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SHAREHOLDER UPDATE

SMP Gold Project: NI 43-101 Resource Pending for the Porcupine and Kenge Targets

September 29, 2010

Helio Resource Corp. (“Helio” or the “Company”) (TSX-V: HRC) is pleased to provide the following update from the SMP Gold Project in the Lupa Goldfields, SW Tanzania.

The main topics of this update include:

- Progress towards the first NI 43-101 compliant resource statement for the Porcupine and Kenge targets;
- New target generation;
- Plans for 2010 /2011.

NI 43-101 Compliant Resource Statement

The resource report is expected to be published before the end of October 2010 and will cover the Porcupine and Kenge targets (see map below). These are just two out of thirty known gold-bearing targets within the 238km² SMP Gold Project area.

The Company has delivered all of the drill hole data from the Porcupine and Kenge targets to Golder Associates (U.K.) for the calculation of an independent resource statement.

The Porcupine Target

The bulk of the Porcupine resource will come from Porcupine Main Zone (PMZ) which has been drilled over a strike length of approximately 500m, and from surface to around 300m down-dip. Mineralised intercepts range between 24m grading 1.1g/t Au and 52m grading 3.7g/t Au. The exact location of the Porcupine Main Zone and associated long section is shown in the maps at the bottom of this news release.

Gold mineralisation is associated with quartz veins and veinlets that occur as sheeted veins and vein stockwork arrays within a granitic host rock. Gold occurs primarily as free gold in association with pyrite. Metallurgical testwork indicates recoveries of up to 95% through conventional processes.

- 59 drill holes (predominantly diamond drilling) totalling 14,025m have been completed to date on PMZ (see long section below).
- Every drill hole has intersected gold mineralisation, and has confirmed continuity of mineralisation from surface to 300m vertical depth.
- Mineralisation is open to depth and along strike.
- The deepest drill holes in the higher grade core of PMZ, GPD-49, and -51, intersected 28m grading 5.1g/t and 53m at 2.9g/t gold, respectively.
- Grades within the higher grade core of PMZ appears to increase with depth, for example 28m grading 5.1g/t Au in GPD-49, indicating strong potential to develop underground resources as well open-pit resources.
- Recent drilling has identified several new zones of mineralisation, the most notable being Quill (14m grading 4.5g/t Au) and the PMZ Footwall Zone (44m grading 2.0g/t Au and 19m grading 2.6g/t Au) (see Porcupine plan map below). These zones, together with the NW Zone remain open along strike and to depth (see Company press release dated July 26, 2010) and will not be included in the upcoming 43-101.
- Recent structural re-interpretations have highlighted the potential to develop other zones of mineralisation within the immediate vicinity of Porcupine, and that these require drill testing with orientations other than those tested to date.

The Kenge Target

The Kenge Target comprises the NW, Main, SE, Snakebite, Mbenge and Mbenge East zones of mineralisation. The Target area covers approximately 2,000m of strike length, with intersections ranging up to 22m grading 6.9g/t Au at the Kenge Main Zone and 48m grading 2.1g/t Au at Mbenge. The zones average approximately 15-20m in width and have been drilled to around 200m down-dip. All five zones of the Kenge Target are shown on the map at the bottom of this news release.

Metallurgical testwork indicates gold recoveries of up to 96% through conventional processes.

The resource estimate will include drill results from 230 drill holes totalling approximately 31,200m (15% reverse circulation [RC] and the remainder diamond drilling).

New Target Generation

The Company has employed a well-respected consultant structural geologist to determine the timing and controls on gold mineralisation in relation to the main structures in the region. This work has led to new ideas about the localisation of mineralisation at the SMP project, and will form an intrinsic part of the ongoing exploration programme.

Plans for 2010/2011

- Publish NI 43-101 resource report for Porcupine and Kenge Targets.
- Continue to expand on the resource potential of Porcupine, especially in the vicinity of the PMZ Footwall, NW and Quill Zones.
- Test new targets developed in conjunction with structural geologist / consultant.

CORPORATE

The Company completed one financing (\$6,200,000) in calendar 2010, with the bulk of proceeds used for the advancement of the SMP project in Tanzania.

The financing resulted in IFC, a member of the World Bank, becoming a major shareholder in the Company, owning ~14% of the issued and outstanding share capital.

