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CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED - 31 DECEMBER 2022

ABN 27 009 138 738



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CORPORATE DIRECTORY

Directors	Peter Lester - Non-Executive Chairman Michael Rosenstreich - Managing Director Kylie Prendergast - Non-Executive Director
Company secretary	Benjamin Donovan
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Registered office	Level 13, 191 St Georges Terrace, WA 6000
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Website	www.helixresources.com.au
Share Registry	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth, WA 6000 T: 1300 850 505 www.computershare.com email: www.investorcentre.com
Auditor	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2, 5 Spring St Perth, WA 6000 T: +61 8 6382 4600 www.bdo.com.au
Stock exchange listing	Australian Securities Exchange (ASX code: HLX)



DIRECTOR'S REPORT

The directors present the financial report of the Group, consisting of Helix Resources (referred to hereafter as the 'Company' or 'Helix') and its controlled entities, for the half-year ended 31 December 2022.

Directors

The names of Directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

- Peter Lester (Non-Executive Chairman)
- Michael Rosenstreich (Managing Director)
- Kylie Prendergast (Non-Executive Director)

Review of operations

The Company's strategy is to advance, discover and develop primarily copper deposits in the Cobar region of central NSW to create value for the benefit of its shareholders.

Helix Resources is strategically focused on its large 2,200km² ground position along three major regional mineralised trends in the Cobar region of NSW (Figure 1). The Company is exploring for economic quantities of copper and has numerous highly prospective targets for further exploration.

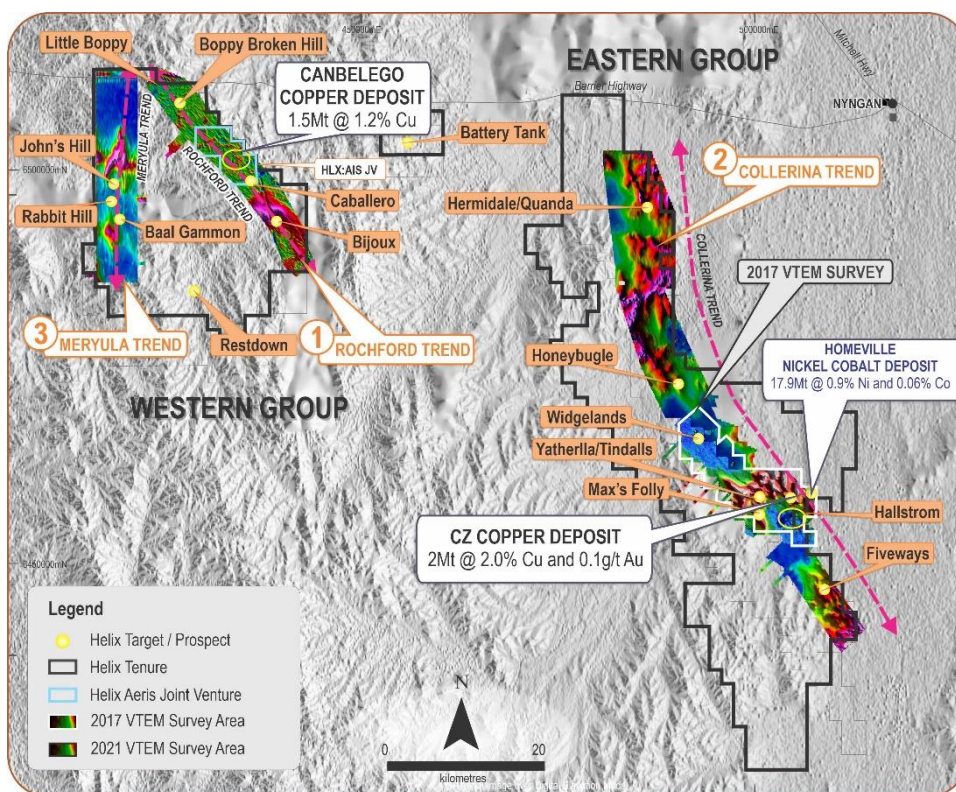


Figure 1: Three major regional scale copper trends: 1. Rochford Trend (30 km) containing the Canbelego copper deposit 2. Collerina Trend (65 km) containing the Central Zone (CZ) Mineral Resource 3. Meryula Trend (25 km) containing earlier stage Cu (+Pb/Zn) targets

Cobar is an exceptionally prolific mineralised province with an estimated regional metal endowment of 4.3Mt copper, 5Moz gold, 110Moz silver and 3.6Mt lead + zinc¹. Helix Resources' assets are surrounded by a series of operating mines, including major operations at the nearby CSA and Tritton operations.

¹ See ASX Announcement: 1 December 2022



DIRECTOR'S REPORT

NSW-Copper Projects

1. Canbelego Joint Venture Project (Helix 70% and Aeris Resources Ltd ASX.AIS 30%)

Diamond Drill Campaign

During the period, Helix reported encouraging assay results from four diamond drill holes CANDD010 to CANDD013. This diamond drilling campaign encountered a series of significant copper discoveries improving the prospective nature of the Company's Canbelego Project.

