



FINANCIAL REPORT



HELIX RESOURCES LTD
ACN 009 138 738

HALF YEAR ENDED 31 DECEMBER 2014

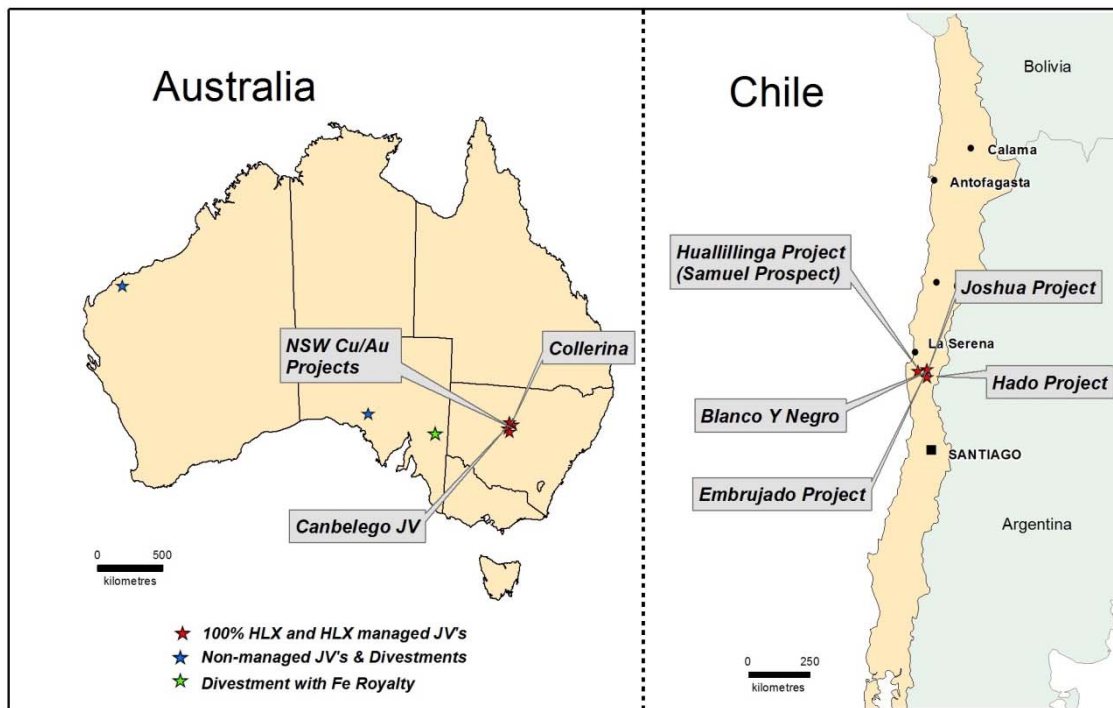
Information should be read in conjunction with the 30 June 2014 Annual Report

Table of Contents

Corporate Directory.....	1
Directors' Report	2
Auditor's independence declaration.....	12
Consolidated Statement of Profit Or Loss and Other Comprehensive Income	13
Consolidated Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows.....	16
Notes to the Half-Year Financial Statements.....	17
Directors' declaration	21
Independent review report.....	22



Project Location Map



CORPORATE DIRECTORY

Directors

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

Company Secretary & CFO

M D 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 ["Company"] and its controlled entities, for the half-year ended 31 December 2014.

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 H Wilson	Managing Director
Mr Jason Macdonald	Non-Executive Director

REVIEW OF OPERATIONS

The Company's strategy continues to be to advance its assets in the selected prospective mineral provinces in 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 VMS copper and epithermal 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 made another significant greenfield discovery, the Collierina VMS Prospect.

Collierina Prospect

The Collierina Prospect is prospective for copper, zinc, silver and gold mineralisation, to date the best results is 14m @ 4% Cu, 17g/t Ag, 1.3% Zn within 29m @ 2.2% Cu, 9g/t Ag, 0.7% Zn from 80m in CORC002⁴, refer Figure 1 & 2. It 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 VMS lithologies. 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.

