



# **31 DECEMBER 2016 HALF YEAR FINANCIAL REPORT**



**HELIX RESOURCES LTD**  
ACN 009 138 738

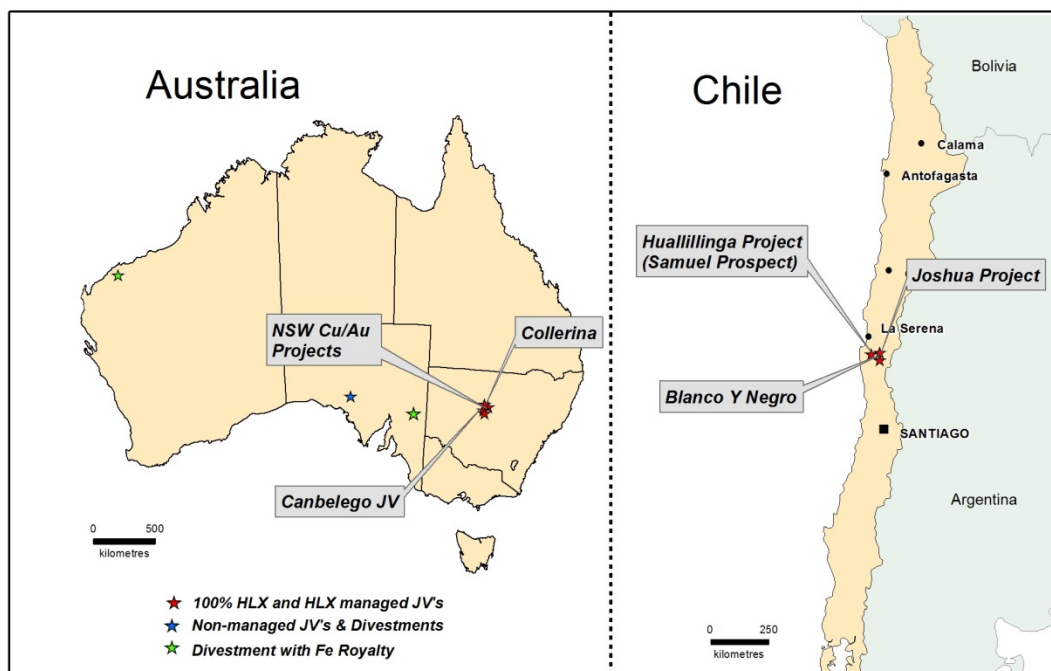
Information should be read in conjunction with the 30 June 2016 Annual Report

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## Project Location Map



## CORPORATE DIRECTORY

### Directors

M H Wilson Managing Director  
J Macdonald Non-Executive Director  
M D Naylor Non-Executive Director

### Company Secretary & CFO

D B Hanna

### Registered Office and Business Address

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Facsimile: +61 8 9321 3909  
Website: [www.helix.net.au](http://www.helix.net.au)

### ASX Listing

ASX Code: HLX

### Auditors

Grant Thornton Audit Pty Ltd  
Level 1, 10 Kings Park Road  
WEST PERTH WA 6005

### Share Registry

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NEDLANDS WA 6009

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## DIRECTORS' REPORT

The Directors present the financial report of the Group, consisting of Helix Resources Ltd ["Company"] and its controlled entities, for the half-year ended 31 December 2016.

## 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 Michael Wilson                                  | Managing Director      |
| ▪ Mr Jason Macdonald                                 | Non-Executive Director |
| ▪ Mr Michael Naylor<br>(appointed 28 November 2016)  | Non-Executive Director |
| ▪ Mr Pasquale Rombola<br>(resigned 28 November 2016) | Non-Executive Chairman |

## COMPANY SECRETARY

- Mr Michael Naylor  
(resigned 28 November 2016)
- Mr Dale Hanna  
(appointed 28 November 2016)

## REVIEW OF OPERATIONS

The Company's strategy is to advance its asset portfolio, with a focus on copper and gold, utilising the Company's geological and corporate expertise to create and extract value for the benefit of shareholders.

## NSW - COPPER & GOLD PROJECTS

Helix holds highly prospective copper and gold projects in the Cobar-Girilambone district. Helix is carrying out targeted geochemistry geophysics and drilling identifying new deposits in this prospective region. During the reporting period the Company has continued advancing its significant discoveries, the Collierina Copper Project and the Cobar Gold Project.

### Collierina Copper Project

The Collierina Copper Project is located in a regionally significant VMS belt. The Project is prospective for high-grade copper, with associated zinc, silver and gold mineralisation hosted in a mixed volcanoclastic/sedimentary sequence. At the main Collierina Prospect, drilling has confirmed the presence of copper mineralisation over a 1,000m of strike/plunge with high-grade copper identified from surface to a vertical depth of 350m along the main mineralised zone. The system remains open in all directions.

The Collierina tenement covers a 25km long portion of the prospective VMS trend, which extends into Helix's regional tenements covering an additional 80kms of prospective strike. The project is close to infrastructure including the nearby Aeris operated Tritton Mine and associated deposits to the north, and the Tottenham copper deposits to the south.

Activities during the second half of 2016 were late starting due to bad weather over the winter period in Central NSW, however the Company continued to identify mineralisation in the drilling completed in the fourth quarter of 2016 and committed to a full-coverage helicopter supported VTEM geophysical survey over the entire tenement.