Diamond drilling consisted of:

- **CANDD010** targeting approximately 55m up-plunge of the CANDD002 intercept (21m @ 2.92% Cu from 345m, including 14m @ 4.22% Cu from 352m²) in the North Shoot.
- **CANDD011** targeting approximately 65m down-plunge of historic workings, in an interpreted South Shoot position.
- **CANDD012** targeting an area 45m down-plunge from CANDD002.
- **CANDD013** targeting the down-plunge extension of the southern shoot of the Main Lode.

Significant copper intercepts at a range of cut-off grades are shown in Table 1 and Table 2³.

Table 1: Significant copper intercepts from recent diamond and RC drill holes at a range of cut-off grades⁴

Hole ID	0.1% Cut-off	0.5% Cut-off	1% Cut-off
CANDD010	3m @ 0.13% Cu from 226m	-	-
	-	-	0.7m @ 2.16% Cu from 268.8m
	11m @ 0.51% Cu from 286m	3m @ 1.31% Cu from 292m	2m @ 1.47% Cu from 292m
	2m @ 0.26% Cu from 303m	-	-
	4m @ 1.11% Cu from 316m	-	1m @ 3.85% Cu from 316m
	5m @ 0.12% Cu from 327m	-	-
	3m @ 0.18% Cu from 334m	-	-
CANDD011	2m @ 2.44% Cu from 152m	-	1m @ 4.55% Cu from 152m
	10m @ 0.82% Cu from 159m	7m @ 0.99% Cu from 160m	4m @ 1.19% Cu from 163m

² See ASX Announcement: 12 May 2021

³ Cut-off grade based on a maximum of 2m of internal dilution

⁴ See ASX Announcement: 1 September 2022



Table 2: Significant copper intercepts from recent diamond and RC drill holes at a range of cut-off grades⁵

Hole ID	0.1% Cut-off	0.5% Cut-off	1% Cut-off
CANDD012	4m at 0.34% Cu from 71m	1m at 0.64% Cu from 74m	-
	8m at 0.40% Cu from 78m	6m at 0.50% Cu from 80m	-
	1m at 0.25% Cu from 98m	-	-
	2m at 0.51% Cu from 103m	1m at 0.92% Cu from 104m	-
	1m at 0.21% Cu from 109m	-	-
	4m at 0.26% Cu from 116m	1m at 0.73% Cu from 119m	-
	1m at 0.10% Cu from 126m	-	-
	1m at 0.11% Cu from 142m	-	-
	2m at 0.15% Cu from 150m	-	-
	1m at 0.14% Cu from 156m	-	-
	2m at 0.42% Cu from 160m	1m at 0.51% Cu from 161m	-
	5m at 0.61% Cu from 165m	-	1m at 2.51% Cu from 169m
	1m at 0.27% Cu from 182m	-	-
	1m at 0.16% Cu from 192m	-	-
	2m at 0.18% Cu from 224m	-	-
	1m at 0.19% Cu from 345m	-	-
	1m at 0.15% Cu from 410m	-	-
	14.3m at 1.96% Cu from 417m	14.3m at 1.96% Cu from 417m	1m at 1.83% Cu from 417m 1m at 1.06% Cu from 420m 8.3m at 2.82% Cu from 423m
	1m at 0.15% Cu from 444m	-	-
CANDD013	5m at 0.14% Cu from 65m	-	-
	6m at 0.13% Cu from 99m	-	-
	2m at 0.16% Cu from 119m	-	-
	5m at 0.22% Cu from 124m	-	-
	1m at 0.10% Cu from 153m	-	-
	1.5m at 0.10% Cu from 156.5m	-	-
	1m at 0.17% Cu from 159m	-	-
		-	1.3m at 4.00% Cu from 162.5m
	2m at 0.23% Cu from 228m	-	-

The assay and visual results for holes CANDD002, CANDD010 and CANDD012 confirm continuity of significant copper grade within the Main Lode, well beyond the existing resource shell, which remains open at depth.

RC Drill Campaign

In July 2022, Helix announced the commencement of a major RC drilling program, with a total of 38 RC holes planned for approximately 4,900m drilled⁶.

This campaign was designed to test lode positions west of the Main Lode and the Caballero prospect, which is 2.2km southeast of the Main Lode.

Drilling encountered numerous significant copper intercepts, with the most notable intercept occurring at CBLRC057, which tested the Southern Shoot position at the Canbelego Main Lode prospect.

CBLRC057 intersected 16m at 3.21% Cu from 117m downhole, including 11m at 4.58% Cu (see Table 3).

⁵ See ASX Announcement: 10 October 2022

⁶ See ASX Announcement: 13 July 2022



Table 3: CBLRC057 Significant copper intercepts at a range of cut-off grades⁷

Hole ID	0.1% Cu cut-off	0.5% Cu cut-off	1% Cu cut-off
CBLRC057	17m at 0.40% Cu from 31m	1m at 0.75% Cu from 31m 6m at 0.67% from 40m	-
	2m at 0.12% Cu from 49m	-	-
	1m at 0.34% Cu from 67m	-	-
	6m at 0.17% Cu from 71m	-	-
	2m at 0.16% Cu from 80m	-	-
	4m at 0.13% Cu from 99m	-	-
	4m at 0.74% Cu from 110m	2m at 1.18% Cu from 112m	-
	16m at 3.21% Cu from 117m	-	11m at 4.58% Cu from 118m

The discovery is the highest-grade copper intercept in the upper 150m of the Main Lode to date and confirms potential for high-grade copper mineralisation at shallower depths in addition to remaining open at depth and to the south.