The Company held its AGM on August 31, 2010 and all resolutions were approved unanimously (see the SEDAR filing of the Information Circular, dated August 6, 2010).

At the subsequent Board of Directors meeting the following resolutions were adopted:

1. Grenville Thomas was re-appointed Chairman of the Board.
2. The Audit Committee, comprising Cliff Davis (Chairman), Stephen Leahy, and Richard Williams, was appointed.
3. The Compensation Committee, comprising Cliff Davis, Grenville Thomas, and Stephen Leahy, was re-appointed.

Officers of the Company comprise Chris MacKenzie (Chief Operating Officer), Richard Williams (Chief Executive Officer), Andrew MacRitchie (Chief Financial Officer), and Stewart Lockwood (Corporate Secretary).

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 the contents of this news release. For more information regarding previously reported intercepts on the Porcupine and Kenge targets see the table of drill intercepts posted on the Company's website at <http://www.helioresource.com/s/Tanzania.asp?ReportID=283995> or for a representation in 3D go to <http://www.corebox.net/properties/smp/>.

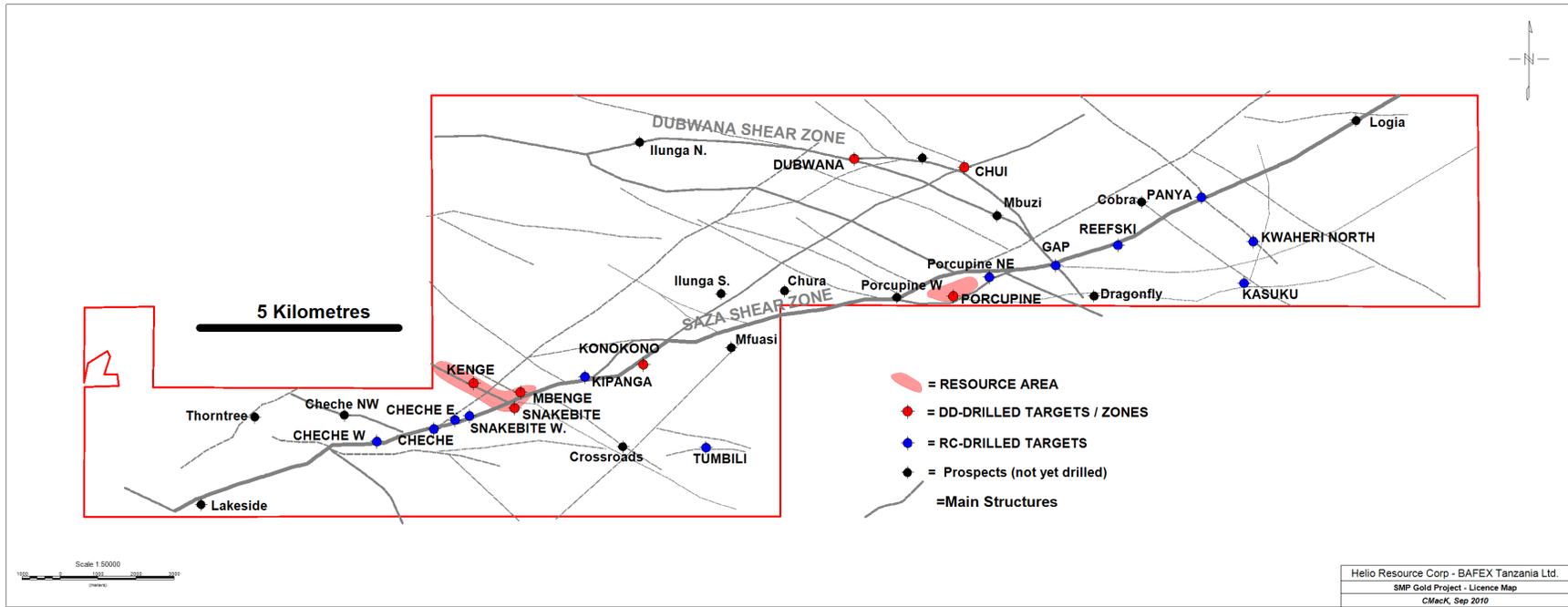
For additional information, please contact Richard Williams or Irene Dorsman at +1 604 638 8007 or by e-mail to richard@helioresource.com or irene@helioresource.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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

