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# HELIO RESOURCE CORP.

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(An Exploration Stage Company)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three month periods ended June 30, 2015 and 2014**

**Expressed in Canadian dollars**

**(Unaudited)**

*Notice to Reader: As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these condensed interim consolidated financial statements.*

# Helio Resource Corp.

(An Exploration Stage Company)

## Condensed Interim Consolidated Statements of Financial Position

Canadian Dollars

Unaudited - Prepared by Management

<b>ASSETS</b>	June 30, 2015	March 31, 2015
<b>Current assets</b>		
Cash	\$ 377,958	\$ 1,260,964
Short-term deposits	40,459	73,705
Receivables and prepaids (Note 4.a)	224,450	269,977
Marketable securities (Note 5)	27,500	27,500
	<u>670,367</u>	<u>1,632,146</u>
<b>Non-current assets</b>		
VAT receivable (Note 4.b)	9,379	21,562
Security deposits	32,964	32,964
Property and equipment (Note 6)	68,842	84,076
Mineral property acquisition costs (Note 7)	1,603,317	1,603,317
	<u>\$ 2,384,869</u>	<u>\$ 3,374,065</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 278,982	\$ 740,237
Accrued liabilities	264,772	370,757
	<u>543,754</u>	<u>1,110,994</u>
<b>EQUITY</b>		
Share capital (Note 9)	43,299,900	43,299,900
Contributed surplus	12,335,199	12,347,037
Accumulated other comprehensive loss	(10,000)	(10,000)
Deficit	(53,783,984)	(53,373,866)
	<u>1,841,115</u>	<u>2,263,071</u>
	<u>\$ 2,384,869</u>	<u>\$ 3,374,065</u>

### Going Concern (Note 2)

### Subsequent Events (Notes 5, 12)

ON BEHALF OF THE BOARD OF DIRECTORS:

signed "Richard Williams"  
Director

signed "Stephen Leahy"  
Director

- See accompanying notes -

# Helio Resource Corp.

(An Exploration Stage Company)

## Condensed Interim Consolidated Statements of Comprehensive Loss

Canadian Dollars

Unaudited - Prepared by Management

	For the three months ended June 30, 2015	For the three months ended June 30, 2014
<b>Expenses</b>		
Amortization (Note 6)	\$ 15,234	\$ 22,894
Exploration costs (Note 8)	197,800	163,550
Filing and transfer agent fees	2,128	2,290
Professional fees (Note 11)	17,887	5,840
Marketing	19,362	6,689
Office and miscellaneous	30,319	29,108
Salaries, directors' fees and consulting (Note 11)	98,136	100,468
Travel	425	21,406
	<u>(381,291)</u>	<u>(352,245)</u>
<b>Other income / (loss):</b>		
Interest income	7,505	793
Foreign exchange loss	<u>(36,332)</u>	<u>(7,051)</u>
	<u>(28,827)</u>	<u>(6,258)</u>
<b>Loss and comprehensive loss for the period</b>	<u>\$ (410,118)</u>	<u>\$ (358,503)</u>
<b>Loss per share - basic and diluted</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Weighted average number of common shares outstanding:</b>		
	<u>218,078,959</u>	<u>147,215,092</u>

- See accompanying notes -

# Helio Resource Corp.

(An Exploration Stage Company)

## Condensed Interim Consolidated Statements of Changes in Equity

Canadian Dollars

Unaudited - Prepared by Management

	Number of Common Shares	Share Capital (Note 9)	Deferred Share Issuance Costs	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
April 1, 2014	135,602,959	\$ 40,252,475	\$ -	\$ 11,426,188	\$ -	\$ (49,713,117)	\$ 1,965,546
Private placement	59,100,000	2,902,024	-	-	-	-	2,902,024
Share issuance costs	2,376,000	(118,800)	(2,524)	-	-	-	(121,324)
Stock option vesting	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(358,503)	(358,503)
June 30, 2014	197,078,959	43,035,699	(2,524)	11,426,188	-	(50,071,620)	4,387,743
April 1, 2015	218,078,959	\$ 43,299,900	\$ -	\$ 12,347,037	\$ (10,000)	\$ (53,373,866)	\$ 2,263,071
Share issuance costs	-	-	-	(11,838)	-	-	(11,838)
Loss for the period	-	-	-	-	-	(410,118)	(410,118)
June 30, 2015	218,078,959	\$ 43,299,900	\$ -	\$ 12,335,199	\$ (10,000)	\$ (53,783,984)	\$ 1,841,115