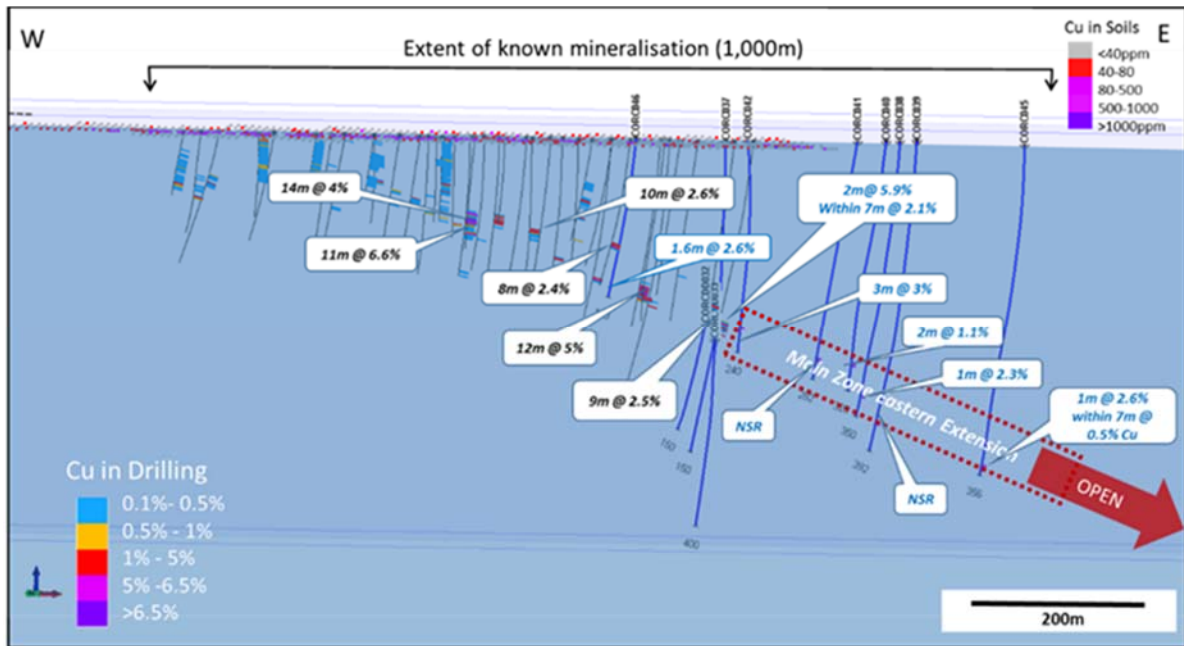


Figure 1: Long-section of Collerina Prospect showing significant drill results to date

At the time of writing Helix is awaiting interpretations and modelling of several near-prospect and regional EM anomalies identified from the VTEM survey. Once received, the Company plans to drill test further near-surface extensions to the main Collerina Prospect, including where the VTEM survey has identified a strong south-easterly trending EM conductor that has not been previously drill tested as well as testing some of the priority EM anomalies along the 25km of prospective corridor.

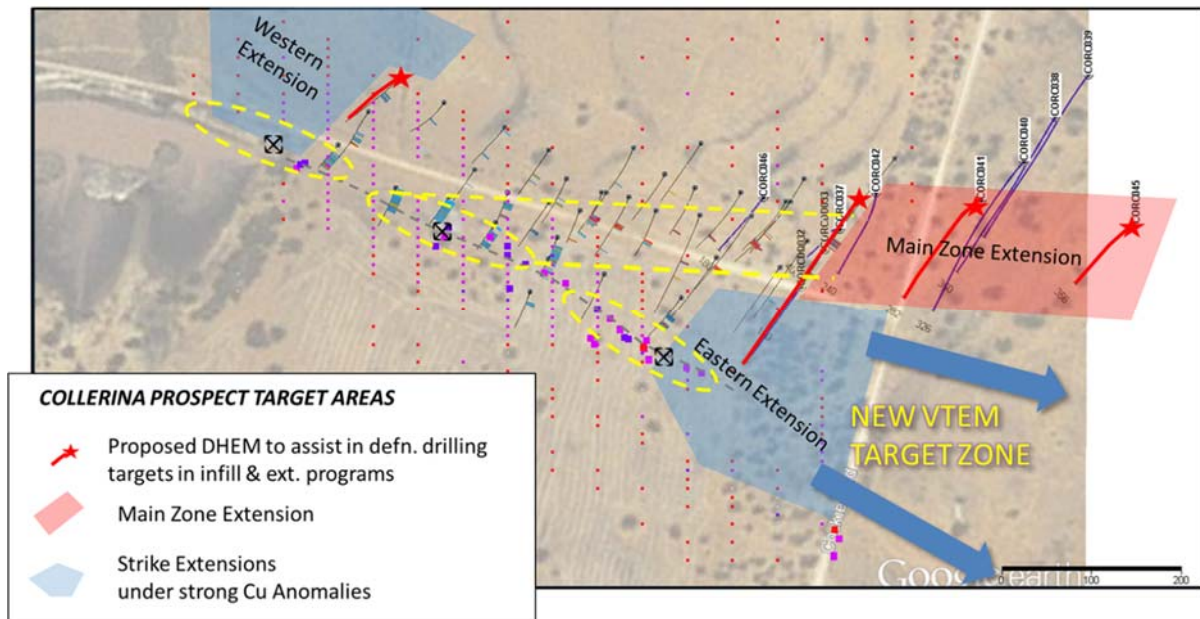


Figure 2: Near Prospect drilling targets to be followed up in the first half of 2017.