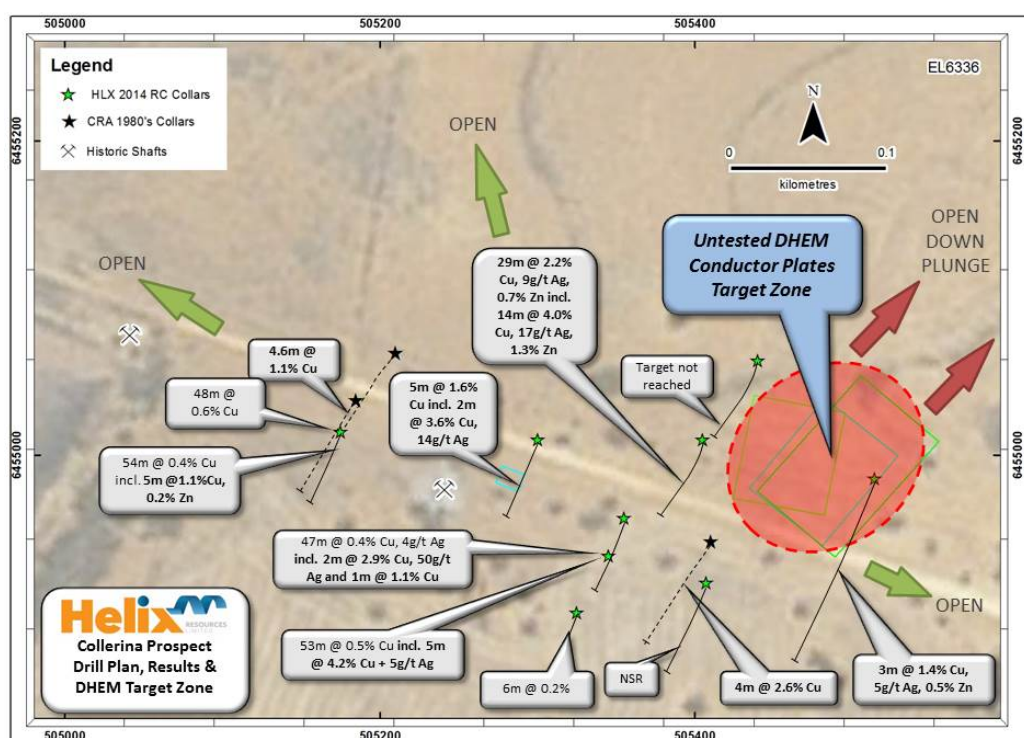


Figure 1: Collierina Prospect - Drill hole location plan, incl. results to date and DHEM target zone⁴

At the Collerina Prospect, high-grades of copper, zinc, silver (+ gold) mineralisation was intersected in 6 of the 9 holes drilled, over a strike of approximately 330m, in late 2014. The system remains open along strike and down dip/plunge.

Table 1: Collerina Prospect 1m Sample Results⁴

Site_ID	Depth from	Intercept (m)	Results
CORC001	95m	3m	3m @ 1.4% Cu, 5g/t Ag, 0.5% Zn
CORC002	80m	29m	29m @ 2.2% Cu, 9g/t Ag, 0.7% Zn, incl. 14m @ 4.0% Cu, 17g/t Ag, 1.3% Zn from 80m
CORC003	0m	54m	54m @ 0.4% Cu incl. 5m @ 1.1% Cu, 0.2% Zn from 3m
CORC004	22m	14m	14m @ 0.2% Cu
and	50m	5m	5m @ 1.6% Cu incl. 2m @ 3.6% Cu, 14g/t Ag from 51m
CORC005	18m	47m	47m @ 0.4% Cu, 4g/t Ag incl. 2m @ 2.9% Cu, 50g/t Ag from 52m and 1m @ 1.1% Cu from 61m
CORC006	24m	6m	6m @ 0.2% Cu
CORC007			Not re-sampled
CORC008	112m	1m	1m @ 0.5% Cu
CORC009	0m	53m (EOH)	53m @ 0.5% Cu incl. 5m @ 4.2% Cu + 5g/t Ag from 48m to EOH

Intersections based on 1m sampling, assayed using mixed acid digest technique for base metals. Results are based on a 0.1% Cu cut-off grade and subject to rounding. Significant results are highlighted in bold.

Table 2: RC Collar details - Collerina Prospect

Project	Site_ID	Easting	Northing	Dip	Azi	Total Depth	HoleType
EL6336	CORC001	505514	6454985	-60	200	200	RC
EL6336	CORC002	505405	6455010	-70	200	150	RC
EL6336	CORC003	505175	6455015	-60	200	96	RC
EL6336	CORC004	505300	6455010	-60	200	102	RC
EL6336	CORC005	505355	6454960	-60	200	96	RC
EL6336	CORC006	505325	6454900	-60	200	96	RC
EL6336	CORC007	505407	6454919	-60	200	102	RC
EL6336	CORC008	505440	6455060	-70	200	150	RC
EL6336	CORC009	505345	6454936	-90	200	53	RC



Photo 1: CORC002 RC chips showing disseminated and massive copper sulphides from 80m.

Data from the DHEM survey completed in January has provided improved vectors to high grade targets compared to the lower resolution surface EM survey completed prior to the drilling last year.

The DHEM survey confirmed the presence of on-hole responses in the three holes surveyed that intersected mineralisation (CORC001, 002 & 004). More significantly, the survey has identified the presence of strong off-hole conductors in a zone un-tested by the drilling, down-plunge from CORC002 (refer Figure 1 & 2).

