

Form 51-102F3
Material Change Report

PART 1 GENERAL INSTRUCTIONS AND INTERPRETATION

(a) Confidentiality

If this Report is filed on a confidential basis, state in block capitals “CONFIDENTIAL” at the beginning of the Report.

(b) Use of “Company”

Wherever this Form uses the word “company” the term includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

(c) Numbering and Headings

The numbering, headings and ordering of the items included in this Form are guidelines only. You do not need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(d) Defined Terms

If a term is used but not defined in this Form, refer to Part 1 of National Instrument 51102 and to National Instrument 14-101 *Definitions*. If a term is used in this Form and is defined in both the securities statute of a local jurisdiction and in National Instrument 51-102, refer to section 1.4 of Companion Policy 51-102CP.

(e) Plain Language

Write the Report so that readers are able to understand it. Consider both the level of detail provided and the language used in the document. Refer to the plain language principles listed in section 1.5 of Companion Policy 51-102CP. If you use technical terms, explain them in a clear and concise manner.

PART 2 CONTENT OF MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

HELIO RESOURCE CORP.
800 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Item 2 Date of Material Change

August 31, 2005

Item 3 News Release

News Release dated August 31, 2005 disseminated by Stockwatch and CCN
Matthews

Item 4 Summary of Material Change

Helio Resource Corp. (TSX-V: HRC) (the “Company”) is pleased to report the discovery of a new copper zone at the Leicester Property, Namibia.

Item 5 Full Description of Material Change

Please see the Attached News Release dated August 31, 2005

INSTRUCTION

If your company is engaged in oil and gas activities, the disclosure under Item 5 must also satisfy the requirements of Part 6 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

INSTRUCTION

Refer to subsections 7.1 (4), (5), (6) and (7) of National Instrument 51-102 concerning continuing obligations in respect of reports filed under subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

N/A-

In a separate letter to the applicable regulator or securities regulatory authority marked “Confidential”

provide the reasons for your company's omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

INSTRUCTIONS

In certain circumstances where a material change has occurred and a Report has been or is about to be filed but subsection 7.1(2), (3) or (5) of National Instrument 51-102 is not or will no longer be relied upon, your company may nevertheless believe one or more significant facts otherwise required to be disclosed in the Report should remain confidential and not be disclosed or not be disclosed in full detail in the Report.

Item 8 Executive Officer

Richard Williams
Telephone: 604-668 - 8356

Item 9 Date of Report
August 31, 2005

HELIO RESOURCE CORP.,

**Suite 800 – 625 Howe Street
Vancouver, British Columbia V6C 2T6
Phone: (604) 668-8356 Fax: (604) 668-8366**

NEWS RELEASE

August 31, 2005

NEW TARGET DISCOVERED AT THE LEICESTER PROPERTY - STRIKE LENGTH OF COPPER MINERALIZATION EXTENDED TO 10 KILOMETRES.

Helio Resource Corp. (TSX-V: HRC) (the “Company”) is pleased to report the discovery of a new copper zone at the Leicester Property, located approximately 400 km northwest of Windhoek, Namibia. The Leicester licence is subject to an earn-in agreement with Yale Resources Inc, the terms of which are outlined in the Company’s news release dated March 21, 2005, which can be viewed at www.helioresource.com

This new target – named **Quest** – is located 1.8 km west of known hard-rock copper mineralization and extends the known strike length of intermittent copper/silver mineralization along the Rehderstal fault to more than 10 km. The Company was unaware of this new target as no documentation of it existed in the historic records. The Quest Target is now the third high-priority exploration target within the Leicester licence. The 8 x 3km Rehderstal Target, located 1.8 km to the east of Quest, is the current focus at Leicester with drilling planned for late in 2005. The Belvoir Target, located an additional 8 km east of Rehderstal, continues to provide encouraging results.

The mineralized outcrop area of the Quest Target measures approximately 40 by 50 metres in size, and is open under cover along strike and down-dip. The target comprises outcrops of deformed clastic and carbonate lithologies. Whereas mineralization within the Rehderstal Target typically consists of copper oxides, the mineralization at Quest predominately comprises disseminated copper sulphides, mainly bornite, but also including chalcopyrite, covellite, digenite and chalcocite. Assays from continuous chip-channel samples over the Quest Target are pending and will be reported upon receipt.

The Quest Target was found as a result of following-up one of three separate copper-in-soil anomalies, identified by Falconbridge in 1968, located to the west of the Rehderstal Target. This was part of an extensive resampling program over trenched areas within the Rehderstal Target area. In total 323m of trench and chip-channel sampling (180 samples including standards, blanks and duplicates) has been completed. Most samples were two-metre long continuous chip samples from outcrop or old trenches and another 23 selected grab and outcrop samples were also taken. Results are pending. The purpose of this resampling program was to confirm the results Falconbridge reported between 1968 and 1971, which was the last significant exploration program at Leicester, as well as to follow up on untested soil anomalies.

Extensions to the Gradient Array IP – Resistivity survey previously reported (press release dated April 21, 2005) are currently underway and these will cover the Quest target. A number of detailed Pole-Dipole IP lines will also be surveyed in order to gain better information on the geometry of the mineralized bodies in order to firm up the drill targets.

Chris MacKenzie, M.Sc., C.Geol., Helio's Executive Chairman and a Qualified Person as designated by NI 43-101, supervised the sampling and quality control program for this sampling program and has reviewed the technical content of this news release. The samples were prepared at the Analytical Laboratories facility in Windhoek, Namibia and are being assayed at ALS Chemex in Johannesburg, South Africa.

For additional information, please contact Richard Williams at (604) 668 8356 or by e-mail at richard@helioresource.com

ON BEHALF OF THE BOARD OF DIRECTORS,

"Richard D. Williams"

Richard D. Williams, P.Geo
President

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.