

14 October 2024

Dear Shareholders,

I would like to take this opportunity, ahead of our Annual General Meeting (**AGM**) to be held on Tuesday, 19 November 2024, to thank you for your support over the past year, highlight some key successes made by Helix Resources Limited (**Helix** or **Company**) during this period and brief you with my initial thoughts on the current corporate activity.

IN SUMMARY

During the year, Helix has advanced its long-term strategy of innovative, systematic copper-gold exploration focused on the Cobar region of NSW with much of the work representing the first methodical evaluation of highly prospective ground such as at the Collerina Copper Trend. We have achieved many successes and made significant progress toward new copper and gold discoveries – which I will outline further below.

It is important that I address the current corporate activity, namely an “intention to make” an all-cash, proportional takeover bid for 25% of your shareholding from Acta Investment Group Pty Ltd (**Acta**) that is required to be presented to Helix shareholders by 30 October 2024 for their consideration. This matter is linked to the director nominations referred to below.

You will also notice, as contained within the attached Notice of Meeting (**NoM**) for the forthcoming AGM, three director nominations have been received for the Helix board. Where biographies have been provided, they have been included, however some nominations were not received with biographies, which is why they are blank.

The existing Board believes that the Company is potentially ‘one drill hit away’ from a new discovery to create excitement and value for its shareholders. The existing Board has a clear strategy and process for new copper and gold discoveries and seeks your participation and support at the forthcoming AGM, to maintain the current Board and reaffirms its earlier call to ‘Take No Action’ in regard to the proposed proportional takeover bid pending further information to be supplied.

UPDATE ON OPERATIONS

The 2024 financial year has been pivotal for Helix as we continue to unlock the potential of our large prospective copper-gold ground position in the Cobar mining region of NSW. Our substantive progress toward copper and gold discoveries to generate shareholder returns is evident in the following milestones:

- **Collerina Copper Trend:** newly defined, significant copper and gold - pathfinder geochemical anomalies discovered along a 100km zone indicative of Tritton-style copper-gold deposits, which are mined to the north¹.
- **Muriel Tank Gold Project:** recently reported high-grade gold assays showing extensions of several historic workings and defining gold targets for imminent drilling².

¹ Refer ASX reports: 20 February 2024 and updates: 19 March 2024; 29 April 2024; 25 June 2024; 1 August 2024

² Refer to ASX report dated 9 October 2024



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ASX: HLX



- **Bijoux Copper Project:** RC drilling is in progress testing previously unknown high-grade copper sulphide and oxide mineralisation found within a large new copper geochemical anomaly³.
- **Target Evaluations:** We “drilled and killed” several regional targets, including Quanda, Fiveways, and Hermidale – “*that’s part of the exploration process*”⁴.
- **Emerging Targets:** major regional scale ongoing innovative, geochemical programs and field reconnaissance using our in-house Regional Structural Framework have led to the identification of new promising large-scale target areas⁴.
- **Legacy JV:** Ground consolidation with the Legacy joint venture has enhanced our exposure to near drill-ready copper and gold targets near the CSA Copper and Peak Gold operations⁵.

Helix is focused on driving shareholder value through exploration and discovery, and this is reflected in the funds that we are putting into the ground. For example, over the past three years, when we set out on this discovery strategy, 75% of funds raised has been spent on exploration, well above the average levels of 40-50% from Austex research⁶.

With my board colleagues (Kylie Prendergast and Emmanuel Correia) our Exploration Manager Gordon Barnes, Company Secretary Ben Donovan, CFO Michelle Kennedy, and the entire Helix team, I firmly believe we have the appropriate mix of exploration, technical, commercial, corporate and governance skills (tested both in success and in times of adversity) that will lead this company forward. You have invested in Helix to gain from our discovery success - we are well-placed to deliver on unlocking the significant discovery potential of our Cobar tenement area and to expand our copper interests beyond Cobar. I urge you to vote at the AGM and to support the existing Board and management team to complete the job started in early 2021.

THE ACTA PROPOSAL

As many shareholders would be aware, recently your Company received notice of an intention to make an all cash proportional off-market takeover offer from Acta for 25% of your shareholding (the “**Proposed Bid**”).

a. Key facts and dates of the Proposed Bid

- On 22 August 2024, Mr Michael Povey and Nuevo Royalty Limited (**Nuevo Royalty**) lodged a notice of initial substantial holder with ASX advising that they collectively had taken a 6.51% stake in Helix.
- On 30 August 2024, Acta, an entity associated with Mr Povey and Nuevo Royalty announced its intention to make an all cash proportional off-market takeover offer to acquire 25% of all ordinary shares of Helix that Acta and its associates did not currently hold or control for \$0.005 per share (the Proposed Bid).
- Helix responded (on 30 August 2024) advising shareholders to **TAKE NO ACTION**. We also noted the unsolicited and highly conditional nature of the Proposed Bid and that it is an offer to acquire only 25% of all shares held by Helix shareholders.
- The most recent change in substantial holding notice lodged by Nuevo Royalty, Acta and Mr Povey on 23 September 2024 noted that they had increased their collective stake in Helix to 15.85%.