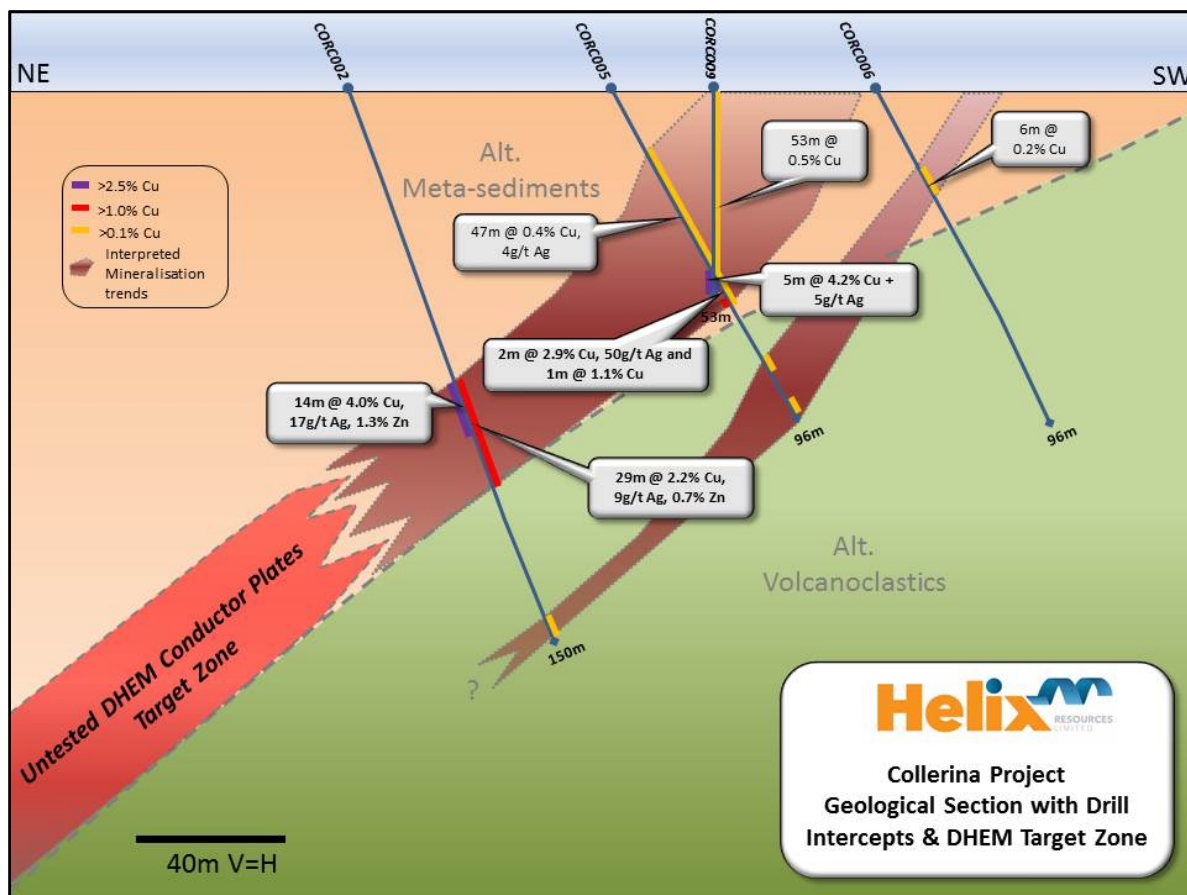


Figure 2: Idealised section showing location of DHEM conductor zone down plunge from CORC002⁴

Data from the 4 individual holes (CORC001, 002, 004 & 008) were modelled with off-hole conductor plates matched and located to correlate with the data observed. Data from holes CORC001, 002 & 008 all modelled strong conductor plates in a zone down plunge from the high-grade mineralisation in CORC002. Data from CORC004 highlighted a small off-hole conductor directly west of the hole.

Background: 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, where copper mineralisation was intersected in all three holes. There has been little exploration activity on the Prospect until Helix's involvement commencing in early 2014.

A 1,000m first-pass RC drilling program was completed during November 2014 following-up positive results from a detailed auger soil sampling program, using the companies Auger rig and sampling methodology, which defined a copper/gold target over a strike of approximately 500m. The Company also completed a 5 line-kilometre moving loop EM survey that highlighted the presence of a conductor in the bed-rock associated with the copper/gold trend.

The RC drilling program was designed to test the surface geochemistry and position of the EM conductor. The drilling results were highly encouraging with 6 of the 9 holes drilled returning

intercepts >1% Cu and associated base metals. The drilling has identified a broad zone of copper mineralisation in the oxide zone with grades appearing to improve within the transition-primary zone.

The broad-spaced drilling has identified mineralisation over an open-ended strike of at least 300m, with the system remaining open down dip/plunge.

CHILE – COPPER AND GOLD PROJECTS

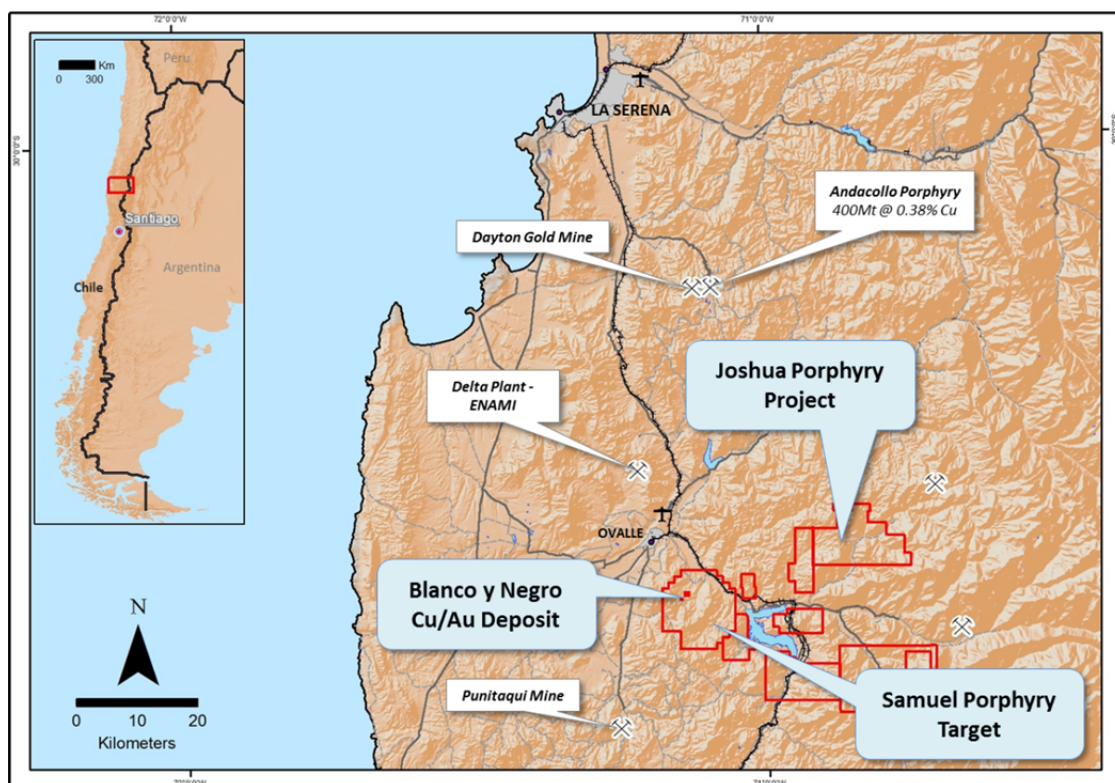


Figure 3: Location of Helix's Projects (outlines in red) near the town of Ovalle – Region IV Chile

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 main porphyry system (Target 1, Carmelita & Target 4) is defined by an IP anomaly covering 10km² and coincident soil geochemistry over the target zone – figure 4. To date Helix has drill tested only 10% of the target– (2,000m RC& DDH) with the best result: DDH2 400m @ 0.3%Cu + 0.1g/t Au from surface to end of hole.