- See accompanying notes -

# Helio Resource Corp.

(An Exploration Stage Company)

## Condensed Interim Consolidated Statements of Cash Flows

Canadian Dollars

Unaudited - Prepared by Management

	For the three months ended June 30, 2015	For the three months ended June 30, 2014
<b>Cash flows from operating activities</b>		
Loss for the period:	\$ (410,118)	\$ (358,503)
Non-operating interest income	(7,505)	(793)
Items not affecting cash:		
Amortization	15,234	22,894
Changes in non-cash working capital:		
Receivables and prepaids	45,527	(37,631)
Accounts payable and accrued liabilities	(567,240)	(48,274)
Changes in non-current operating assets:		
VAT receivable	12,183	1,451
Cash used in operating activities	(911,919)	(420,856)
<b>Cash flows from investing activities</b>		
Redemption of short-term deposits	30,000	100,000
Interest received	10,751	1,443
Security deposits	-	28,000
Cash provided by investing activities	40,751	129,443
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of shares and warrants	-	2,955,000
Share issuance costs	(11,838)	(174,300)
Cash provided by financing activities	(11,838)	2,780,700
<b>Net change in cash</b>	(883,006)	2,489,287
<b>Cash - beginning of period</b>	1,260,964	284,492
<b>Cash - end of period</b>	\$ 377,958	\$ 2,773,779
<b>Cash is composed of:</b>		
Cash	\$ 12,396	\$ 5,229
Deposits held by financial institution	365,562	2,768,550
	\$ 377,958	\$ 2,773,779

- See accompanying notes -

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

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### 1. Nature of Operations and Corporate Information

Helio Resource Corp. (the "Company" or "Helio") was incorporated on November 8, 1998 under the Business Corporations Act of British Columbia. The Company is listed for trading on the TSX Venture Exchange as a Tier 2 mining issuer under the symbol "HRC-V". The Company's head and registered office is located at Suite 580 - 625 Howe Street, Vancouver, British Columbia, Canada. The Company is principally engaged in the exploration and development of the Saza Makongolosi Project ("SMP") in Tanzania and the Damara Gold Project ("DGP") in Namibia.

### 2. Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material as realizable values may be substantially different from carrying values disclosed in the financial statements.

The Company holds interests in mineral properties in Namibia and Tanzania and is focused on the exploration and development of these properties. The Company has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. As at June 30, 2015, the Company has no source of revenue, has a deficit of \$53,783,984 and expects to incur further losses in the exploration and development of its mineral properties which will require additional financing from external sources. All of these factors cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to continue to obtain the necessary financing to complete the exploration and development of its mineral property interests, or upon proceeds from the disposition of its mineral property interests. Although the Company has been successful in the past in obtaining financing, and raised additional funds subsequent to June 30, 2015 (Note 12), there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms that are advantageous to the Company.

### 3. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board, including International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, effective for the period ending June 30, 2015, as issued and outstanding as of August 26<sup>th</sup>, 2015, the date the Board of Directors approved these financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2015.

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

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### 3. Basis of Presentation (continued)

#### a) Basis of Presentation

These consolidated financial statements include the accounts of Helio Resource Corp. and its wholly owned subsidiaries, BAFEX Holdings Ltd., BAFEX Exploration (Proprietary) Limited, and BAFEX Tanzania Limited. All intercompany balances, transactions, and gains and losses from intercompany transactions have been eliminated on consolidation. All figures are presented in Canadian dollars unless otherwise indicated.

#### b) Basis of Measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the audited annual consolidated financial statements for the year ended March 31, 2015.