³ Refer to ASX report dated 30 September 2024

⁴ Refer to ASX report: Annual Report dated 27 September 2024

⁵ Refer to ASX report dated 19 August 2024

⁶ Benchmarking available from www.austexresources.com



- It is also interesting to note that Mr Povey does not appear to be a long-term shareholder of Helix and that Acta is a new entity incorporated on 4 July 2024.

b. Who is Acta?

Helix and its shareholders have only been provided minimal information about Acta within its 'intention to bid' statement released on the ASX on 30th August 2024.

c. Next Steps

Additional information on Acta and its Proposed Bid is expected in the final Bidders Statement from Acta which is required to be available to Helix shareholders by 30 October 2024. Helix will thereafter provide a formal response through its Target Statement to shareholders outlining the Helix Board's response to the Proportional Offer, its recommendations and other important information.

ACTA'S DIRECTOR NOMINATIONS TO HELIX BOARD AT AGM

Helix has received three director nominations from Mr Michael Povey, Mr Kevin Lynn and Mr David Scoggin.

The Helix Board's view is that the nominations are provided in connection with the Proposed Bid, given that one of the conditions to the offer is that the majority of directors on the Board are nominees of Acta or its associates. Your Board considers this is an attempt to obtain effective control of your Company's board without obtaining a controlling stake in your Company or paying a control premium to shareholders.

No background to the nominations nor any profile or other information has been shared by Acta outlining the experience or skills that Mr Povey, Mr Lynn or Mr Scoggin might contribute to the Helix Board.

Based on a preliminary review of publicly available information, the Board considers that each of the candidates' skill sets, and experience would not add to the effectiveness of the existing Board to execute the current strategy and will increase administration and director fees unnecessarily.

Our preliminary assessment of Mr Povey's background, based on publicly available information, highlights that his current company positions include two Executive Chair roles and one Non-Executive Director role being:

- Thomson Resources (Exec. Chair) since August 2023
- Surefire Resources NL (Non-Exec. Director) since October 2017
- Volcanic Gold Mines (Exec. Chair) since May 2020
- with intentions through his AGM nomination to also join the Board of Helix.

We also note Mr Povey appears to have held executive and Board roles with various junior resource companies such as Range Resources, International Petroleum Ltd, Gasfields Limited and Gold Basin Resources, as well as being named as a party to WA Supreme Court proceedings relating to the liquidation of Ochre Group Holdings.

Examining the technical or market success of these companies during Mr Povey's tenure does not make a compelling argument as to why he and his fellow nominees are better 'qualified' to be on the Helix Board than the existing Board and team.

HELIX'S POSITION ON THE PROPOSED ACTA OFFER AND AGM

The board continues to advise shareholders to **TAKE NO ACTION** regarding the Proposed Bid.

Shareholders have the opportunity to vote on the three new directors nominated by Acta for the Helix board at the upcoming AGM. If these three new directors are elected and Emmanuel Correia is not re-appointed, the Board will comprise a total of five members but Acta, the bidder for Helix, would hold a majority of the



Board positions and control the Company with only a current shareholding of ~16%. Even if the Proposed Bid is successful, Acta would have already obtained control of Helix despite their shareholding being well less than the typical 50.1% 'control' level.

This Proposed Bid is unsolicited and highly conditional in nature. The conditions are onerous and include, for example, a restriction on Helix or its subsidiaries committing to any expenditure of more than \$50,000. This condition is inconsistent with the planned objectives and drill programs of the Company which are in progress and were announced prior to the Proposed Bid. It is likely other unreasonably restrictive conditions will be breached through no fault of Helix simply by conducting our business in the ordinary course.

This uncertainty has put a halt on several advanced transactions the Company was undertaking, which the board believes had the potential to create meaningful value to shareholders.

CLOSING REMARKS

I would like to thank all shareholders for their ongoing support in Helix and our strategy **focused on discovery, focused on copper and gold and focused on shareholder returns.**

I acknowledge the low levels of the HLX share price, however, early-stage exploration rarely ignites investor excitement particularly in an 'explorer downturn' across the share market.

This is a pivotal time in Helix's strategy, our board and management are doing the work required, cost effectively and have the track record to lead the company forward toward new discoveries.

We welcome your questions and feedback either directly or through the Company's interactive investor hub at <https://investorhub.helixresources.com.au/>

Your faithfully

Mike Rosenstreich

Chair

Competent Person's Statement

The Exploration Results referred to in this document were first disclosed in accordance with ASX Listing Rule 5.7 in the ASX announcements as cross-referenced. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.