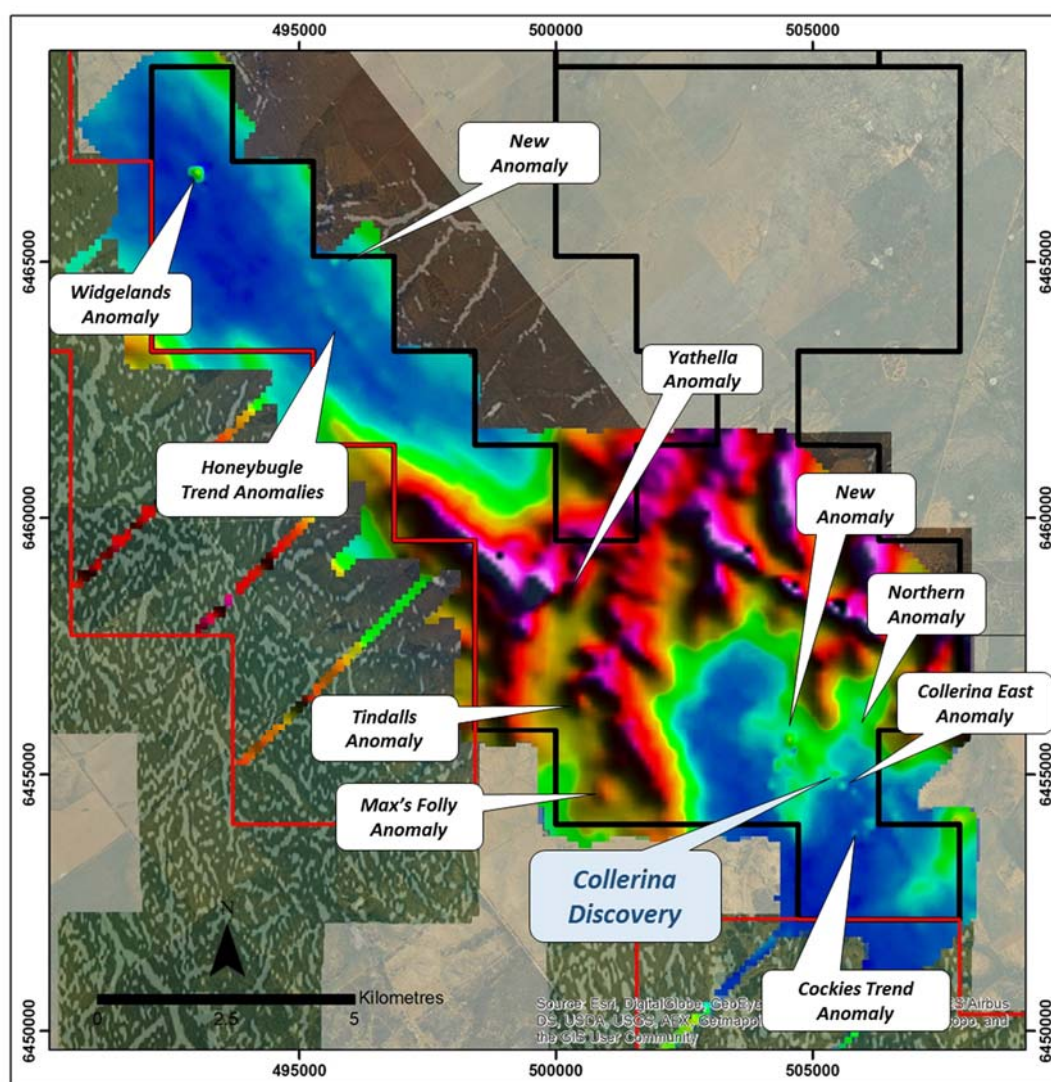


Figure 3: Preliminary VTEM imagery with regional targets prioritised for modelling and drill testing

The Company is highly encouraged by the results and value established at Collerina from the limited expenditure to date. The Collerina Project is already a significant VMS discovery and with additional exploration efforts in 2017, Helix expects to derive further value from this increasingly important asset. The strategy and plan for Collerina includes:

- Follow-up exploration at the Collerina Prospect and systematic exploration of the broader tenement holding to further test the excellent potential to define a commercially viable copper deposit or deposits on the Project.
- Continue to review and assess comparisons to the Tritton Deposit (operating nearby) and other associated deposits, to assist in better targeting additional shallow, high-grade copper mineralisation within Helix's projects in Central NSW.

### **The Cobar Gold Project – New South Wales**

The Cobar Gold Project consists of a series of prospective gold tenements covering historic goldfields, nearby to operating mines and infrastructure in the Cobar district.

Drilling activities carried out in the second half of 2016 including targeted diamond drilling at the Good Friday and Boundary Prospects and first-pass aircore drilling, resulting in a new discovery at the Battery Tank Prospect. The results from this work have identified a series of high-grade controls for the gold mineralisation, which has resulted in a complete re-assessment of the geological model for the project. This step change in our understanding of the golds structural controls presents an opportunity to rapidly define multiple high-grade gold systems in this emerging gold province.

High-grade gold results were returned from diamond drilling in gold-bearing structures at the Boundary and Good Friday Prospects. Intercepts were from shallow depths and included:

*Boundary Prospect : HRDD002: 45m @ 3.4g/t Au from 46m, incl. 5m @ 9.3g/t Au from 51m and 11.4m @ 5.1g/t Au from 71m<sup>1</sup>.*

*Good Friday Prospect: HRDD003: 28.8m @ 3.0g/t Au from 29m incl. 8m @ 4.9g/t Au from 31m and 7.8m @ 4.0g/t Au from 50m to EOH<sup>1</sup>.*

HRDD003 at the Good Friday Prospect ended in gold mineralisation, returning 5.3g/t Au over 0.8m to EOH at a depth of 57.8m<sup>1</sup>. The high-grade gold bearing structures at both Prospects remain open in several directions.

This program was the first diamond drilling undertaken by Helix at the Cobar Gold Project and was carried out to better understand the controlling structures of the high grade gold in the goldfield. The structural information from this program is assisting in further targeting the structures at these Prospects as well as targeting other similar structures in the numerous untested Prospects throughout the goldfield.

### **Boundary Prospect:**

Diamond drilling at the Boundary Prospect was targeting a high-grade gold structure below a gold-in-soil anomaly previously defined by Helix with auger soil sampling. Follow-up broad spaced RC drilling had returned 70m @ 1.1g/t Au, including 15m @ 2.3g/t Au from 55m<sup>8</sup>. However, the orientation of the gold mineralisation at the Prospect was not well understood.

Diamond hole HRDD002 was drilled nearby and intersected significant high-grade gold in quartz veins and silica-rich breccias within a package of highly altered and deformed sediments. The hole returned a very encouraging 45m @ 3.4g/t Au from 46m including two outstanding high-grade zones of 5m @ 9.3g/t Au from 51m and 11.4m @ 5.1g/t Au from 71m<sup>1</sup>.

The gold tenor in this diamond hole is much higher than the previous RC drilling, which suggests the diamond hole is likely to have directly intersected the main high-grade gold structure.

Also at the Boundary Prospect, a small three hole slim-line RC program was conducted in December to follow-up this diamond hole and assist in defining the geometry of the gold mineralisation.

Drilling has confirmed an approximate E-W strike and a sub-vertical dip to the gold mineralisation.

Hole HRRC101 returned 20m @ 1g/t from 72m to EOH, including 4m @ 3.2g/t Au from 92m to EOH<sup>2</sup> and Hole HRRC103 returning 48m @ 0.6g/t from surface including 20m @ 1.2g/t Au<sup>2</sup>. These holes will be subject to follow-up diamond tails in the current drill program underway.

In addition to the Prospect scale potential at Boundary, the return of high-grade gold results under a greenfield gold-in-soil anomaly like that seen at the Boundary Prospect provides significant scope for additional new discoveries in this emerging goldfield.

