

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.
580 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Item 2 Date of Material Change

September 13, 2012

Item 3 News Release

News Release dated September 13, 2012, disseminated by Stockwatch and CNW

Item 4 Summary of Material Change

Helio reports Preliminary Economic Assessment for the SMP Gold Project, Tanzania

Item 5 Full Description of Material Change

Please see the Attached News Release September 13, 2012

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: 604 638 8005

Item 9 Date of Report September 13, 2012



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NEWS RELEASE

Helio Reports Preliminary Economic Assessment of the Porcupine and Kenge Resource Areas - SMP Gold Project, Tanzania

500,000 Ounce Production Base Case - NPV of US \$85.7M (IRR of 24%)
800,000 Ounce Production Upside - NPV of US \$146.1M (IRR of 23%)

Vancouver, September 13, 2012

Helio Resource Corp (TSX-V: HRC) is pleased to report that it has received an independent NI 43-101 compliant Preliminary Economic Assessment (“PEA”) for the SMP Gold Project in Tanzania. The PEA was conducted on Measured and Indicated Resources only, with production envisaged from the Porcupine, Kenge and Mbenge targets.

It is also important to note that this PEA evaluates only 3 of the 30 targets within the SMP Gold Project area.

The PEA was conducted by SRK Consulting (Australia) Pty. Ltd., of Perth, Australia (“SRK”). As required, the full NI 43-101 compliant technical report will be published and filed on SEDAR within 45 days of this news release.

SRK has provided two scenarios for the PEA, a Base-Case outcome, and an Upside outcome. The Upside case requires geotechnical work to confirm that a pit wall angle of 55 degrees is viable.

Summary (all monetary values in US\$)

	Base Case	Upside Case
Gold Price (per ounce)	\$1,450	\$1,450
NPV	\$85.7M	\$146.1M
IRR	24%	23%
Pre-production CAPEX ¹	\$100M	\$127M
Sustaining Capital ¹	\$43M	\$61M
Total Gold Produced (ounces)	510,000	803,000
Life of Mine (years)	9	10
Processing Capacity (ore / year)	1.6Mt	2.4Mt
Cash Operating Cost ^{1,2} (US\$/t processed)	\$34.64	\$31.47
Total Cash Cost (inc 5% Royalty and 15% contingency)	\$807.00	\$799.00
Discount Rate	8%	8%

¹ including 15% contingency ² including royalty

Chris MacKenzie, the Company’s COO, states: “We are very pleased with the outcome of

the PEA which demonstrates the potential economic viability of the current resource. We will use this as the basis for advancing the project through pre-feasibility. The Upside Case requires confirmation that the enclosing rock can support a 55 degree pit wall. Given that the country rock is competent massive granite we believe this is eminently possible. In addition to the study, we have identified seven areas of high-grade gold mineralisation that are not included in the resource base – these will be the focus for ongoing exploration, with the objective of adding higher-grade ounces to the resource base.”

Parameters of the PEA

- The PEA was conducted on the Measured and Indicated Resource only (Inferred ounces were not considered) – see NI 43-101 compliant report dated February 10, 2012 at <http://www.helioresource.com/i/pdf/SMP-43101-10feb2012.pdf>;
- The PEA uses a gold price of USD 1,450 per ounce, an 8% discount rate and is on a pre-tax basis;
- Sustaining capital is 5% of the initial capital requirements;
- Capital cost contingencies are 15% of the total capital requirements;
- Operating cost contingencies are 5% of the total mining, processing, tailings and environmental and social operating costs;
- The PEA was authored by Qualified Person Duncan Pratt, BEng (Mining), MAusIMM, using the Mineral Resource Estimate completed by Qualified Person Robin Simpson (MSc, MAIG), both of SRK Consulting (Australia) Pty. Ltd. Duncan Pratt has provided written permission for the release of this PEA summary in the form and context in which it is provided here. Helio has informed SRK that there are no known environmental, socio-political, marketing or other relevant issues that may materially affect the potential development of the mineral resources.

Sensitivity Analysis

The PEA concludes that the project is most sensitive to changes in gold price. The following table demonstrates the sensitivity of the PEA to gold price.

Base Case Scenario					
	-20%	-10%	0%	+10%	+20%
Gold Price /oz	\$1,160	\$1,305	\$1,450	\$1,595	\$1,740
NPV	(\$9.4M)	\$38.1M	\$85.7M	\$133.2M	\$180.7M
IRR	6%	16%	24%	31%	38%

Upside Scenario					
	-20%	-10%	0%	+10%	+20%
Gold Price /oz	\$1,160	\$1,305	\$1,450	\$1,595	\$1,740
NPV	\$4.8M	\$75.5M	\$146.1M	\$216.7M	\$287.4M
IRR	9%	16%	23%	30%	36%

According to NI 43-101 guidelines, mineral resources that are not mineral reserves do not have demonstrated economic viability but may have reasonable potential for economic

extraction.

About the SMP Gold Project

The SMP Gold Project covers an area of 238km². Gold mineralisation has been identified in 30 targets within the project area. Four of these targets, Porcupine, Kenge, Konokono and Tumbili, have been advanced to the resource stage and all still have potential to grow significantly. In February 2012, SRK Consulting (Australia) Pty. Ltd. produced an independent NI 43-101 compliant Mineral Resource estimate for the SMP Gold Project. The estimate reports 1,020,000 ounces in the Measured and Indicated category (24.1Mt grading 1.32g/t Au), plus 240,000 ounces in the Inferred category (7.2Mt grading 1.05g/t Au).

In November 2010, Golder Associates (UK) Ltd. provided an initial NI43-101 compliant Mineral Resource estimate for the SMP. The restrained estimate at a 0.5g/t Au cut-off reports 498,075 ounces (10.94MT grading 1.41g/t Au) in the Measured and Indicated category, plus 273,847 ounces (7.06MT grading 1.2g/t Au) in the inferred category.

Mineralisation at all 30 targets outcrops at surface, and varies from narrow, high-grade gold mineralisation hosted in quartz veins and shear zones, to wide zones (up to 110m+ in width) of lower grade, bulk mineable / open pittable mineralisation.

Helio owns a 100% interest in four of five licences, subject to a 2% NSR to the vendors (Tanzanian small mining companies), and the Company is in the process of earning a 100% interest in the fifth licence.

Chris MacKenzie, M.Sc., C.Geol., Helio's COO and a Qualified Person as designated by NI 43-101, supervises the exploration at the SMP project, including the sampling and quality assurance / quality control programmes, and has reviewed and approved the contents of this news release.

For additional information, please contact Richard Williams or Irene Dorsman at +1 888 955 4728 or by e-mail to richard@helioresource.com or irene@helioresource.com.

ON BEHALF OF THE BOARD OF DIRECTORS

"Richard D. Williams"
Richard D. Williams, P.Geo
CEO

"Chris MacKenzie"
Christopher J. MacKenzie, C.Geol.
COO

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