
HELICON GROUP LIMITED

ACN 107 903 159

NOTICE OF GENERAL MEETING

TIME: 9.30 am (WST)

DATE: Friday, 6 November 2009

PLACE: The Celtic Club
48 Ord Street
West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 3683.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30 am (WST) on Friday, 6 November 2009 at:

The Celtic Club
48 Ord Street, West Perth WA 6005.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:

- (a) post to Helicon Group Limited Suite 3, 257 York Street Subiaco WA 6008 or
 - (b) facsimile to Helicon Group Limited on facsimile number (+61 8) 9382 1766,
- so that it is received not later than 9.30 am (WST) on Wednesday, 4 November 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9.30 am (WST) on Friday, 6 November 2009 at The Celtic Club, West Perth.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – GIVING A FINANCIAL BENEFIT TO A RELATED PARTY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to advance a loan of up to \$300,000 to Arequipa Resources Pty Ltd on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Graeme Boden or Dr Saliba Sassine (or their nominees) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 1 OCTOBER 2009

BY ORDER OF THE BOARD



**GRAEME BODEN
HELICON GROUP LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.30 am (WST) on Friday, 6 November 2009 at The Celtic Club, West Perth.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – GIVING A FINANCIAL BENEFIT TO A RELATED PARTY

1.1 Background

As announced to ASX on 2 October 2009, the Company has secured an exclusive option to acquire 100% of the issued share capital of Arequipa Resources Pty Ltd (**Arequipa**) (being the **Option**).

Arequipa has the right to earn a 50% interest in El Serrano Resources SA (**ESR**), a new Peruvian company that will own 100% of the El Serrano Copper Gold project, a very large porphyry copper-gold mineralised structure in Peru (**Project**).

To record the terms of the Option, the Company has entered into a conditional option agreement with Arequipa Resources Pty Ltd (**Arequipa**), and Dr Saliba Sassine and Graeme Boden (or their controlled entities) in their capacities as major shareholders of Arequipa (**Option Agreement**). Dr Sassine and Mr Boden are also directors of the Company.

Exercise of the Option is subject to and conditional upon:

- (a) the Company undertaking due diligence on Arequipa and being satisfied (in its absolute discretion) with the results of its due diligence investigations;
- (b) Arequipa confirming to the Company that the transfer of tenements and assets from SMRL El Serrano (the current owners of the tenements comprising the Project) to ESP has been effected;
- (c) the Company obtaining Shareholder approval to advance the loan the subject of this Resolution to Arequipa (**Loan**) (refer to section 1.2 for further details in relation to the Loan); and
- (d) the Company, Arequipa and all Arequipa shareholders agreeing to enter into a conditional share sale agreement to record the terms of the acquisition of Arequipa (**Share Sale Agreement**),

(together, the **Conditions**).

Upon satisfaction of the Conditions and the Company exercising the Option, it is intended that the Company, Arequipa and all Arequipa shareholders will enter into the Share Sale Agreement. Settlement of the Share Sale Agreement and the acquisition of Arequipa will be subject to a number of conditions including the requirement for the Company to obtain the approval of its Shareholders to undertake the transactions necessary to effect the proposed acquisition.

Approval for the acquisition will be sought in due course, and Shareholders will be provided with further details of the acquisition, and the associated Share Sale Agreement, at that time.

The sole purpose of this General Meeting is to seek Shareholder approval for the provision of the Loan to Arequipa, being one of the Conditions that must be satisfied before the Company can exercise the Option.

Details of the Loan are provided in section 1.2 below.

1.2 Loan

Subject to Shareholder approval being obtained, and upon all Conditions to the exercise of the Option being satisfied, the Company and Arequipa will enter into a loan agreement pursuant to which the Company has agreed to advance up to \$300,000 to Arequipa (**Loan Agreement**).

The proposed terms of the Loan Agreement are as follows:

- (a) the Loan may be drawn down immediately upon execution of the Loan Agreement;
- (b) the Loan will be repayable on that date which six (6) months following the first draw down of the Loan (**Repayment Date**);
- (c) interest on the Loan will accrue daily from the Repayment Date, and will be calculated on daily balances in the basis on a 365 day year on the amount outstanding at a rate of 8% per annum and these amounts shall be capitalised into the Loan (until such time as the Loan (and all interest) is repaid by Arequipa to the Company in full); and
- (d) the Loan will be secured by a fixed and floating charge over all of the assets and undertakings of Arequipa pursuant to a deed of charge to be executed by the Company and Arequipa on or about the date of the Loan Agreement and before the initial draw down date.

1.3 Corporations Act Requirements

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act..