#### c) Significant Accounting Policies

The accounting policies and methods of computation followed in preparing these condensed interim consolidated financial statements are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), and are substantially the same as those followed in preparing the most recent audited annual consolidated financial statements. Changes to accounting policies adopted on April 1, 2015 as a result of changes to standards resulted in no material impact to the financial statements. For a summary of significant accounting policies, changes to accounting standards adopted at April 1, 2015, and expected changes to accounting standards that have been announced but are not yet effective, please refer to the Company's audited annual consolidated financial statements for the year ended March 31, 2015.

### 4. Receivables and Prepays

#### a) Receivables and prepaids

	June 30, 2015	March 31, 2015
Prepaid expenses	\$ 40,893	\$ 50,103
Due from related party	9,553	6,427
Receivables	--	--
Sales tax receivable - Tanzania	157,507	168,732
Sales tax receivable - Namibia	11,746	21,563
Sales tax receivable - Canada	4,751	23,152
	<u>\$ 224,450</u>	<u>\$ 269,977</u>

Sales tax receivables are sales taxes that are expected to be recoverable from the governments in the various jurisdictions within the next year. The *Sales Tax Receivable – Namibia* amounts are past due, but amounts have historically been collected after some delay. A provision has been taken for expected costs of recovery. Full recovery of the amounts shown is expected.

See also Note 12, *Subsequent Events*.

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 4. Receivables and Prepaids (continued)

b) VAT receivable

	June 30, 2015	March 31, 2015
Sales tax receivable - Tanzania	\$ 9,379	\$ 21,562

VAT receivable consists of sales tax receivables not expected to be received in the upcoming fiscal year. They have been discounted to their present value, based on the Company's expectation of the likely timing of the receipt of the receivable. In addition, the Company has experienced delays in receiving payment after filing applications for refunds of certain input tax credits in Tanzania. As a result, a provision of \$251,000 (March 31, 2015 - \$307,000) is offsetting the underlying amount of the receivable in recognition of the credit risk, as well as the anticipated costs of collection.

### 5. Marketable Securities

As part of the mineral property option agreement with Damara Gold Corp. ("Damara"), the Company received 250,000 shares of Damara, which were received with a fair value of \$37,500. This agreement is further described in Note 7e).

Company name	# of shares	Fair value at March 31 and June 30, 2015
Damara Gold Corp.	250,000	\$27,500

Subsequent to June 30, 2015, an additional 250,000 shares of Damara Gold Corp. were received by the Company under the mineral property option agreement.

### 6. Property and Equipment

Details are as follows:

June 30, 2015	Field equipment	Office equipment	Leasehold improvements	Motor vehicle	Total
<b>Net book value</b>					
At April 1, 2015	\$ 3,913	\$ 31,600	\$ --	\$ 48,563	\$ 84,076
Amortization	(309)	(3,140)	--	(11,785)	(15,234)
At June 30, 2015	\$ 3,604	\$ 28,460	\$ --	\$ 36,778	\$ 68,842
Consisting of					
Cost	91,798	155,652	81,062	394,752	723,264
Accumulated amortization	(88,194)	(127,192)	(81,062)	(357,974)	(654,422)
At June 30, 2015	\$ 3,604	\$ 28,460	\$ --	\$ 36,778	\$ 68,842



# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 6. Property and Equipment (continued)

March 31, 2015	Field equipment	Office equipment	Leasehold improvements	Motor vehicle	Total
<b>Net book value</b>					
At April 1, 2014	\$ 15,493	\$ 4,445	\$ 17,735	\$ 100,933	\$ 138,606
Additions	3,783	37,217	--	--	41,000
Amortization	(15,363)	(10,062)	(17,735)	(52,370)	(95,530)
At March 31, 2015	\$ 3,913	\$ 31,600	\$ --	\$ 48,563	\$ 84,076
Consisting of					
Cost	\$ 91,798	\$ 155,652	\$ 81,062	\$ 394,752	\$ 723,264
Accumulated amortization	(87,885)	(124,052)	(81,062)	(346,189)	(639,188)
At March 31, 2015	\$ 3,913	\$ 31,600	\$ --	\$ 48,563	\$ 84,076

### 7. Mineral Property Acquisition Costs:

Details are as follows:

	Saza	Saza West	Makongolosi	Namibia <sup>1</sup>	Total
Cost					
March 31, 2015					
& June 30, 2015	\$ 396,818	\$ 291,500	\$ 914,999	\$ --	\$ 1,603,317

<sup>1</sup> - Namibian mineral properties were obtained by prospecting or earn-in without any capitalised cash or share payments.