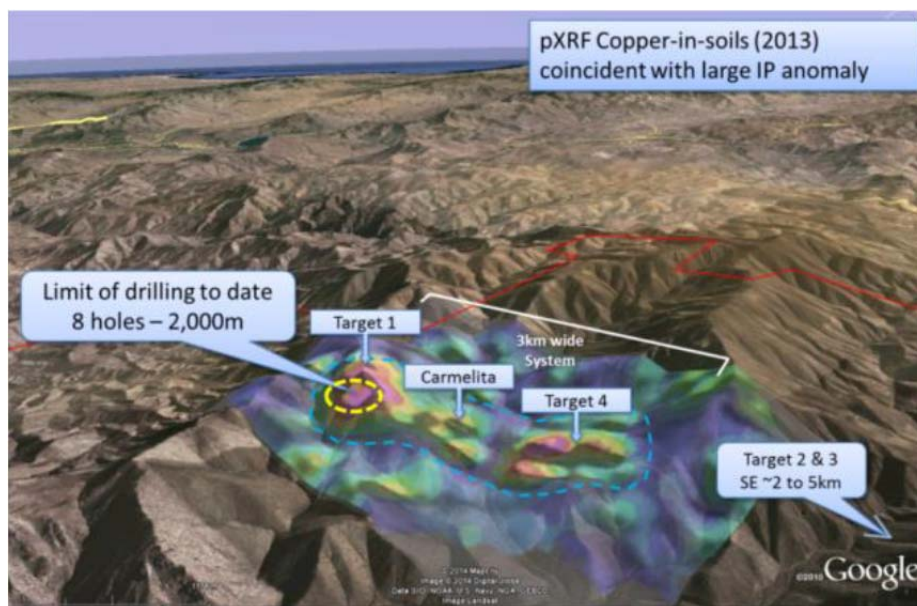


Figure 4: Joshua main porphyry target with pXRF copper results draped on topography

Late in 2014 the mining contract was completed which allowed the geological team to begin assessing the underground workings, which have been driven down to a level approximately 50m below surface.

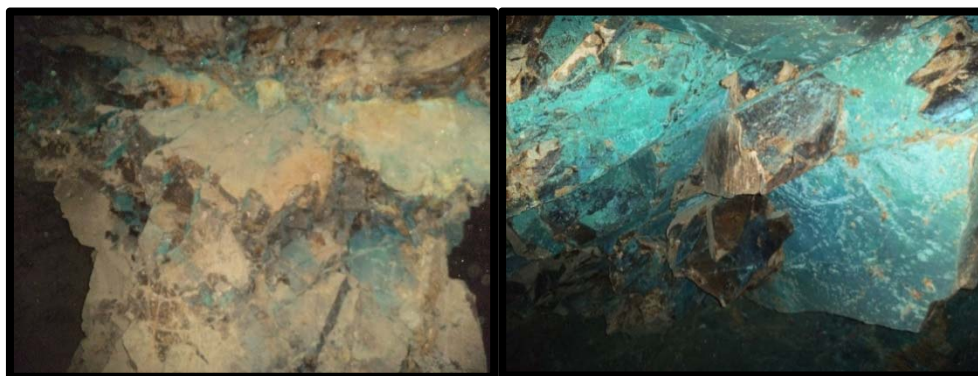


Photo 2: Copper oxides present in Carmelita underground workings – Joshua Project

The Carmelita mine workings are dominated by copper oxides present in a mix of preserved granodiorite roof rocks, andesites, breccias and a dacitic porphyry. Of most interest is the presence of the Dacite porphyry material, which provides evidence for multiple porphyry stocks to be present at Joshua. Samples collected and assayed from this program included Dacite porphyry material returning a 3.1% copper and associated gold and molybdenum (Refer table 3).

Table 3: Rockchip samples collected from the lower levels of the Carmelita Mine Workings¹

Sample No.	Cu (%)	Au (g/T)	Ag (g/T)	Mo ppm	Description
50639	3.12	0.1	11	211	Dacite Porphyry
50640	0.20	0.1	<1	15	Andesite
50641	0.67	0.1	3	35	Andesite
90642	0.69	0.2	3	114	Breccia

Samples were collected underground from the mine which is located at approximately 321195mE 6613740mN (WGS84)

Blanco Y Negro Mine

A 100% owned Mining lease and surrounding 100km² of exploration concessions (Huallilinga Project) in Region IV Chile. The project sits within a major regional mineralised shear system with multiple mineral occurrences evident throughout broader project and surrounding district.

A maiden inferred resource was estimated in the fourth quarter of 2013⁵ as follows:

Inferred Resource Estimate – Blanco y Negro Project ²	
Oxide: 1.4Mt @ 1.4% Cu, 0.5g/t Au*, estimated at a 0.4% Cu cut-off grade	(20,000t Copper, 23,000oz Gold)
Including a high-grade component of:	
Oxide: 0.9Mt @ 2.0% Cu, 0.75g/t Au*, estimated at a 0.8% Cu Cut-off grade	(17,000t Copper, 20,000oz Gold)

During the half year a 8 hole 686m RC program was completed. High grade copper and gold assays were returned (refer Table 4), with hole ARBN14-003 returning a significant high-grade intercept of **30m @ 1.4% Cu + 0.3g/t Au from 67m, incl. 4m @ 5.7% Cu and 0.9g/t Au³**. The result from this hole confirms the presence of a supergene chalcocite enrichment zone along strike in the system.