### **Good Friday Prospect:**

Diamond drilling at the Good Friday deposit was undertaken to obtain structural orientation information of the high-grade gold drilled historically at the Prospect. HRDD001 was initially drilled, and whilst intersecting altered sediments it did not appear to intersect the high-grade gold structure. A second hole HRDD003 was drilled in front and up-dip of the first hole to intersect the target. HRDD003 intersected significant quartz veining and silica-rich brecciated sediments, which has returned 28.8m @ 3.0g/t Au from 29m incl. 8m @ 4.9g/t Au from 31m<sup>1</sup> and 7.8m @ 4.0g/t Au from 50m to the end of hole at 57.8m<sup>1</sup>.

High-grade gold is present to the end of the hole with the last sample interval returning 5.3g/t Au. An NQ diamond tail is planned to continue this hole to drill through the rest of the structure.

The drilling at Good Friday has confirmed the presence of a high-grade structure at the Prospect. The structural orientation information has allowed the Company to better target its potential along strike and down dip with the immediate focus being to extend HRDD003 to test the full width of the structure and to also extend HRDD001 to test the down dip potential. These extensions to the diamond holes are currently underway.



## Battery Tank Prospect

First-pass aircore drilling at the Battery Tank Prospect returned spectacular initial results.

HRAC018 returned 43m @ 2.3g/t Au from surface to end of hole with the bottom of the intercept returning 11m @ 5.1 g/t Au from 32m<sup>2</sup> finishing in high-grade gold mineralisation.

The discovery hole at the Battery Tank Prospect was drilled to blade refusal, with significant quartz and siliceous alteration noted throughout the hole, increasing in abundance at the bottom of the hole.

The 20 hole aircore program was testing a large 500m x 500m gold-in-soil anomaly, that remains open in several directions. The Battery Tank Prospect is an area which is scattered with historic (early 1900's) pits and trenches.

Several other holes have returned highly encouraging thick zones of lower-order gold mineralisation in the wide-spaced aircore drilling to blade refusal (hard rock). It should be expected that additional gold mineralisation will be intersected at depth at many of these locations, given the strong relationship between the presence of hard quartz veins and high-grade gold.

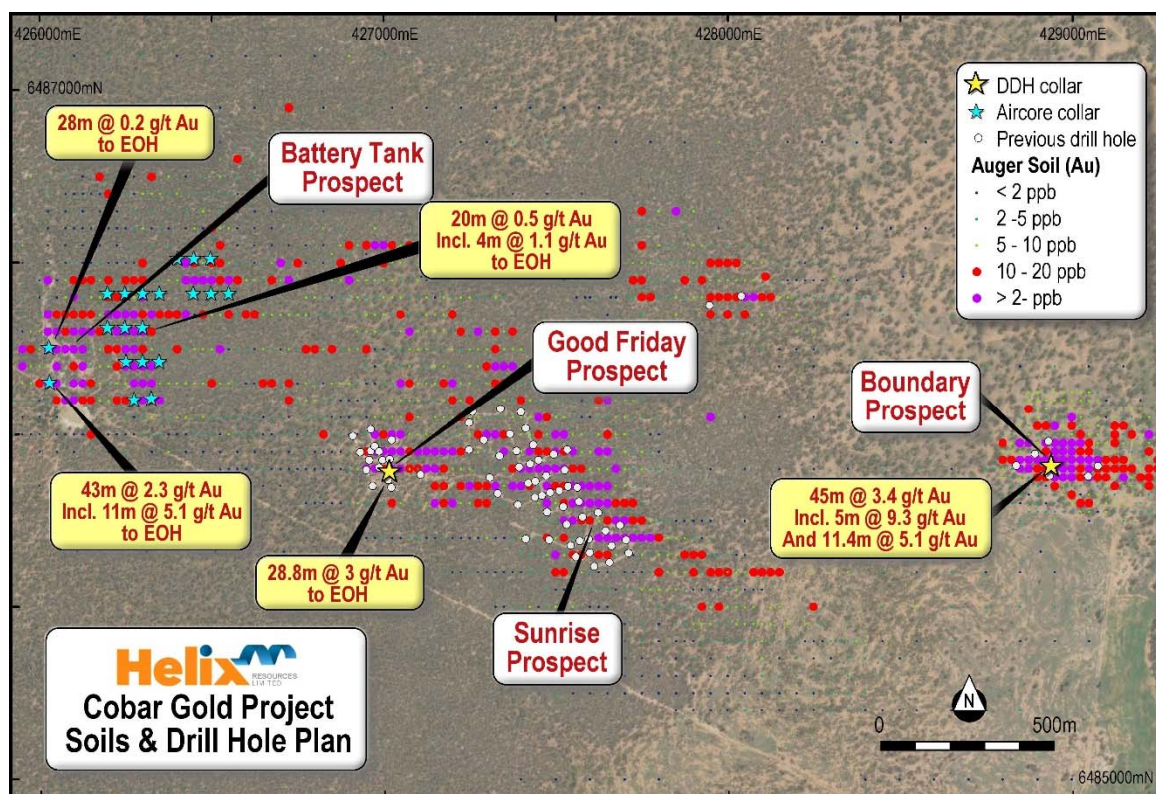


Figure 4: Location of advancing gold prospects in the historic goldfield at the Cobar Gold Project

Four prospects Battery Tank, Boundary, Good Friday and Sunrise have now all returned wide high-grade gold results, suggesting a significant gold system is present in the goldfield. The Cobar region is a multi-million ounce gold producer, typically from high-grade deposits such as The Peak, New Cobar and the nearby Mt Boppy mine, which has produced circa 500,000 ounces of gold at an average grade of 10g/t Au from a 300m long deposit.

The information from these programs have set the foundation for more comprehensive drill testing, with RC and diamond drilling targeting the full extent of gold mineralisation within the goldfield in 2017. The first of the follow-up drilling programs is currently underway and these gold results are a welcome addition to the ongoing focus on both copper and gold in this highly prospective district.



## **Canbelego Copper Project – New South Wales**

(HLX 70% Manager: Straits 30%) An Inferred Resource of 1.5Mt @ 1.2% Cu for 18,000t<sup>3</sup> 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<sup>4</sup>.

The JV Participants have assessed the previous work at Canbelego and plans are being prepared for further geochemical and drilling programs.