Assay results from CBLRC057 and to some extent CANDD013, confirm the South Shoot as having significant copper grade and the potential to extend beyond the existing Mineral Resource outline.

Bold, long diamond holes to test the Canbelego Main Lode system

Following positive results from diamond and RC drilling, plus encouraging modelling work from Helix's exploration team, the Company sought to step-out and down-plunge to test the depth potential of the interpreted lode-system.

In October 2022, Helix announced the commencement of two, bold, long diamond holes to test the Canbelego Main Lode system to a vertical depth of ~550m. Current drill testing is to ~350-400m depth and the base of the current Mineral Resource estimate is to ~270m depth.

Two rigs were simultaneously contracted to rapidly drill out holes CANDD015 and CANDD016. The holes were designed as "parent holes" to not only target the mineralised zones but also to provide important platforms for DHEM surveying and 'wedge-off' daughter holes, with the daughter holes offering the potential to conduct further rapid, cost-effective drilling at depth.

In November 2022, Helix announced results from DHEM surveying on hole CANDD015, with a major conductive target identified, measuring approximately 400m by 70m and returning a strong conductive response between 500 to 1000 siemens⁸.

The target plunges 600 to 700m to the north and has never been intersected by previous drilling.

In addition to the DHEM conductor, CANDD015 also intersected copper sulphide mineralisation within two shear zones corresponding to the shears which host the upper Western Lodes and deeper Canbelego Main Lode positions.

In December 2022, Helix announced results from DHEM surveying conducted at the second parent hole CANDD016. The hole encountered strong off-hole conductors which registered the highest conductance observed to date at Canbelego, with responses between 1500-3000 siemens⁹.

Both north-and south-plunging conductor plates have been defined for CANDD016, which overlap the CANDD015 conductor plates. The north-plunging plate is approximately 225m long by 25m wide and the south-plunging plate is 265m long by 25m wide.

Similar to CANDD015, CANDD016 intersected two mineralised shear zones, interpreted to coincide with the Western Lode and Main Lode positions.

Post period-end and following several attempts in challenging conditions for directional drilling, daughter-hole CANDD016C successfully tested the central portion of the conductive targets.

CANDD016C intersected 14m of chalcopryrite veins and stringers and a 1m interval of semi-massive chalcopryrite, from 594m downhole¹⁰.

The tenor and style of the chalcopryrite mineralisation in CANDD016C appears similar to the mineralisation intersected in CANDD006, which returned 5.3m at 3.34% Cu from 421m. The CANDD016C Main Lode intercept is also approximately 185m below CANDD012,

⁷ See ASX Announcement: 10 October 2022

⁸ See ASX Announcement: 30 November 2022

⁹ See ASX Announcement: 8 December 2022

¹⁰ See ASX Announcement: 7 February 2023



DIRECTOR'S REPORT

which returned 14.3m at 1.96% Cu from 417m, including 8.3m at 2.82% Cu (located approximately 50m south of the CANDD006 intercept).

There is no drilling between CANDD012 (CANDD006) and CANDD016C in a zone which is occupied by EM conductor plates which extend up and down plunge. There is a large volume of untested conductive anomalies, suggesting ample scope for further copper discovery within this section of the Canbelego Main Lode Shear.

1. Central Zone (CZ) Project - Collerina Copper Trend (Helix 100%)

During the period, an updated geological interpretation and exploration model was advanced for the CZ Deposit. The updated geological model will underpin planning for further drilling to test for extensions of the high-grade copper-sulphide shoots which characterise the CZ deposit.

Metallurgical samples are being characterised by IMO Metallurgical in Perth and initial results are expected in the March 2023 quarter.

2. Regional Copper Exploration

In August 2022, Helix announced the commencement of a regional scale auger geochemical sampling program.

The objective is to rapidly evaluate numerous historical and early-stage targets to identify and advance new copper prospects to add to its existing Mineral Resource inventory at its copper projects located in the Cobar region of NSW.