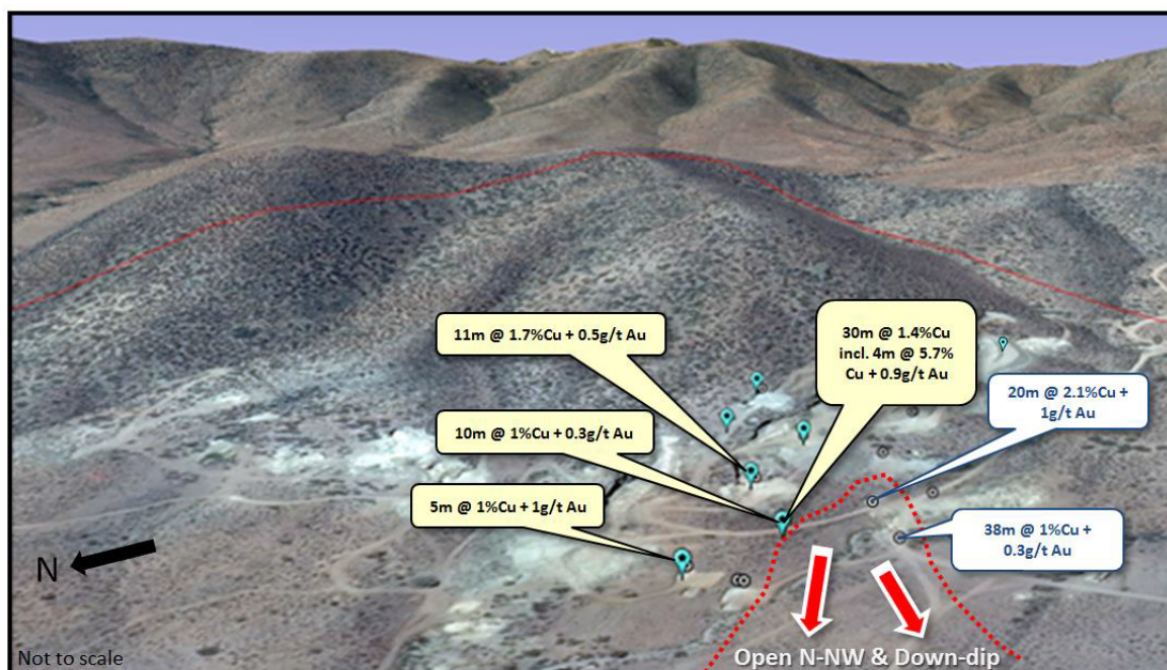


Figure 5: Blanco y Negro Drill collar positions on topography (significant program results – Black, previous results – Blue), mineralisation remains open.

Table 4: Significant Copper/Gold intercepts from recent drilling program.³

Hole ID	From (m)	Assay Result
ARBN14-002	50m	24m @ 0.6% Cu + 0.2g/t Au incl. 10m @ 1.0% Cu + 0.3g/t Au
ARBN14-003	67m	30m @ 1.4% Cu + 0.3g/t Au incl. 4m @ 5.7% Cu + 0.9g/t Au
ARBN14-007	20m	40m @ 0.8% Cu + 0.2g/t Au incl. 11m @ 1.7% Cu + 0.5g/t Au
ARBN14-008	28m	18m @ 0.7% Cu + 0.4g/t Au incl. 5m @ 1.0% Cu + 1.0g/t Au

The best results were returned from a section 70m NW of the original DDHU-001 (20m@ 2%Cu and 1.1g.t Au) where mineralisation was intersected in both holes over significant widths (refer figure 4). This drilling has confirmed the presence of a supergene enrichment zone within the

main shear. The chalcocite-rich zone, within the broader intercept, returned significant copper grades and associated gold (**4m @ 5.7%Cu + 0.9g/t Au**).

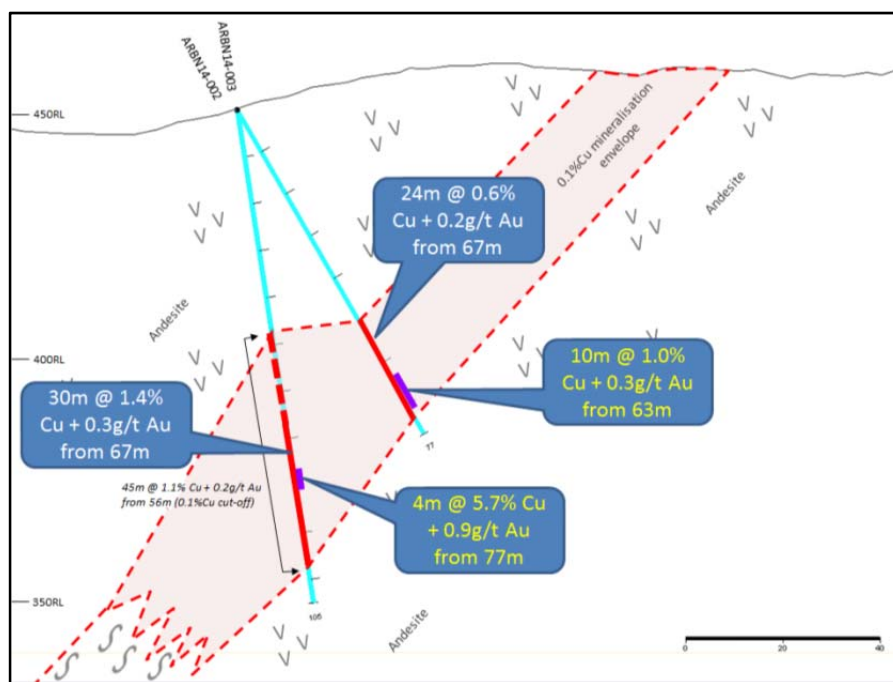


Figure 6: Cross-section showing mineralisation in holes ARBN14-002 and ARBN14-003