## **CHILE – COPPER AND GOLD PROJECTS**

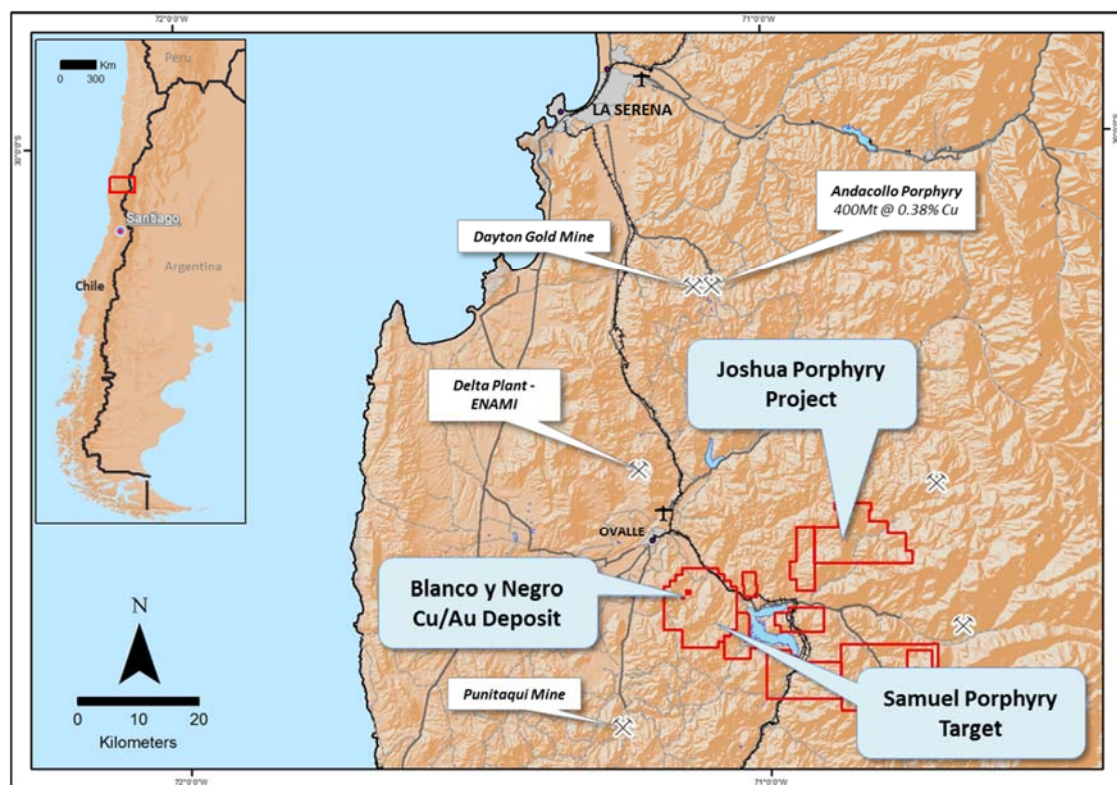


Figure 5: Location of Helix's Projects (outlines in red) near the town of Ovalle – Region IV Chile

## **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 100km.

A diamond drilling program was completed by Chilean group EPG in 2015-16. All holes intersected porphyry-style mineralisation in part or all of the hole lengths. The program extended the known strike of the copper system to at least 800m (Figure 6).

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. 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.

EPG informed Helix in mid 2016 that its exploration fund was to be closed and it could not commit to the second stage drilling at the Joshua Project, the project has been returned to Helix 100%.

