172	1,659,082	1,582,850
<u>Non-Current Assets</u>						
Mineral Assets	4,312,553	4,762,978	5,226,558	5,763,489	9,539,110	10,526,467
Impairment	(8,185)	(713,261)	-	(670,307)	(8,185)	(1,383,568)
Carrying Amount	4,304,368	4,049,717	5,226,558	5,093,182	9,530,925	9,142,899
Other assets not allocated					187,209	1,838,808
Total assets					11,377,216	12,564,557
<u>Liabilities</u>						
Trade payables	162,867	164,194	15,320	33,027	178,187	197,221
Provisions	69,820	65,049	-	-	69,820	65,049
Total liabilities	232,687	229,243	15,320	33,027	248,007	262,270
	Dec 2015	Dec 2014	Dec 2015	Dec 2014	Dec 2015	Dec 2014
Revenue	14,994	54,922	-	23,164	14,994	78,086
Depreciation	(4,408)	(5,615)	-	-	(4,408)	(5,615)
Profit / (Loss) before tax	(1,308,519)	(2,099,628)	-	23,164	(1,308,519)	(2,076,464)

9. CONTINGENT ASSETS OR LIABILITIES

In November 2014 the Company agreed to sell its 30% stake in the Tunkillia Gold Project and other interests to WPG, the Manager and equity partner of the asset. Per the sale agreement, the Company has the following contingent assets.

- WPG will pay HLX \$500,000 in cash, and issue 10,000,000 WPG shares, upon the commencement of mine construction;
- WPG will pay HLX a 1% NSR royalty for:
 - 30% of attributable gold and silver production from the existing resource; and
 - On 100% of production from any additional resources/reserves of minerals defined within the Tunkillia Project area.

The Company has not recognised any amounts relating to this part of the consideration from WPG as it cannot be reliably measured. As the company becomes more certain as to WPG achieving these milestones, the income relating to the shares and cash payments may be recognised.

10. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to the current balance date requiring additional disclosure.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Helix Resources Limited, we state that:

In the opinion of the directors:

1. The financial statements and notes of the Group comply with the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting and give a true and fair view of the financial position as at 31 December 2015 and the performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



P Rombola
Non-Executive Chairman

Dated this 11th day of March 2016

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

We have reviewed the accompanying half-year financial report of Helix Resources Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2015, and 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 half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Helix Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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As the auditor of Helix Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Helix Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 11 March 2016