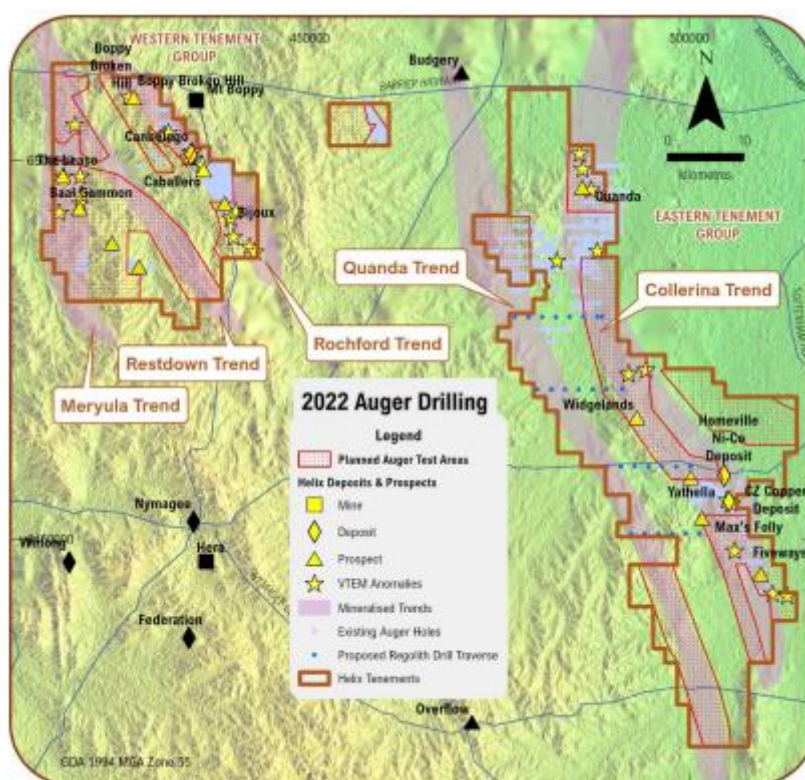


Figure 2: Regional Location Plan – Helix’s tenements and areas for planned 2022 auger sampling program overlain on interpreted key copper trends.

This program comprises approximately 13,000 holes/samples and involves one to two special purpose hydraulic auger rigs.

Commensurate with the regolith analysis, the Company is also compiling and interpreting various geological, elevation, geochemical and geophysical data sets to better understand the key geological structures controlling the distribution of mineralisation – at both regional and prospect scales.

A review of the existing geophysical data and the information from the upcoming auger-sampling program will contribute to better define these trends ahead of further airborne geophysical surveys such as VTEM – a very successful prospecting tool in the greater Cobar region.



DIRECTOR'S REPORT

Business Development

Baseline ESG Disclosure Report Important ESG Milestone

During the period, Helix announced it had published its baseline Environmental, Social, and Governance (ESG) report. The report includes disclosures on 21 core metrics set by the World Economic Forum in its standardised and globally recognised Stakeholder Capitalism Metrics ESG framework, focused on people, planet, prosperity and principles of governance.

The Company is adopting updated ESG focused policies into its overall Sustainability Platform in a manner appropriate for the current scale of its activities. The intention is to have culture and systems in place which can be easily adapted as the Company's activities grow to potentially incorporate mining and mineral processing activities.

Helix plans to continue working with Socialsuite's ESG reporting platform to measure, improve, and disclose ongoing progress with reporting ESG metrics and indicators. For real-time ESG data, see our <https://esg.socialsuitehq.com/public-esg-dashboard/helix-resources> and <https://esg.socialsuitehq.com/public-esgreport/helix-resources>.

Corporate

Major corporate events during the period included:

- On 31 October 2022, the Company sold its 100% subsidiary Helix Resources Chile Limitada in return for a conditional 1% Net Smelter Return (NSR) royalty over the original project areas if they are acquired by specific parties previously associated with the Company's operations in Chile.
- On 18 November 2022, the Company's 100% subsidiary Ionick Metals Pty Ltd was converted to a public company – Ionick Metals Limited.
- On 19 December 2022, 13,200,000 performance rights were issued to employees of the Company under the Company's Employee Incentive Scheme with an expiry date of 19 December 2027.
- On 24 November 2022, 2,400,000 unlisted options were issued to the Company's Non-Executive Director under the Company's Employee Incentive Scheme. The options were issued in three tranches (1/3 at \$0.036, 1/3 at \$0.063 and 1/3 at \$0.081) and expire on 20 December 2025. All the options vested on the grant date. The Black Scholes option pricing model was used to value the options.

Subsequent Events

On 28 February 2023 the Company announced its 100% owned subsidiary Ionick Metals Ltd ('Ionick') has executed an Option Agreement with Jodama Pty Ltd ('Jodama') to acquire three exploration licences in the 'Greater Cobar' region of NSW (EL8248, EL8747 and EL9435 - together the 'Jodama tenements'). The Option Agreement forms part of the broader strategy of a proposed initial public offering ('IPO') of Ionick shares on the ASX in the second half of 2023, subject to market conditions and regulatory approval.

The terms of the Option Agreement are predicated on an IPO funding solution for Ionick and include an initial Option Fee over a 12-month period to February 2024, comprising of an upfront \$30K cash payment and a further \$60K of exploration expenditure on the Jodama tenements. The Option Agreement also includes an Option Extension of a further 12 months to February 2025 comprising of a \$40K cash payment and further \$120K of exploration expenditure on the Jodama tenements.

Should Ionick IPO on the ASX, then IPO Vendor Shares of \$300K will be awarded to Jodama at \$0.20 per share and 4.5 million performance options issued with two tranche milestones. The first milestone being 1.5 million Ionick shares if a Mineral Resource estimate of greater than 10Mt is defined and the second milestone being 3.0 million Ionick shares if a positive Financial Investment Decision is achieved which includes resources from the Jodama tenements in the underlying feasibility study.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



Auditor's independence declaration

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

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

Michael Rosenstreich
Managing Director

14 March 2023

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Statement of profit or loss and other comprehensive income