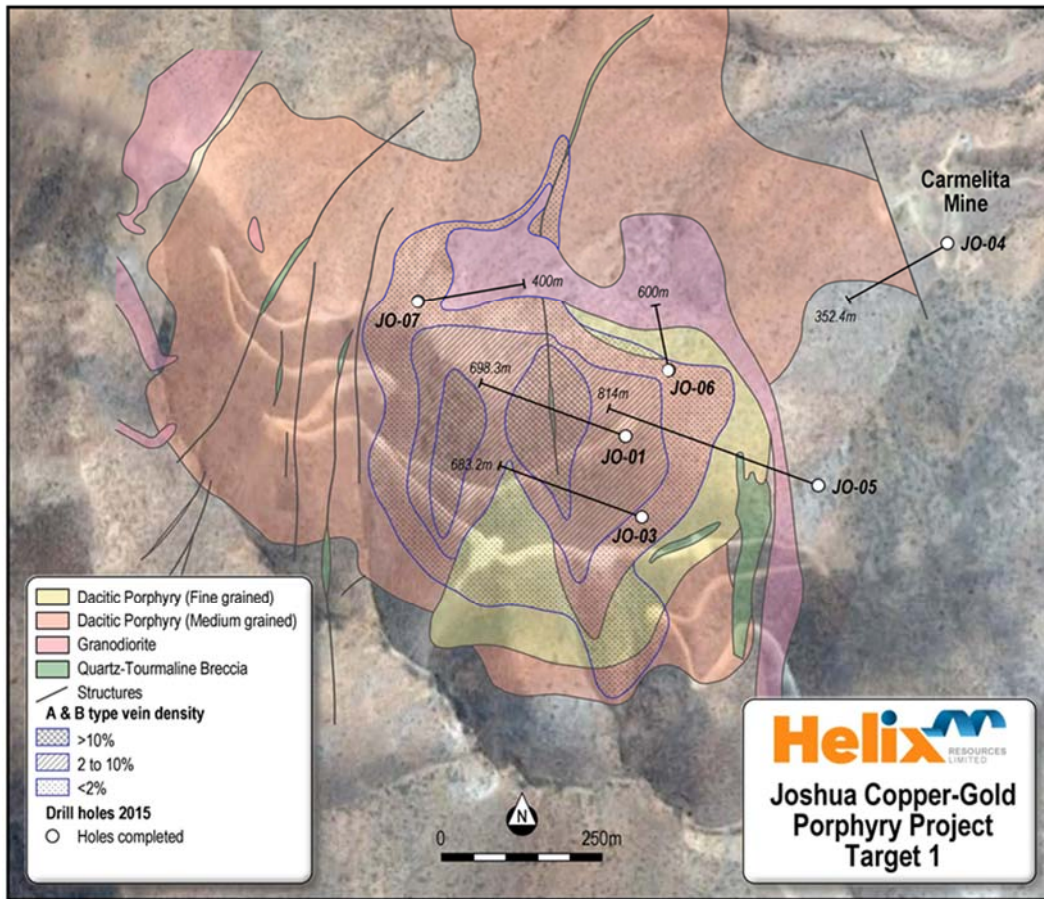


Figure 6: The 2015 Drill hole traces on Joshua Target 1 plan map

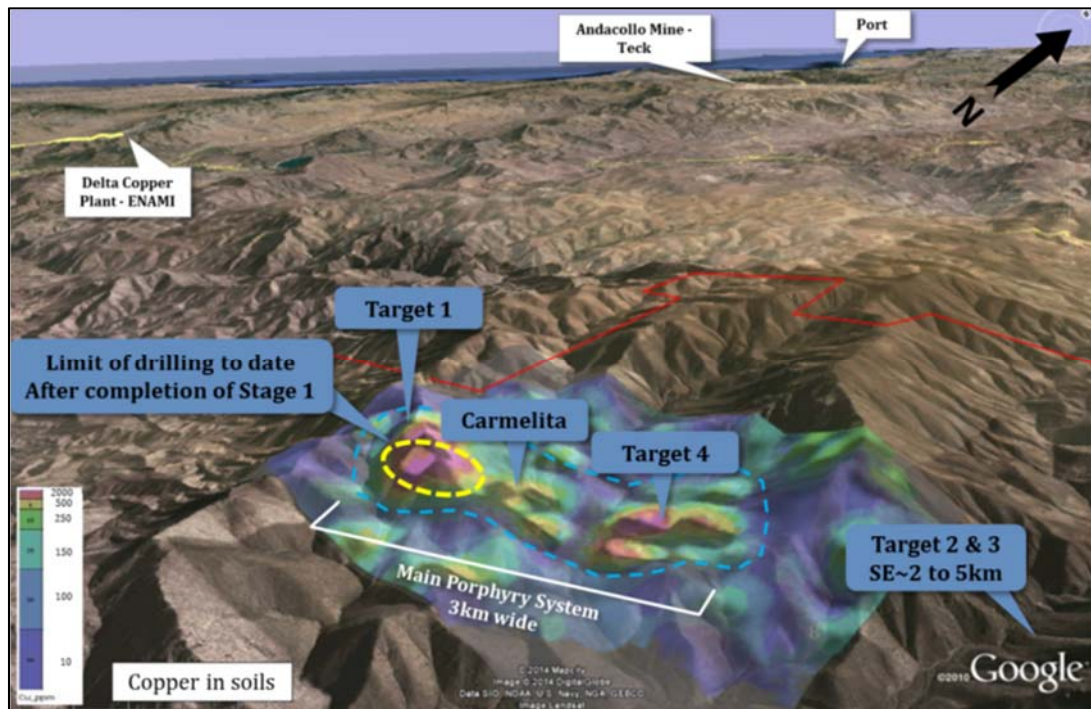


Figure 7: Main Porphyry System at Joshua Project



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.

### **Blanco Y Negro Copper-Gold Deposit**

Helix completed a resource update on the ByN deposit in Region IV, Chile in 2015.

The resource estimation 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 (the resource is reported at a 0.5% Cu cutoff grade and figures are subject to rounding (refer table 1). Infill Reverse Circulation (RC) drilling was undertaken as part of the RC program completed in late 2014. This additional drilling 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<sup>s</sup>. The deposit remains open to the northwest along strike and down dip (Figure 8)

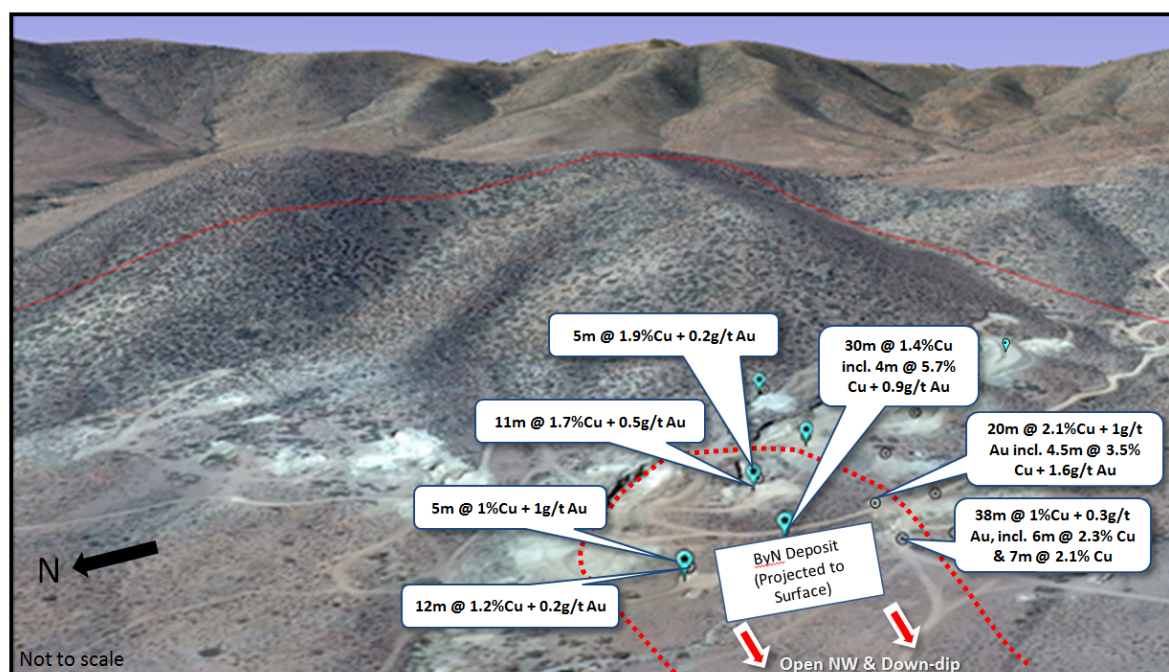


Figure 8: Approximate position of By N Deposit on local topography with significant results.

**Table 1: ByN Deposit Material Type<sup>6</sup>**  
**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<sup>7</sup> in Indicated and Inferred Resources on 575km<sup>2</sup> 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.

## **CORPORATE**

### **Cash and Investments**

As at 31 December 2016, the Company remains adequately funded to achieve its 2017 business goals with \$1.0m in cash.