The high-grades intersected to date remain open down-dip and to the north-west, providing immediate future drilling targets. Further field reconnaissance undertaken during the program has identified a new target 280m north of the current resource. This target, untested by drilling, has an associated magnetic low with sub-cropping gossanous material present at surface. This target position is in a similar magnetic setting to where the best grades have been intersected to date in the main zone

Huallilinga Regional Copper/Gold Project

The Huallilinga Project surrounds Blanco Y Negro and is prospective for both high-grade shear/vein copper/gold systems and large porphyry systems. Helix completed a detailed mapping program and surface rock chip sampling on the property which has defined the extent of the Samuel Prospect. The prospect is a porphyry target covering an area of approximately 19km². The target is defined by the presence of alteration, surrounding a valley with sporadic copper-rich quartz veins, breccias, stockwork and oxide copper in preserved roof rocks. It is located on the intersection of two regionally significant structures, the Los Matos fault and a NW lineament.

Samuel Porphyry Prospect: The Company mapped in detail the main target area. The target is defined by a 19km² zone of mixed intrusives, volcanics, stockworks and breccias with porphyry related alteration defining the extent of the system. In the same program the team collected surface rock chip samples from the various lithologies located at the target. The geochemistry returned peak results of 7.7% Cu, 0.8g/t Au and 176ppm Mo. A statistical review of the rockchip data shows mean values of copper from surface sampling as follows: intrusives; 158 ppm, andesites; 215 ppm, stockworks; 507 ppm and veins; 1.9% Cu, outlining a second (potentially) large tonnage greenfield porphyry discovery by Helix in Region IV

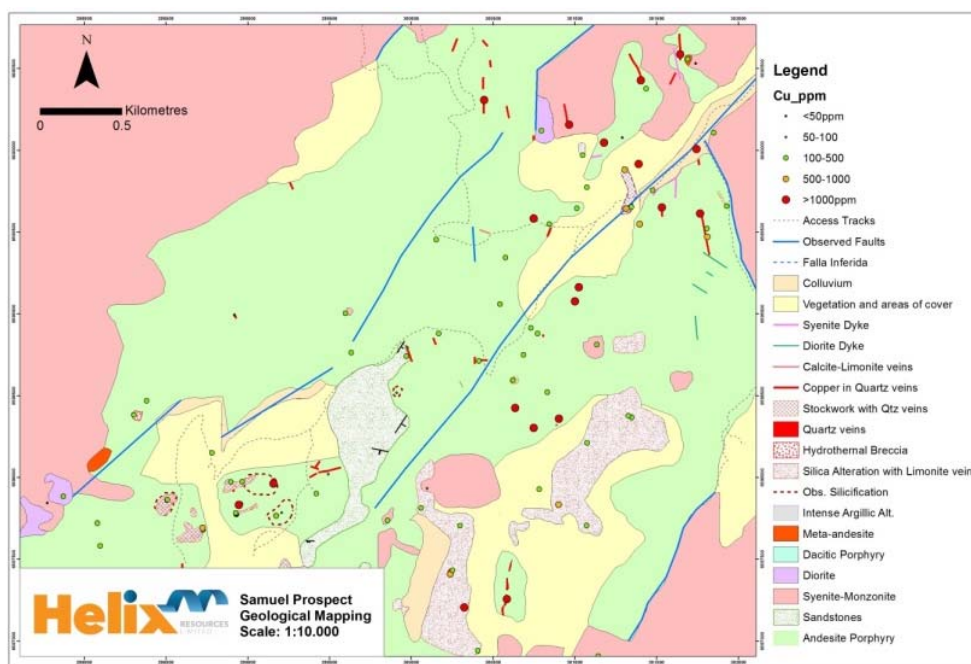


Figure 7 Samuel Prospect Geological Mapping and position of rockchip samples (Cu ppm)

The exploration work during the half year at the Samuel Project also included collection of samples to undertake Microscopy to identify the copper minerals present. The limited work to date indicates the presence of Djurleite ("white chalcocite") and Chalcopyrite in the limonite veinlets associated with the quartz-limonite stockwork present at the target.



Photo 3: Extensive stockwork present at the Samuel Prospect containing limonite after sulphides. Rock sample 55795 returned 0.03 ppm Au, 4125 ppm Cu, 36 ppm Mo.

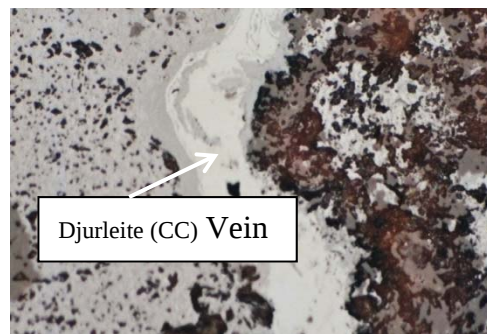
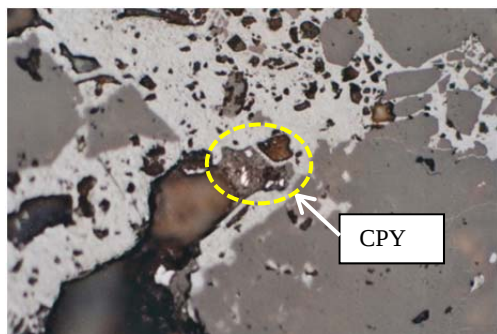


Photo 4 and 5: Microscope images of thin-sections from the location shown on photo 3. Photo 4 shows fine grains (<1mm) of Chalcopyrite preserved in limonite veins. Photo 5 shows a vein of Djurleite (White Chalcocite) within the limonite veins.