		Consolidated	
	Note	31 December 2022 \$	31 December 2021 \$
Revenue			
Other income	10	144,781	15,821
Expenses			
Employment costs		(42,278)	(59,142)
Director's fees		(144,946)	(182,670)
Share based payments	9	(106,351)	(54,389)
Depreciation and amortisation expense		(9,451)	(53,922)
Audit and accountancy		(23,126)	(20,761)
Professional fees		(160,134)	(92,039)
Information technology costs		(5,149)	(3,957)
Corporate marketing costs		(120,699)	(73,230)
Share registry and listing fees		(7,897)	(11,276)
Premises costs		(5,590)	(17,207)
Other expenses		(117,702)	(133,450)
Travel expenses		(51,670)	(639)
Foreign exchange (loss)/gain		(1,308)	1,213
Loss before income tax expense from continuing operations		(651,520)	(685,648)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(651,520)	(685,648)
Loss after income tax expense from discontinued operations		(29,778)	(128,568)
Loss after income tax expense for the half-year		(681,298)	(814,216)
Other comprehensive loss for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		(681,298)	(814,216)
Total comprehensive loss for the half-year is attributable to:			
Continuing operations		(651,520)	(685,648)
Discontinued operations		(29,778)	(128,568)
		(681,298)	(814,216)
		Cents	Cents
Earnings per share for loss from continuing operations			
Basic earnings per share		(0.05)	(0.05)
Diluted earnings per share		(0.05)	(0.05)
Earnings per share for loss from discontinued operations			
Basic earnings per share		-	(0.01)
Diluted earnings per share		-	(0.01)
Earnings per share for loss attributable to the owners of Helix Resources Limited			
Basic earnings per share		(0.05)	(0.06)
Diluted earnings per share		(0.05)	(0.06)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



Statement of financial position

		Consolidated	
	Note	31 December 2022 \$	30 June 2022 \$
Assets			
Current assets			
Cash and cash equivalents		8,577,302	11,963,874
Trade and other receivables	3	732,994	415,420
		<u>9,310,296</u>	<u>12,379,294</u>
Assets of disposal groups classified as held for sale		-	8,479
Total current assets		<u>9,310,296</u>	<u>12,387,773</u>
Non-current assets			
Plant and equipment		73,799	74,622
Right-of-use asset	5	490,605	534,495
Exploration and evaluation assets	4	17,713,887	15,030,581
Other assets		478,192	463,692
Total non-current assets		<u>18,756,483</u>	<u>16,103,390</u>
Total assets		<u>28,066,779</u>	<u>28,491,163</u>
Liabilities			
Current liabilities			
Trade and other payables	6	525,721	347,586
Lease liabilities	7	116,691	104,097
Provisions		44,775	31,728
		<u>687,187</u>	<u>483,411</u>
Liabilities directly associated with assets classified as held for sale		-	4,269
Total current liabilities		<u>687,187</u>	<u>487,680</u>
Non-current liabilities			
Lease liabilities	7	395,957	444,901
Total non-current liabilities		<u>395,957</u>	<u>444,901</u>
Total liabilities		<u>1,083,144</u>	<u>932,581</u>
Net assets		<u>26,983,635</u>	<u>27,558,582</u>
Equity			
Share capital	8	87,916,060	87,916,060
Reserves	9	836,527	730,176
Accumulated losses		<u>(61,768,952)</u>	<u>(61,087,654)</u>
Total equity		<u>26,983,635</u>	<u>27,558,582</u>

The above statement of financial position should be read in conjunction with the accompanying notes



Statement of changes in equity

Consolidated	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2021	75,822,165	550,360	(59,069,360)	17,303,165
Loss after income tax expense for the half-year	-	-	(814,216)	(814,216)
Other comprehensive loss for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(814,216)	(814,216)
<i>Transactions with owners in their capacity as owners:</i>				
Share issue costs	377	-	-	377
Share based payment expense	-	54,389	-	54,389
Transfer of options exercised	17,500	(17,500)	-	-
Options expired	-	(137,704)	137,704	-
Balance at 31 December 2021	75,840,042	449,545	(59,745,872)	16,543,715
Consolidated	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2022	87,916,060	730,176	(61,087,654)	27,558,582
Loss after income tax expense for the half-year	-	-	(681,298)	(681,298)
Other comprehensive loss for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(681,298)	(681,298)
Share based payment expense (note 9)	-	106,351	-	106,351
Balance at 31 December 2022	87,916,060	836,527	(61,768,952)	26,983,635

The above statement of changes in equity should be read in conjunction with the accompanying notes



Statement of cash flows

Note	Consolidated	
	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(732,375)	(773,043)
Interest received	56,799	320
Interest paid on right-of-use asset	(1,019)	(6,701)
Net cash from discontinuing operations	<u>(25,568)</u>	<u>(195,987)</u>
Net cash used in operating activities	<u>(702,163)</u>	<u>(975,411)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(12,488)	(53,673)
Payments for capitalised exploration & evaluation expenditure	(3,335,401)	(1,984,790)
Payments for security deposits	(14,500)	(66,375)
Advances for JV exploration expenditure	659,527	272,486
Proceeds from disposal of property, plant and equipment	<u>20,393</u>	<u>5,587</u>
Net cash used in investing activities	<u>(2,682,469)</u>	<u>(1,826,765)</u>
Cash flows from financing activities		
Share issue costs	-	(5,233)
Payment of lease principal	<u>(631)</u>	<u>(43,862)</u>
Net cash used in financing activities	<u>(631)</u>	<u>(49,095)</u>
Net decrease in cash and cash equivalents	(3,385,263)	(2,851,271)
Cash and cash equivalents at the beginning of the financial half-year	11,963,874	5,389,903
Effects of exchange rate changes on cash and cash equivalents	<u>(1,309)</u>	<u>1,213</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>8,577,302</u></u>	<u><u>2,539,845</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes



Notes to financial statements

Note 1. Basis of preparation

These general purpose financial statements for the half-year ended 31 December 2022 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 30 June 2022 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*.