## **RESULT**

The operating result for the half-year ended 31 December 2016 for the Group was a loss after income tax of \$357,535 (2015: \$1,308,519).

### **EVENTS SUBSEQUENT TO REPORTING DATE**

On 24 January 2017 Helix announced to the market high grade gold results resulting from first- pass air core drilling at the Battery Tank gold prospect which forms part of the Company's Cobar Gold Project in NSW.

On 2 February 2017 Helix announced to the market that a 600km VTEM- Max helicopter borne geophysics survey was completed over the 25km of strike on the Company's Collierina Copper-Zinc project with multiple near-prospect and regional targets being identified.

On the 8 February 2017 Helix announced that it had completed a placement of 46,000,000 ordinary shares at \$0.048 per share to raise gross funds of \$2.08m. The placement shares were issued on 15 February 2017.

Other than the above, 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 12 of this half-year financial report.

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



**M Naylor**

**Non-Executive Director**

**Dated this 3<sup>rd</sup> day of March 2017**

### 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

- <sup>1</sup> For full details of exploration results refer to released ASX announcement date 17 November 2016. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>2</sup> For full details of exploration results refer to released ASX announcement date 24 January 2017. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>3</sup> For more information on the Canbelego Resource estimate refer to released ASX announcement date 7 October 2010. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>4</sup> For full details of exploration results refer to released ASX announcement date 26 September 2013. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>5</sup> For full details of exploration results refer to released ASX announcement date 10 September 2014. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>6</sup> For more information on the Blanco y Negro Resource estimate, refer to ASX announcement dated 13 August 2015. Helix is not aware of any new information or data that materially effects the information included in the said announcement.

The information in this report that relates to the Mineral Resource Estimation for Blanco y Negro is based on information compiled by Mr Byron Dumpleton a Consultant Resource Geologist from his company BKD Resources Pty Ltd. Mr Dumpleton is a member of the Australian Institute of Geoscientist. Mr Dumpleton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Dumpleton consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

- <sup>7</sup> For more information on the Yalleen Iron Resource estimate, refer to released ASX announcement date 24 April 2009. Helix Resources in not aware of any new information or data that materially effects the information included in the said announcement.
- <sup>8</sup> For full details of exploration results refer to released ASX announcement date 4 October 2012. Helix Resources in 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 2016, 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, 3 March 2017

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2016

		Consolidated	
	Notes	31 Dec 2016	31 Dec 2015
		\$	\$
Revenue		5,582	14,994
Employment costs		(75,606)	(80,940)
Audit and accountancy		(17,315)	(13,410)
Corporate marketing		(28,199)	(9,894)
Directors' fees		(47,543)	(45,000)
Depreciation		(5,036)	(4,408)
IT costs		(11,319)	(11,458)
Premises costs		(34,299)	(32,262)
Professional fees		(42,999)	(500)
Travel and accommodation costs		(11,467)	(11,081)
Impairment of exploration and evaluation assets		-	(8,185)
Fair value loss/gain on financial assets		-	(932,231)
Loss on sale of mineral interest		-	-
Share-based payments	6	(54,651)	(135,441)
Other expenses from ordinary activities		(34,683)	(38,703)
<b>LOSS BEFORE INCOME TAX</b>		<b>(357,535)</b>	<b>(1,308,519)</b>
<b>INCOME TAX BENEFIT</b>		-	-
<b>LOSS FOR THE PERIOD</b>		<b>(357,535)</b>	<b>(1,308,519)</b>
<b>Other Comprehensive Income</b>			
Fair value movement on available for sale assets		-	-
Income tax relating to other comprehensive income		-	-
<b>Other comprehensive income, after tax</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF HELIX RESOURCES LIMITED</b>		<b>(357,535)</b>	<b>(1,308,519)</b>
Basic loss per share (cents)		(0.12)	(0.49)
Diluted loss per share (cents)		(0.12)	(0.49)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Consolidated	
		31 Dec 2016 \$	30 Jun 2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,018,876	2,003,815
Trade and other receivables	2	67,460	222,490
<b>TOTAL CURRENT ASSETS</b>		<b>1,086,336</b>	<b>2,226,305</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		35,649	39,960
Exploration and evaluation expenditure	4	10,986,667	10,129,423
Other financial assets	3	101,803	101,446
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,124,119</b>	<b>10,270,829</b>
<b>TOTAL ASSETS</b>		<b>12,210,455</b>	<b>12,497,134</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		191,115	178,613
Provisions		67,429	64,027
<b>TOTAL CURRENT LIABILITIES</b>		<b>258,544</b>	<b>242,640</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions		3,554	3,253
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>3,554</b>	<b>3,253</b>
<b>TOTAL LIABILITIES</b>		<b>262,098</b>	<b>245,893</b>
<b>NET ASSETS</b>		<b>11,948,357</b>	<b>12,251,241</b>
<b>EQUITY</b>			
Share capital	5	62,496,044	62,496,044
Reserves	6	290,570	235,918
Accumulated losses		(50,838,257)	(50,480,721)
<b>TOTAL EQUITY</b>		<b>11,948,357</b>	<b>12,251,241</b>

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



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## HALF-YEAR ENDED 31 DECEMBER 2016

	\$	\$	\$	\$
	Share Capital	Options Reserve	Accumulated Losses	Total
	Ordinary			
<b>Balance at 1.7.2016</b>	62,496,044	235,918	(50,480,721)	12,251,241
Loss for the period	-	-	(357,535)	(357,535)
Other comprehensive income for the period	-	-	-	-
	62,496,044	235,918	(50,838,256)	11,893,706

## Transactions with owners

Options vested during the period	6	-	54,651	-	54,651
<b>Balance at 31.12.2016</b>		62,496,044	290,569	(50,838,256)	11,948,357

<b>Balance at 1.7.2015</b>		61,280,044	-	(48,977,757)	12,302,287
Loss for the period		-	-	(1,308,519)	(1,308,519)
Other comprehensive income for the period		-	-	-	-
		-	-	(1,308,519)	(1,308,519)

## Transactions with owners

Options issued during the period	6	-	135,441	-	135,441
<b>Balance at 31.12.2015</b>		61,280,044	135,441	(50,286,276)	11,129,209