NON- CORE ASSETS

Tunkillia Gold Project JV – South Australia

Helix Resources agreed to sell its 30% stake in the Tunkillia Gold Project to WPG, the manager and equity partner of the Project. A Sale and Purchase Agreement has been signed with the following terms:

Stage1:

- WPG will pay HLX \$500,000 cash on the completion of transfer of tenement ownership;
- WPG will issue HLX with 10 million fully paid ordinary WPG shares (these shares are subject to a voluntary escrow period of 6 months);

Stage 2*:

- 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:
 - o 30% of attributable gold and silver production from the existing resource; and
 - o On 100% of production from any additional resources/reserves of minerals defined within the Tunkillia Project area.

** Helix retains certain rights to bring forward the payment and share issue in Stage 2, if there is a change of control of the Tunkillia Project or of WPG.*

Stage 1 funds and shares are expected to be received after the transfer of ownership from the sale in early 2015. The transaction will add to Helix's working capital and allow the company to continue advancing its core projects in Chile and Australia.

Olary Iron Project – South Australia

Helix remains in discussions with Lodestone Equities Limited (Lodestone) after granting an extension to the deferred payment of the \$1.75m due on 31 March 2014 for the sale of the Olary Magnetite asset in South Australia.

Yalleen Iron Ore Project – Western Australia

Yalleen Project has a resource 84Mt @ 57%⁵ Iron ore 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 currently diluting to a royalty over iron ore production from the tenements. 2014 corporate activity resulted in Aquila Resources being acquired by Baosteel and Aurizon. During the second half of 2014 Aurizon announced a market update and project timeline and development plans for the West Pilbara Iron Project (refer AZJ announcement 11 Sept 2014).

RESULT

The operating result for the half-year ended 31 December 2014 for the Group was a loss after income tax of \$2,076,464 (2013: \$1,503,607).

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 12 of this half-year financial report.

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



P Rombola

Non-Executive Chairman

Dated this 10th day of March 2015

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 December 2014 quarterly report released to ASX on 30 January 2015. Helix Resources is not aware of any new information or data that materially effects the information included in the said announcement.
- ² Refer to how the mineral resource estimates were derived in Table 1 of the Company's ASX announcement on 20 November 2013. Gryphon is not aware of any new information or data that materially effects the information included in the said announcement.
- ³ For full details of exploration results refer to the Company's ASX announcement on 10 September 2014. Helix Resources is not aware of any new information or data that materially effects the information included in the said announcement.
- ⁴ For full details of exploration results refer to ASX announcement dated 15 December 2014, 4 January 2015 and 11 January 2015. Helix Resources is not aware of any new information or data that materially affects the information included in the said announcement.
- ⁵ For full details of the resource estimation refer to ASX announcement dated 21 November 2013. Helix Resources is not aware of any new information or data that materially affects 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 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

MAREK

M A Petricevic
Partner - Audit & Assurance

Perth, 10 March 2015

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2014

		Consolidated	
	Notes	31 December 2014	31 December 2013
		\$	\$
Revenue		78,086	76,996
Employment costs		(102,634)	(45,781)
Audit and accountancy		(15,175)	(69,961)
Corporate marketing		(3,838)	(17,575)
Directors' fees		(45,000)	(38,465)
Depreciation		(5,615)	(10,566)
Impairment of exploration and evaluation assets	4	(267,802)	(1,855,632)
IT costs		(13,087)	(12,861)
Premises costs		(63,833)	(4,874)
Professional fees		(9,315)	(8,115)
Travel and accommodation costs		(9,454)	(3,108)
Fair value movement on fair value through profit and loss financial assets		96	240
Loss on sale of mineral interest	7	(1,578,000)	-
Other expenses from ordinary activities		(40,893)	(19,751)
LOSS BEFORE INCOME TAX		(2,076,464)	(2,009,453)
INCOME TAX BENEFIT		-	505,846
LOSS FOR THE PERIOD		(2,076,464)	(1,503,607)
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		(2,076,464)	(1,503,607)
Basic loss per share (cents)		(1.6)	(0.7)
Diluted loss per share (cents)		(1.6)	(0.7)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	Consolidated	
		31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		1,290,163	1,711,410
Trade and other receivables	2	541,296	79,235
Other financial assets		27,805	60,624
TOTAL CURRENT ASSETS		1,859,264	1,851,269
NON-CURRENT ASSETS			
Property, plant and equipment		47,245	52,859
Exploration and evaluation expenditure		9,801,874	11,892,694
Non-current receivable	2	2,526,795	2,500,243
Available-for-sale financial assets	3	380,000	-
Other financial assets		126,500	123,585
TOTAL NON-CURRENT ASSETS		12,882,414	14,569,381
TOTAL ASSETS		14,741,678	16,420,650
CURRENT LIABILITIES			
Trade and other payables		156,192	242,370
Provisions		57,463	44,981
TOTAL CURRENT LIABILITIES		213,655	287,351
NON CURRENT LIABILITIES			
Provisions		769	467
TOTAL NON CURRENT LIABILITIES		769	467
TOTAL LIABILITIES		214,424	287,818
NET ASSETS		14,527,254	16,132,832
EQUITY			
Share capital		61,280,044	60,009,350
Reserves		-	873,247
Accumulated losses		(46,752,790)	(44,749,765)
TOTAL EQUITY		14,527,254	16,132,832