The Group is a for-profit entity for financial reporting purposes and is domiciled in Australia.

The Consolidated Interim Financial Report has been approved for issue by the Board of Directors on 14 March 2023.

Note 2. Accounting policies

Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the 2022 annual financial report and the corresponding half-year period, unless otherwise stated.

These financial statements have been prepared under the historical cost convention, as modified where applicable by the revaluation of right-of-use assets, financial assets and liabilities at fair value through profit or loss, and certain classes of plant and equipment.

Significant Judgements and Key Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, income and expenses. Actual results may differ from these estimates.

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 2022.

New or Amended Accounting Standards and Interpretations Adopted

The Directors have reviewed all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Accounting pronouncements which became effective from 1 July 2022 were adopted but do not have a significant impact on the Group's financial results or position.

New Accounting Standards and Interpretations Not Yet Mandatory

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Rounding Off of Amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest dollar, unless otherwise indicated.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss after income tax for the period ended 31 December 2022 of \$681,298, had a net cash outflow from operating activities of \$702,163, a net asset position of \$26,983,635 and a cash balance of \$8,577,302 as at 31 December 2022. As the Group has sufficient liquidity to fund its operations for the next twelve months the Directors believe that the Company will continue as a going concern.



Notes to financial statements

Note 3. Trade and other receivables

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Trade receivables ¹	532,679	222,056
Prepayments	64,234	74,319
Other receivables	136,081	119,045
	<u>732,994</u>	<u>415,420</u>

No current or past due receivables were impaired at the end of the financial year.

¹Trade receivables relate to joint venture contributions and joint venture management fees receivable as at 31 December 2022 and subsequently received after period end. (2022: \$191K).

Note 4. Exploration and evaluation assets

	Consolidated	
	Half-year to Dec 22 \$	Year to Jun 2022 \$
Assets in the exploration and evaluation phase (at cost):		
Balance at 1 July 2022	15,030,581	11,916,031
Expenditure incurred during the period/year	3,547,451	3,668,483
JV Partner contributions	(864,145)	(487,658)
Impairment losses	-	(406,275)
Additions through asset acquisitions	-	340,000
Total	<u>17,713,887</u>	<u>15,030,581</u>

The Directors' assessment of carrying amount was after consideration of prevailing market conditions; previous expenditure carried out on the tenements; and the potential for mineralisation based on both the entity's and independent geological reports. The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole, or part, of the Group's interests in those areas for an amount at least equal to the carrying value. There may exist, on the Group's exploration properties, areas subject to claim under native title or containing sacred sites or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration and mining restrictions. As a result of the assessment of the economic recoverability of certain tenements, no provision for impairment was required for the period ended 31 December 2022 (30 June 2022: \$406,275 impairment as per note 1 above) against the carrying value of its exploration and evaluation expenditure.

Note 5. Right-of-use asset

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Right-of-use-assets	635,516	617,763
Less: accumulated depreciation	(144,911)	(83,268)
	<u>490,605</u>	<u>534,495</u>



Notes to financial statements

Note 5. Right-of-use asset (continued)

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Consolidated Right-of-use Asset \$
Balance at 1 July 2022	534,495
Additions ¹	17,753
Depreciation expense	<u>(61,643)</u>
Balance at 31 December 2022	<u><u>490,605</u></u>

¹ On 1 September 2022, the Company entered into a 2 year vehicle lease agreement in relation to its exploration operations in Orange, NSW. The valuation of the vehicle lease is based on the present value of the lease payments, using an incremental borrowing rate of 6.29%.

Note 6. Trade and other payables

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Trade payables	368,403	257,653
Other payables	<u>157,318</u>	<u>89,933</u>
	<u><u>525,721</u></u>	<u><u>347,586</u></u>

All amounts are current and are expected to be settled within 12 months.

Note 7. Lease liabilities

Future minimum lease payments are as follows:

	Consolidated	
	31 December 2022 \$	30 June 2022 \$
Lease liabilities		
Lease payments less than 1 year	169,559	123,482
Lease payments 2-5 years	387,870	462,754
Lease payments 5+ years	<u>-</u>	<u>16,916</u>
Total	<u><u>557,429</u></u>	<u><u>603,152</u></u>



Notes to financial statements

Note 8. Share capital (continued)

	31 December 2022 No. Shares	31 December 2022 \$	30 June 2022 No. Shares	30 June 2022 \$
Fully Paid Ordinary Shares				
Balance at 1 July	2,323,145,843	87,916,060	1,257,020,917	75,822,165
Exercise of performance options	-	-	1,458,333	17,500
Issue of shares for Alpha HPA acquisition agreement	-	-	20,000,000	340,000
Issue of Tranche 1 Placement Shares @ \$0.012	-	-	319,619,810	3,835,438
Share Purchase Plan @ \$0.012	-	-	127,999,926	1,536,000
Issue of Tranche 2 Placement shares @ \$0.012	-	-	597,046,857	7,164,562
Share Issue Costs	-	-	-	(799,605)
Total	2,323,145,843	87,916,060	2,323,145,843	87,916,060