#### a) Saza Licence, Tanzania

On December 19, 2005, the Company signed an option agreement with Thorn Tree Minerals Limited ("Thorn Tree"), a private Tanzanian mining company, through which the Company has earned a 100% interest in the Saza licence within the Lupa Goldfields in southwest Tanzania. The interest is subject to a 2% Net Smelter Royalty which can be reduced to 1% by paying Thorn Tree \$1,000,000 in cash prior to commencement of commercial production.

In order to vest its 100% interest, the Company spent over \$2,000,000 on exploration over 4 years, and made cash and share payments totalling \$396,818 to Thorn Tree over the earn-in period.

#### b) Saza West, Tanzania

On January 1, 2009, the Company signed an option agreement with Thorn Tree through which the Company has earned a 100% interest in the Saza West licence within the Lupa Goldfields in southwest Tanzania. The interest is subject to a 2% Net Smelter Royalty which can be reduced to 1% by paying Thorn Tree \$1,000,000 in cash prior to commencement of commercial production.

In order to vest its 100% interest, the Company issued 1,025,000 common shares at a fair value of \$266,500 and made a cash payment of \$25,000 to Thorn Tree over the four year earn-in period.

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

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### 7. MINERAL PROPERTY ACQUISITION COSTS (CONTINUED)

c) Ilunga, Gap and Kwaheri (known as the Makongolosi projects), Tanzania

On January 9, 2007, the Company signed an option agreement with Dhahabu Resources and Mining Co. Ltd ("Dhahabu"), a private Tanzanian mining company, through which the Company has earned a 100% interest in three contiguous Prospecting Licences known as Ilunga, Gap and Kwaheri, that are within the Lupa Goldfields in southwest Tanzania. The interest is subject to a 2% Net Smelter Royalty which can be reduced to 1% by paying Dhahabu \$1,000,000 in cash (per licence) prior to commencement of commercial production.

In order to earn 100% interests in the licences, over an earn-in period of four years, the Company spent over \$3,000,000 on exploration, issued 150,000 common shares (issued in fiscal 2007 at a fair value of \$120,000), and made cash/share payments with a total fair value of \$914,999 to Dhahabu.

d) Other, Tanzania

The Company holds other licences in Tanzania which form the SMP and are adjacent to those listed above. These licences were acquired directly, with minimal acquisition costs.

e) Namibia

On March 27, 2014, the Company announced the signing of a Letter of Intent with Damara Gold Corp. ("Damara") whereby Damara can earn up to a 60% interest in Helio's Damara Gold and Tin Project (DGP) in Namibia. By issuing 1,500,000 shares (250,000 received and 250,000 received subsequent to June 30, 2015. See Note 5.) and by spending \$1,500,000 on exploration over 3 years, Solomon can earn a 51% interest in the DGP.

By spending an additional \$1,500,000 on exploration and issuing 500,000 additional shares in year 4, Solomon can earn an additional 9% interest in the DGP. Upon successful completion of an earn-in, the companies will form a joint venture to continue advancing the project.

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 8. EXPLORATION COSTS

Plinian Capital LLP (“Plinian”) is now the operator of the SMP Gold project, under the terms of the operating agreement, which was signed in conjunction with Plinian’s investment in the Company’s financing in May 2013. The operating agreement has a term of 18 months, and calls for fees of \$75,000 USD per quarter which were initiated on July 1, 2014.