As above, Mr Graeme Boden and Dr Saliba Sassine are Directors of the Company, and also major shareholders of Arequipa. Dr Sassine is also a director of Arequipa.

The provision of the Loan to Arequipa constitutes the giving of a financial benefit. As Directors of the Company, and shareholders of Arequipa Mr Boden and Dr Sassine are related parties of the Company. As shareholders of Arequipa and in accordance with Section 229 of the Corporations Act, Mr Boden and Dr Sassine will indirectly receive the financial benefit of the Loan to Arequipa. It follows that the provision of the Loan to Arequipa (and therefore Mr Boden and Dr Sassine) constitutes giving a financial benefit to a related party of the Company, which in turn requires Shareholder approval under the Corporations Act.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the provision of the Loan to the Related Parties.

1.4 Shareholder Approval – Chapter 2E of the Corporations Act

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act, the following information is provided in relation to the proposed provision of the Loan:

- (a) for the purposes of Sections 228 and 229 of the Corporations Act, Mr Boden and Dr Sassine are related parties by virtue of simultaneously being Directors of the Company and shareholders in Arequipa who will indirectly receive the benefit of the Loan (**Related Parties**);
- (b) the nature of the financial benefit is the Loan, being a cash facility of up to \$300,000;
- (c) the terms and conditions of the Loan are set out in section 1.2 of this Notice of Meeting;
- (d) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Mr Graeme Boden	250,000	Nil
Dr Saliba Sassine	25,635,000	Nil

- (e) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Graeme Boden ^{1,2}	\$78,000	\$74,660
Dr Saliba Sassine ³	\$84,500	\$94,415

Notes:

¹ The Company has in place an agreement Boden Corporate Services Pty Ltd, a company controlled by Mr Boden which provides secretarial, accounting and administration services to the Company. The fees paid by the Company vary depending on levels of staff employed by Boden Corporate Services Pty Ltd, such amounts not exceeding \$200 per hour. Boden Corporate Services Pty Ltd was paid a total of \$74,660 for the financial year ended 30 June 2009 an amount of \$78,000 is budgeted for 2010.

² As disclosed in its annual report for the year ended 30 June 2009, Mr Boden has agreed, for the time being, to take no fees for his role as a director. As above, Boden Corporate Services Pty Ltd will continue to be paid for the provision of company secretarial, accounting and administration services to the Company by Mr Boden and other employees.

³ The Company has entered into an agreement with S & A Capital Pty Ltd for the provision of part time management services by Dr Sassine, at an agreed fixed fee of \$2,500 for the first 10 hours of services performed per month, and an hourly rate during

Dr Sassine's involvements in significant corporate transactions of the Company of \$180 per hour, with total chargeable hours not exceeding 50 hours per month. Mr Boden is also a director of S & A Capital.

- (f) as the nature of the financial benefit is a cash advance, there will be no dilutionary effect on the Shareholders in the Company as a result of the provision of the Loan;
- (g) the primary purpose of the provision of the Loan is to enable Arequipa to acquire a 50% interest in El Serano, and therefore a beneficial 50% interest in the tenements comprising the Project;
- (h) Mr Graeme Boden and Dr Saliba Sassine each decline to make a recommendation to Shareholders in relation to Resolution 1 due to their material personal interest in the outcome of the Resolution. Mr Peter Abrahamson the only Director who does not have a material interest in the outcome of Resolution 1, recommends that Shareholders vote in favour of Resolution 1. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

2. ENQUIRIES

Shareholders are required to contact Graeme Boden on (+ 61 8) 9388 3683 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Arequipa means Arequipa Resources Pty Ltd (ACN 137 351 476).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Helicon Group Limited (ACN 107 903 159).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Loan means the loan of a cash facility of up to \$300,000 proposed to be made by the Company to Arequipa, subject to Shareholder approval sought under Resolution 1 of this Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolution means the resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
HELICON GROUP LIMITED
ACN 107 903 159**

GENERAL MEETING

I/We

of

being a member of Helicon Group Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9.30 am (WST), on Friday, 6 November 2009 at The Celtic Club, 48 Ord Street, West Perth and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 1** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 1 and that votes cast by the Chair of the General Meeting for Resolution 1 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 5.

OR

Voting on Business of the General Meeting

Resolution 1 – Giving a Financial Benefit to a Related Party

FOR **AGAINST** **ABSTAIN**

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

HELICON GROUP LIMITED
ACN 107 903 159

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:
 - post to Helicon Group Limited Suite 3, 257 York Street Subiaco WA 6008 or
 - facsimile to Helicon Group Limited on facsimile number (+61 8) 9382 1766,so that it is received not later than 9.30 am (WST) on Wednesday, 4 November 2009.

Proxy forms received later than this time will be invalid.