

5th November 2009



Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

The Board of Directors of Helicon Group Limited (**HCG** or **Company**) has approved the introduction of a Shareholder Share Purchase Plan (**Plan**). The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to **\$15,000** worth of ordinary fully paid shares in the Company (**Shares**).

The Offer will result in the issue of a maximum of 10,000,000 new shares, which would raise a maximum of up to A\$500,000 via the issue of the appropriate number of Shares at the Purchase Price to satisfy the investment applications being made.

The volume weighted average trading price of the shares on ASX during the five trading days immediately prior to the announcement of the revised plan on 2 November was 7.5 cents.

Share Purchase Plan

The Board is pleased to offer all Eligible Shareholders an opportunity to participate in the Plan. Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is available exclusively to shareholders who are registered as holders of Shares in the Company at 5pm (WST) on the record date of **2 November 2009** and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Use of Funds

The funds raised under the Plan will be used by the Company to progress the acquisition of the El Serrano copper/gold project and to continue the regulatory processes in relation to its China pharmaceutical business.

Subscription and Application Procedure

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form (enclosed), together with your cheque for the amount for which you wish to subscribe, on or before the **closing date of 5pm (WST) on 27 November 2009**. No late applications will be accepted. Note that all applications lodged by BPay will have to be paid so that the shareholder's financial institution processes them, to ensure that payment is received by the Company's Share Registry by the offer closing date.

Please note the maximum investment per shareholder is \$15,000 and the minimum investment is \$1,000. The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under separate accounts). ASIC Class Order CO 09/425 contains the procedure to be followed by a custodian so as to obtain an allocation for more than one of its beneficiaries.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the purchase price, being the higher of

- a) 5 cents; and
- b) 80% of the Volume Weighted Average Price in the last five days on which sales of the Company's shares are recorded prior to the day of issue of shares under the SSPP.

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$15,000. Shares allotted under the Plan will be issued no later than 3 business days after the closing date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

This Offer of Shares under the Plan is limited to a total raising of A\$500,000. Applications for Shares under the Plan will be allotted on the basis of the order of receipt of applications. All shareholders are encouraged to respond to this Offer as soon as possible.

If the Company rejects or partially rejects an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Underwriting and Shortfall Placement

The SSPP has not been underwritten. In the event that Subscriptions for less than the full A\$500,000 are received pursuant to this Offer, the shortfall may be placed at the discretion of the Company, subject to the requirements of the Corporations Act 2001 and ASX Listing Rules.

Indicative Timetable

Announcement of Revised Plan	2 November 2009
Record Date (5.00pm WST)	2 November 2009
Opening date of Offer	9 November 2009
Closing date of Offer	27 November 2009
Issue of Shares under the Plan	2 December 2009
Dispatch date for holding statements	3 December 2009
Quotation of Shares on ASX	9 December 2009

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

If you wish to participate in the Share Purchase Plan please ensure that you return the completed "Entitlement and Acceptance Form" prior to the closing date of the Offer. **If paying by BPay, ensure that your payment is processed by your financial institution on or before the day prior to the closing date of the offer. BPay application will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date.**

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary, Mr Graeme Boden, on (08) 9388 3683.

Yours faithfully

Helicon Group Limited



Graeme Boden
Company Secretary

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Helicon Group Limited (HCG) the opportunity to acquire additional fully paid ordinary shares in the Company (**Helicon Shares**) up to a maximum of A\$15,000 in any 12 month period at or about the market price of HCG Shares on the Australian Securities Exchange operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for HCG to issue a Prospectus, upon such terms and conditions as the board of directors of HCG, in its absolute discretion, sees fit.

Shareholders eligible to participate

Eligible shareholders of HCG Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are not renounceable (ie eligible shareholders may not transfer their rights to any HCG Shares offered under the Plan).

An offer may, at the discretion of the directors of HCG, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The directors of HCG may also determine in their discretion the minimum amount for participation, the multiple of HCG Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of Helicon Shares

The price per share of Helicon Shares to be issued under the Plan will be the higher of:

- a) 5 cents; and
- b) 80% of the Volume Weighted Average Price in the last five days on which sales of the Company's shares are recorded prior to the day of issue of shares under the SSPP.

Applications and Notices

At the discretion of the directors of HCG, HCG will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for HCG Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. No oversubscriptions will be accepted and any over subscriptions may be refunded without interest.

Application made via BPay must be made prior to the shareholder's financial institution cut-off to ensure payment is received by the Company's Share Registry by the offer closing date.

Notices and statements made by HCG to participants may be given in any manner prescribed by its Constitution.

Underwriting

An Offer may be underwritten and the underwriters and/or sub-underwriters may be issued with Shares pursuant to the Plan where one or more of the eligible shareholders fail to subscribe for the maximum number of shares available to them under the Offer. The Directors may pay a broker's fee to Underwriters. This Offer is not underwritten.

Issue of HCG Shares

HCG Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of HCG in the relevant offer.

HCG Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in HCG from the date of issue.

Shareholding statements or CHES notification will be issued in respect of all HCG Shares issued under the Plan. HCG will, promptly after the issue of HCG Shares under the Plan, make application for those HCG Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

HCG may modify or terminate the Plan at any time.

HCG will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, HCG may issue to any person fewer HCG Shares than the person applied for under the Plan if the issue of the HCG Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

HCG may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or HCG Shares. The decision of HCG in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

HCG reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of HCG under these conditions may be exercised by the directors of HCG or any delegate of the directors of HCG.

Questions and Contact Details

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary, Mr Graeme Boden on (08) 9388 3683.