3 months ended June 30, 2015	Tanzania		Namibia	Total
	Saza	Makongolosi		
Field Expenses and Consumables	431	1,124	--	1,555
Geological Consulting	6,060	13,338	845	20,243
Licence and Permits	--	7,401	1,118	8,519
Operator Fee	29,172	65,637	--	94,809
Transportation and Travel	1,037	3,094	9,621	13,752
Salaries and Wages	11,581	34,567	39,817	85,965
Exploration Office Expenses	6,565	17,018	19,449	43,032
Recoveries	--	--	(70,075)	(70,075)
Total Costs for the three months ended June 30, 2015:	\$ 54,846	\$ 142,179	\$ 775	\$ 197,800

3 months ended June 30, 2014	Tanzania		Namibia	Total
	Saza	Makongolosi		
Geochemical Survey and Assays	\$ --	\$ --	\$ 659	\$ 659
Field Expenses and Consumables	666	882	72	1,620
Licence and Permits	3,136	7,863	2,379	13,378
Consulting	5,263	8,981	--	14,244
Transportation and Travel	1,557	2,956	813	5,326
Salaries and Wages	16,671	35,599	24,670	76,940
Exploration Office Expenses	7,629	15,734	28,020	51,383
Total Costs for the three months ended June 30, 2014:	\$ 34,922	\$ 72,015	\$ 56,613	\$ 163,550

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

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### 9. Share Capital

- a) Authorized share capital: Unlimited common shares without par value

The Company closed a \$4.05 million private placement equity financing in two tranches, the first tranche on June 13, 2014, and the second on July 25, 2014. Terms were identical for both tranches of the financing. The Company issued a total of 80,100,000 Units of the Company at \$0.05 per Unit for net proceeds of \$3,047,425 after issuance costs. Each unit consisted of one common share and one half of one common share purchase warrant. Each full warrant entitled the holder to acquire one common share at a price of \$0.10 for a period of two years following the respective closings. The fair value of the warrants was determined to be \$821,872 and was recorded in contributed surplus. Commissions of 6% in cash and 6% in finders units (2,376,000 units) of the Company (on terms similar to the units), were paid and issued on a portion of the first tranche of the financing. The fair value of the finders units was determined to be \$142,391 and was recorded as share issuance costs.

In June, 2015, the exercise price of the warrants was reduced to \$0.05 per share, with the exception of the warrants issued as finder's units.

See also Note 12, *Subsequent Events*, for a description of warrants exercised subsequent to June 30, 2015.

- b) Share-based payments

The Company has established a share purchase option plan whereby the Board of Directors may grant options to directors, officers, employees or consultants. The goal of this plan is to more closely align the interests of option-holders with the interests of shareholders.

The Company has been authorized by its shareholders to grant stock options numbering up to ten percent (10%) of the number of common shares issued and outstanding. Options granted are subject to a maximum term of ten years from the date of grant. The exercise price of an option must be determined in accordance with the share purchase option plan. Options vest after one year unless determined otherwise by the Board of Directors.

Details of stock option activity are as follows:

	Number of options	Weighted average exercise price
Outstanding, April 1, 2014	4,250,000	\$0.42
Granted	5,700,000	\$0.07
Expired	(1,250,000)	\$0.61
Outstanding, March 31, 2015 and June 30, 2015	8,700,000	\$0.16

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 9. Share Capital (continued)

The following table summarizes information about stock options outstanding to directors, officers, employees and consultants as at June 30, 2015:

Grant date	Expiry date	Exercise price	Number of options outstanding	Remaining contractual life (years)	Number of options exercisable
Jun. 27, 2011	Jun. 27, 2016	\$0.45	1,300,000	1.0	1,300,000
May 8, 2012	May 8, 2017	\$0.25	1,700,000	1.8	1,700,000
Oct. 1, 2014	Oct. 1, 2019	\$0.07	5,700,000	4.3	5,700,000
			8,700,000	3.3	8,700,000

The fair value of the stock options granted for both employees and non-employees has been calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

Grant date:	Oct. 1, 2014	May 8, 2012	Jun. 27, 2011
Average risk-free interest rate	1.56%	1.40%	2.18%
Expected forfeiture rate over the life of the option	9.11%	13.65%	13.65%
Expected dividend yield	0.00%	0.00%	0.00%
Expected stock price volatility	116.47%	106.26%	104.39%
Average expected option life in years	4.0 years	4.2 years	4.7 years
Weighted average fair value per option at the measurement date	\$0.0318	\$0.1404	\$0.2339

Option pricing models require the input of highly subjective assumptions including the expected price volatility and expected life. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options at the date of grant.