Note 9. Reserves

	31 December 2022 No.	31 December 2022 \$	30 June 2022 No.	30 June 2022 \$
Unlisted Options				
Balance at 1 July	70,441,667	730,176	37,000,000	550,360
Expiry of options	-	-	(12,000,000)	(137,705)
Performance rights issued to Managing Director	-	16,315	1,000,000	32,764
Performance rights issued to employees (1)	13,200,000	82,056	23,700,000	123,729
Performance options issued to Directors (2)	2,400,000	7,980	7,200,000	70,236
Exercise of performance options	-	-	(1,458,333)	(17,500)
Options issued to Lead Manager	-	-	15,000,000	108,292
Balance at end of period end	86,041,667	836,527	70,441,667	730,176

(1) On 19 December 2022, 13,200,000 performance rights were issued to employees of the Company under the Company's Employee Incentive Scheme with milestones dependent upon Helix's 20-day VWAP.

(2) On 24 November 2022, 2,400,000 unlisted options were issued to the Company's Non-Executive Director under the Company's Employee Incentive Scheme, issued in three tranches (1/3 at \$0.036, 1/3 at \$0.063 and 1/3 at \$0.081) and with an expiry of 20 December 2025. All the options vested on the grant date. The Black Scholes option pricing model was used to value the options and inputs used are as stated in the table below. The Options were approved at the Company's AGM on 24 November 2022.



Notes to financial statements

Note 9. Reserves (continued)

The following table illustrates the options and performance rights on issue at the end of the financial period.

	Number	Grant Date	Expiry Date	Exercise Price	Share Price	Volatility	Risk free Rate
Options issued to Lead Manager	8,000,000	24/02/2021	23/02/2024	\$0.0200	\$0.01300	122.69%	0.13%
Performance rights issued to Managing Director ¹	6,541,667	07/04/2021	07/04/2026	\$0.0000	\$0.01400	120.00%	0.27%
Options issued to Lead Manager	10,000,000	26/05/2021	26/05/2024	\$0.0540	\$0.04300	140.38%	0.10%
Performance rights issued to employees ¹	6,000,000	03/08/2021	03/08/2026	\$0.0000	\$0.01400	120.00%	0.27%
Performance rights issued to employees ¹	17,700,000	02/11/2021	02/11/2023	\$0.0000	\$0.01700	150.00%	0.62%
Options issued to Non-Executive Directors	2,400,000	23/11/2021	05/12/2024	\$0.0360	\$0.01500	150.00%	0.89%
Options issued to Non-Executive Directors	2,400,000	06/12/2021	05/12/2024	\$0.0630	\$0.01500	150.00%	0.89%
Options issued to Non-Executive Directors	2,400,000	06/12/2021	05/12/2024	\$0.0810	\$0.01500	150.00%	0.89%
Options issued to Lead Manager	15,000,000	19/05/2022	19/05/2025	\$0.0180	\$0.01000	144.19%	2.86%
Performance rights issued to employees ¹	4,400,000	19/12/2022	19/12/2027	\$0.0000	\$0.02100	182.00%	3.24%
Performance rights issued to employees ¹	4,400,000	19/12/2022	19/12/2027	\$0.0000	\$0.03600	182.00%	3.24%
Performance rights issued to employees ¹	4,400,000	19/12/2022	19/12/2027	\$0.0000	\$0.04600	182.00%	3.24%
Options issued to Non-Executive Director ²	800,000	24/11/2022	20/12/2025	\$0.0360	\$0.00700	151.00%	3.24%
Options issued to Non-Executive Director ²	800,000	24/11/2022	20/12/2025	\$0.0630	\$0.00700	151.00%	3.24%
Options issued to Non-Executive Director ²	800,000	24/11/2022	20/12/2025	\$0.0810	\$0.00700	151.00%	3.24%



Notes to financial statements

Note 9. Reserves (continued)

¹Performance rights issued during the year and prior year were issued under the Company's Employee Incentive Scheme and are subject to the satisfaction of vesting conditions as set out below. The performance incentives have both market and non-market based vesting conditions as set out below. The valuation as at 31 December 2022 reflects the market based conditions as these have been considered, by management, as more likely to be achieved than the non-market vesting conditions, however it is noted that a positive relationship exists between the market vesting conditions and the non-market conditions, therefore this assessment was done purely to determine the fair value of the incentives for the period ended 31 December 2022. The fair value of the performance incentives has been recognised over the vesting period commencing from the grant date to the expiry date.

Vesting conditions of performance rights under the Company's Employee Incentive Scheme:

- A third vesting on the achievement of 20-day VWAP of \$0.036;
- A third vesting on the achievement of 20-day VWAP of \$0.063;
- A third vesting on the achievement of 20-day VWAP of \$0.081; and
- All performance rights and options vest immediately if either the Company's JORC 2012 Mineral Resource at any one project exceeds 0.2 million tonnes of contained copper or copper metal equivalent for polymetallic projects from a Mineral Resource with a minimum cut-off grade of no less than 0.3% Cu, or the Company's JORC 2012 Mineral Resource at any one project exceeds 1 million ounces of contained gold or gold metal equivalent for gold/silver projects from a Mineral Resource with a minimum cut-off grade of no less than 0.3g/t Au.