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2014

		\$	\$	\$
		Share Capital		Total
	Note	Ordinary	Options Reserve	Accumulated Losses
Balance at 1.7.2014		60,009,350	873,247	(44,749,765)
Loss for the year		-	-	(2,076,464)
Total comprehensive loss		-	-	(2,076,464)
Transactions with owners				
Shares issued during the year on conversion of options	5	1,279,694	(799,808)	-
Share issue costs during the year		(9,000)	-	-
Options expired during the year		-	(73,439)	73,439
Balance at 31.12.2014		61,280,044	-	(46,752,790)
Balance at 1.7.2013		59,192,640	914,941	(42,778,180)
Loss for the year		-	-	(1,503,607)
Total comprehensive loss		-	-	(1,503,607)
Transactions with owners				
Shares issued during the year on conversion of options	5	16,000	(10,000)	-
Balance at 31.12.2013		59,208,640	904,941	(44,281,787)

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 2014

	Note	2014 \$	Consolidated 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(367,800)	(345,278)
Interest received		16,860	29,223
R&D tax benefit received		-	505,846
Other receipts		34,674	80,687
NET CASH PROVIDED/(USED IN) BY OPERATING ACTIVITIES		<u>(316,266)</u>	<u>270,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised exploration and evaluation expenditure		(669,183)	(1,475,657)
Proceeds from sale of property, plant and equipment		37,041	-
Proceeds from security deposits		30,000	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(602,142)</u>	<u>(1,475,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		479,886	6,000
Payment of share issue costs		(9,000)	-
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		<u>470,886</u>	<u>6,000</u>
NET (DECREASE) IN CASH HELD		(447,522)	(1,199,179)
Exchange differences on cash and cash equivalents		26,275	-
CASH AT BEGINNING OF PERIOD		<u>1,711,410</u>	<u>2,840,252</u>
CASH AT END OF PERIOD		<u>1,290,163</u>	<u>1,641,073</u>

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

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 DECEMBER 2014

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

These general purpose financial statements for the interim reporting period ended 31 December 2014 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 2014 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 2014 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.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

When these amendments are first adopted for the period ended 31 December 2016, there will be no material impact on the transactions and balances recognised in the financial statements.

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 2014.

2. TRADE AND OTHER RECEIVABLES

CURRENT RECEIVABLES	Note	CONSOLIDATED	
		2014 \$	2013 \$
Prepayments		2,157	11,753
Receivable from sale of the Tunkillia Gold Project to WPG	7	500,000	-
Other Receivables		39,139	67,482
Total Current Receivables		541,296	79,235

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 \$	2013 \$
Deferred payment for sale of Olary Magnetite Pty Ltd to Lodestone Equities	2,526,795	2,500,243
Total Non-Current Receivables	2,526,795	2,500,243

There is no indication that the amount receivable from Lodestone Equities Limited of \$2,526,795 (2013: \$2,500,243) will not 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 Sale Agreement.

3. AVAILABLE-FOR-SALE FINANCIAL ASSETS

AVAILABLE-FOR-SALE FINANCIAL ASSETS	Note	CONSOLIDATED	
		2014 \$	2013 \$
Shares to be received from WPG in relation to the sale of the Tunkillia Gold Project	7	380,000	-
Total Available-For-Sale Financial Assets		380,000	-

4. 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 \$0.268M (2013: \$1.856M) against the carrying value of its exploration and evaluation expenditure.

5. EQUITY SECURITIES ISSUED

	2014 No.	2013 No.	2014 \$	2013 \$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	236,474,341	204,806,589	60,009,350	59,192,640
Conversion of HLXO options @ \$0.04	31,992,351	400,000	1,279,694	16,000
Share issue costs	-	-	(9,000)	-
Balance at end of financial year	268,466,692	205,206,589	61,280,044	59,208,640

6. 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 2014	June 2014	Dec 2014	June 2014	Dec 2014	June 2014
<u>Current Assets</u>						
Cash	1,249,740	1,701,080	40,423	10,330	1,290,163	1,711,410
<u>Non-Current Assets</u>						
Mineral Assets	4,565,887	8,822,823	5,503,789	5,172,575	10,069,676	13,995,398
Impairment	(267,802)	(2,102,704)	-	-	(267,802)	(2,102,704)
Carrying Amount	4,298,085	6,720,119	5,503,789	5,172,575	9,801,874	11,892,694
Other assets not allocated					3,649,641	2,816,546
Total assets					14,741,678	16,420,650
<u>Current Liabilities</u>						
Trade payables	124,258	150,135	31,934	92,235	156,192	242,370
Provisions	58,232	45,448	-	-	58,232	45,448
Total liabilities	182,490	195,583	31,934	92,235	214,424	287,818
	Dec 2014	Dec 2013	Dec 2014	Dec 2013	Dec 2014	Dec 2013
Revenue	54,922	76,996	23,164	-	78,086	76,996
Depreciation	5,615	10,566	-	-	5,615	10,566
Profit / (Loss) before tax	(2,099,628)	(2,009,453)	23,164	-	(2,076,464)	(2,009,453)

7. 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. A Sale and Purchase Agreement (SPA) was signed with the following terms:

Stage 1:

- WPG will pay HLX \$500,000 cash on Completion; and
- WPG will issue HLX with 10 million fully paid ordinary WPG shares (these shares are subject to a voluntary escrow period of 6 months).

Stage 2:

- 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:
 - o 30% of attributable gold and silver production from the existing resource; and
 - o 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 the stage 2 consideration from WPG as it cannot be reliably measured. As the company becomes more certain as to WPG achieving the stage 2 milestones, the income relating to the shares and cash payments may be recognised.

As at 31 December 2014, the Company recognised a current receivable of \$880,000 relating to the stage 1 consideration from WPG and a loss of \$1,578,000 in profit or loss.

8. 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 2014 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 10th day of March 2015

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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 2014, 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 2014 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. 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.

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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 2014 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, 10 March 2015