Stock based compensation expense is recorded both in exploration costs and in the Consolidated Statements of Comprehensive Loss but was nil for both periods. Allocations are based on the number of options granted to employees, and their function – either exploration-project related, or administrative.

# Helio Resource Corp.

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## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 9. Share Capital (continued)

#### c) Share Purchase Warrants

Details of share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
As at April 1, 2014	25,000,000	\$0.14
Issued	41,238,000	\$0.10
As at March 31, 2015	66,238,000	\$0.12
Expired	(25,000,000)	\$0.14
As at June 30, 2015	41,238,000	\$0.05 <sup>†</sup>

<sup>†</sup> - All remaining non-broker warrants were repriced to \$0.05 in June 2015

See also Note 12, *Subsequent Events*, for a description of warrants exercised subsequent to June 30, 2015.

As at June 30, 2015, the outstanding share purchase warrants were as follows:

Expiry Date	Exercise Price	Number of Warrants
June 13, 2016	\$0.10	738,000
June 13, 2016	\$0.05	30,000,000
July 25, 2016	\$0.05	10,500,000

The fair value of the warrants issued has been calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	granted in the year ended March 31, 2015	granted in the year ended March 31, 2014
Average risk-free interest rate	1.03%	1.00%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	136%	106.5%
Average expected warrant life in years	1.97 years	1.96 years

# Helio Resource Corp.

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

Canadian dollars

### 10. Segmented Information

The Company has two operating segments, which are mineral exploration and development in Tanzania and Namibia. Neither segment generates revenue. Resources are allocated to projects. As the projects are in different countries, this equates to allocating resources by geographical area.

Total assets by geographical area:

	June 30, 2015		March 31, 2015	
Canada	\$	431,679	\$	1,286,448
Namibia		84,855		170,979
Tanzania		1,868,335		1,916,638
	\$	2,384,869	\$	3,374,065

Cash amounting to \$310,600 (March 31, 2015 - \$2,704,200) was held in Canada, with lesser amounts being held in Namibia and Tanzania. Short-term deposits are held entirely in Canada.

Capital assets, including mineral properties, by geographic area:

	June 30, 2015		March 31, 2015	
Canada	\$	1,402	\$	1,589
Namibia		16,789		21,898
Tanzania		1,653,968		1,663,906
	\$	1,672,159	\$	1,687,393

Net loss by geographic area:

	Three months ended June 30, 2015		Three months ended June 30, 2014	
Canada	\$	(163,354)	\$	(171,889)
Namibia		(13,799)		(71,791)
Tanzania		(232,965)		(114,823)
	\$	(410,118)	\$	(358,503)

Exploration expenses by geographic area:

	Three months ended June 30, 2015		Three months ended June 30, 2014	
Canada	\$	--	\$	--
Namibia		775		56,613
Tanzania		197,025		106,937
	\$	197,800	\$	163,550

# Helio Resource Corp.

*(An Exploration Stage Company)*

## Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2015

*Canadian dollars*

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### 11. Related Party Transactions

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. Amounts due to related parties are included in accounts payable.

#### a) Legal services

During the three month period, the Company received legal services of approximately \$15,500 (2014 – \$37,000) from a law firm, in which the Corporate Secretary of the Company is a partner. The balance owing, including amounts billed prior to the three month period, was \$16,000 at June 30, 2015, and is included in accounts payable (2014 – \$16,000).

### 12. Subsequent Events

On July 2, 2015, 6,140,000 share purchase warrants were exercised for proceeds to the Company of \$307,000.

On July 16, 2015 the Company received Tanzanian Shillings (“TSh”) 253,000,000 (approximately C\$150,000) from the Tanzanian Revenue Authority in relation to VAT refunds.

See also Note 5.