²Options issued to Non-Executive Directors during the period vested immediately.

Option Reserve

The option reserve recognises the fair value of options issued but not exercised. Upon the exercise, lapsing or expiry of options, the balance of the option reserve relating to those options is transferred to accumulated losses if the options had vested. Otherwise, the value is reversed to profit or loss.

Note 10. Other income

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Interest income	56,799	320
Other income ¹	87,982	15,501
Other income	<u>144,781</u>	<u>15,821</u>

¹Other income includes rental income, Canbelego joint venture management fee income and insurance recovery income.

Note 11. Contingent assets and liabilities

No contingent assets or liabilities were noted as at 31 December 2022 (30 June 2022: nil).



Notes to financial statements

Note 12. Events subsequent to reporting date

On 28 February 2023 the Company announced its 100% owned subsidiary Ionick Metals Ltd ('Ionick') has executed an Option Agreement with Jodama Pty Ltd ('Jodama') to acquire three exploration licences in the 'Greater Cobar' region of NSW (EL8248, EL8747 and EL9435 - together the 'Jodama tenements'). The Option Agreement forms part of the broader strategy of a proposed initial public offering ('IPO') of Ionick shares on the ASX in the second half of 2023, subject to market conditions and regulatory approval.

The terms of the Option Agreement are predicated on an IPO funding solution for Ionick and include an initial Option Fee over a 12-month period to February 2024, comprising of an upfront \$30K cash payment and a further \$60K of exploration expenditure on the Jodama tenements. The Option Agreement also includes an Option Extension of a further 12 months to February 2025 comprising of a \$40K cash payment and further \$120K of exploration expenditure on the Jodama tenements.

Should Ionick IPO on the ASX, then IPO Vendor Shares of \$300K will be awarded to Jodama at \$0.20 per share and 4.5 million performance options issued with two tranche milestones. The first milestone being 1.5 million Ionick shares if a Mineral Resource estimate of greater than 10Mt is defined and the second milestone being 3.0 million Ionick shares if a positive Financial Investment Decision is achieved which includes resources from the Jodama tenements in the underlying feasibility study.

As at the date of this report, since 31 December 2022, no other events, except those noted above, have arisen that have materially affected the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity.

Note 13. Commitments

Exploration expenditure commitments

	Consolidated	
	Dec 2022	Jun 2022
	\$	\$
Less than 1 year	1,595,000	1,377,917
1 - 5 years	2,306,667	1,982,083
More than 5 years	-	-
	3,901,667	3,360,000

The Group does not have any other significant commitments at 31 December 2022.

Note 14. 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 regions of Australia, mainly in New South Wales, and formerly Chile. Decisions were formerly made mainly on geographical basis. However, with the disposal of the Company's assets in Chile, the Company's focus going forward will be on the exploration of copper, nickel and cobalt commodities in Australia.



Notes to financial statements

Note 14. Operating segments (continued)

	Australia		Chile*		Total	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
Current Assets						
Cash	8,577,302	11,963,874	-	-	8,577,302	11,963,874
Trade and other receivables	732,994	415,420	-	-	732,994	415,420
Assets included in disposal group classified as held for sale	-	-	-	8,479	-	8,479
Non-Current Assets						
Exploration and evaluation asset	17,713,887	15,030,581	-	-	17,713,887	15,030,581
Other assets	478,192	463,692	-	-	478,192	463,692
Plant and equipment	73,799	74,622	-	-	73,799	74,622
Right-of-use Asset	490,605	534,495	-	-	490,605	534,495
Total Assets	28,066,779	28,482,684	-	8,479	28,066,779	28,491,163
Current Liabilities						
Trade and other payables	525,721	347,586	-	-	525,721	347,586
Provisions	44,775	31,728	-	-	44,775	31,728
Lease liabilities	116,691	104,097	-	-	116,691	104,097
Liabilities included in disposal group classified as held for sale	-	-	-	4,269	-	4,269
Non-Current Liabilities						
Lease liabilities	395,957	444,901	-	-	395,957	444,901
Total Liabilities	1,083,144	928,312	-	4,269	1,083,144	932,581
Revenue	144,781	70,766	-	-	144,781	70,766
Depreciation	(9,451)	(117,283)	-	-	(9,451)	(117,283)
Loss from continuing operations	(651,520)	(1,979,579)	-	-	(651,520)	(1,979,579)
Loss from discontinuing operations	-	-	(29,778)	(176,420)	(29,778)	176,420

* The Group sold its interests in the Helix Chile Projects during the period.

Note 15. Related party transactions

Transactions with related parties

On 24 November 2022, having been approved at the Company's AGM, 2,400,000 unlisted options were issued to the Company's Non-Executive Director under the Company's Employee Incentive Scheme, issued in three tranches (1/3 at \$0.036, 1/3 at \$0.063 and 1/3 at \$0.081) with an expiry of 20 December 2025. Refer to note 9 for further details.

There were no other transactions with related parties, other than those mentioned above, during the current and previous financial half-year.



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:

- 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 Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

Michael Rosenstreich
Managing Director

14 March 2023

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF HELIX RESOURCES LIMITED

As lead auditor for the review of Helix Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Helix Resources Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth
14 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Helix Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Helix Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth

14 March 2023

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