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	<b>Consolidated</b>	
	<b>Dec 2016</b>	<b>Dec 2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(302,299)	(251,717)
Interest received	5,582	9,484
R&D tax benefit received	167,110	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(129,607)</b>	<b>(242,233)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for capitalised exploration and evaluation expenditure	(857,244)	(410,752)
Payments for property, plant and equipment	(1,524)	-
Proceeds from sale of investments	-	647,817
Payments for security deposits	-	(10,000)
Refund of security deposits	-	85,000
<b>NET CASH FLOWS PROVIDED BY/ (USED IN) INVESTING ACTIVITIES</b>	<b>(858,768)</b>	<b>312,065</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	-	-
Payment of share issue costs	-	-
<b>NET CASH FLOWS PROVIDED BY/ (USED IN) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
 NET INCREASE (DECREASE) IN CASH HELD	 (988,375)	 69,832
Exchange differences on cash and cash equivalents	3,436	6,400
CASH AT BEGINNING OF PERIOD	2,003,815	1,582,850
 <b>CASH AT END OF PERIOD</b>	 <b>1,018,876</b>	 <b>1,659,082</b>

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

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2016

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

These general purpose financial statements for the interim reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

The interim financial statements do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of Helix Resources Limited for the year ended 30 June 2016 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

**Accounting policies**

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2016 annual financial report.

Proposed amendments to Accounting Standards and Australian Accounting Interpretations for future reporting periods have been considered. The Group does not anticipate early adoption of any of these new/revised reporting requirements and does not expect any resultant changes to have a material effect on the Group's financial statements.

**Estimates**

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016.

**Going Concern**

The interim financial report for the six months ended 31 December 2016 has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the period ended 31 December 2016 the Group recorded a loss after tax of \$357,535 and operating cash outflows of \$129,607. Subsequent to balance date the Group has successfully raised \$2.08m (before capital raising costs). Based upon the above, the Directors have reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable and the Directors consider the going concern basis of preparation to be appropriate for this Interim Financial Report.

## 2. TRADE AND OTHER RECEIVABLES

Current Receivables	CONSOLIDATED	
	Dec 2016 \$	June 2016 \$
Prepayments	9,077	1,350
R&D tax rebate	-	167,110
Other Receivables	58,383	54,030
Total Current Receivables	67,460	222,490

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 – Non-Current	CONSOLIDATED	
	Dec 2016 \$	June 2016 \$
Security deposits	100,603	100,246
Shares in listed corporations – held for trading	1,200	1,200
Total Other Financial Assets – Non-Current	101,803	101,446

**4. EXPLORATION AND EVALUATION EXPENDITURE**

	CONSOLIDATED	
	Dec 2016 \$	June 2016 \$
Opening balance	10,129,423	9,530,925
Expenditure incurred during the period	857,244	599,798
Disposals	-	(1,300)
Impairment losses	-	-
Closing balance	10,986,667	10,129,423

**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, no provision for impairment was required (June 2016: \$1,300) against the carrying value of its exploration and evaluation expenditure.

**5. EQUITY SECURITIES ISSUED**

	Dec 2016 No.	June 2016 No.	Dec 2016 \$	June 2016 \$
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial year	308,466,692	268,466,692	62,496,044	61,280,044
Share issue: 37,360,000 Fully paid shares@ \$0.032	-	37,360,000	-	1,195,520
Share issue: 2,640,000 Fully paid shares@ \$0.032	-	2,640,000	-	84,480
Share Issue Costs	-	-	-	(64,000)
Balance at end of financial year	308,466,692	308,466,692	62,496,044	62,496,044



## 6. RESERVES

	Dec 2016	June 2016	Dec 2016	June 2016
Listed options	No.	No.	\$	\$
Balance at beginning of financial year	14,750,000	-	235,918	-
Issue of options	-	14,750,000	54,652	235,918
Exercise of options to fully paid shares	-	-	-	-
Cancellation of options	(1,000,000)	-	-	-
Expiry of options	-	-	-	-
Balance at end of financial year	13,750,000	14,750,000	290,570	235,918

On 16 November 2015, 14.25M options were issued to key management personnel, employees and consultants. On 28 December 2016 1,000,000 options were cancelled as a result of vesting conditions not being met.

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

## 7. 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  $\pm 5\%$  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 2016	June 2016	Dec 2016	June 2016	Dec 2016	June 2016
<b><u>Current Assets</u></b>						
Cash	1,014,825	1,989,576	4,051	14,239	1,018,876	2,003,815
<b><u>Non-Current Assets</u></b>						
Mineral Assets	5,567,354	4,788,771	5,419,313	5,350,137	10,986,667	10,138,908
Impairment	-	(9,485)	-	-	-	(9,485)
<b>Carrying Amount</b>	5,567,354	4,779,286	5,419,313	5,350,137	10,986,667	10,129,423
Other assets not allocated					1,223,788	2,367,711
<b>Total assets</b>					<b>12,210,455</b>	<b>12,497,134</b>
<b><u>Liabilities</u></b>						
Trade payables	191,114	169,648	-	8,965	191,114	178,613
Provisions	67,429	64,027	-	-	67,429	64,027
<b>Total liabilities</b>	<b>258,543</b>	<b>233,675</b>	<b>-</b>	<b>8,965</b>	<b>258,543</b>	<b>242,640</b>
	<b>Dec 2016</b>	<b>Dec 2015</b>	<b>Dec 2016</b>	<b>Dec 2015</b>	<b>Dec 2016</b>	<b>Dec 2015</b>
<b>Revenue</b>	5,582	14,994	-	-	5,582	14,994
<b>Depreciation</b>	(5,036)	(4,408)	-	-	(5,036)	(4,408)
<b>Profit / (Loss) before tax</b>	(357,535)	(1,308,519)	-	-	(357,535)	(1,308,519)

## 8. 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 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.

**9. EVENTS SUBSEQUENT TO REPORTING DATE**

On the 8 February 2017 Helix announced that it had completed a placement of 46,000,000 ordinary shares at \$0.048 per share to raise gross funds of \$2.08m. The placement shares were issued on 15 February 2017.

Other than the above, 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 2016 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.



**M Naylor**  
**Non-Executive Director**

Dated this 3<sup>rd</sup> day of March 2017



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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 2016, 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 2016 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 2016 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, 3 March 2017