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

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release

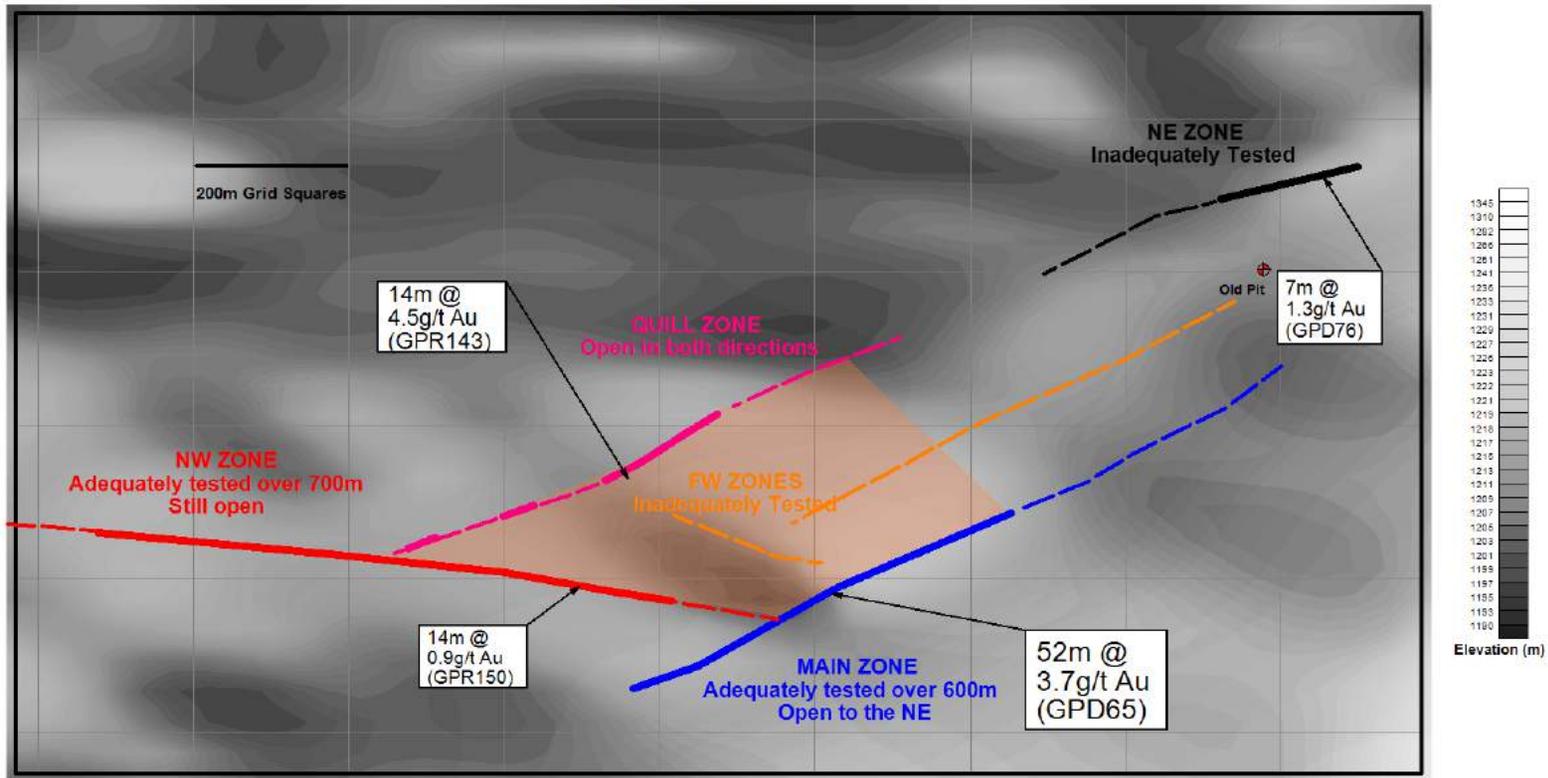


SMP Gold Project – Plan map showing the location of the Porcupine and Kenge Targets, plus other known bedrock-hosted mineralised zones.

Coloured lines indicate drilled off trends

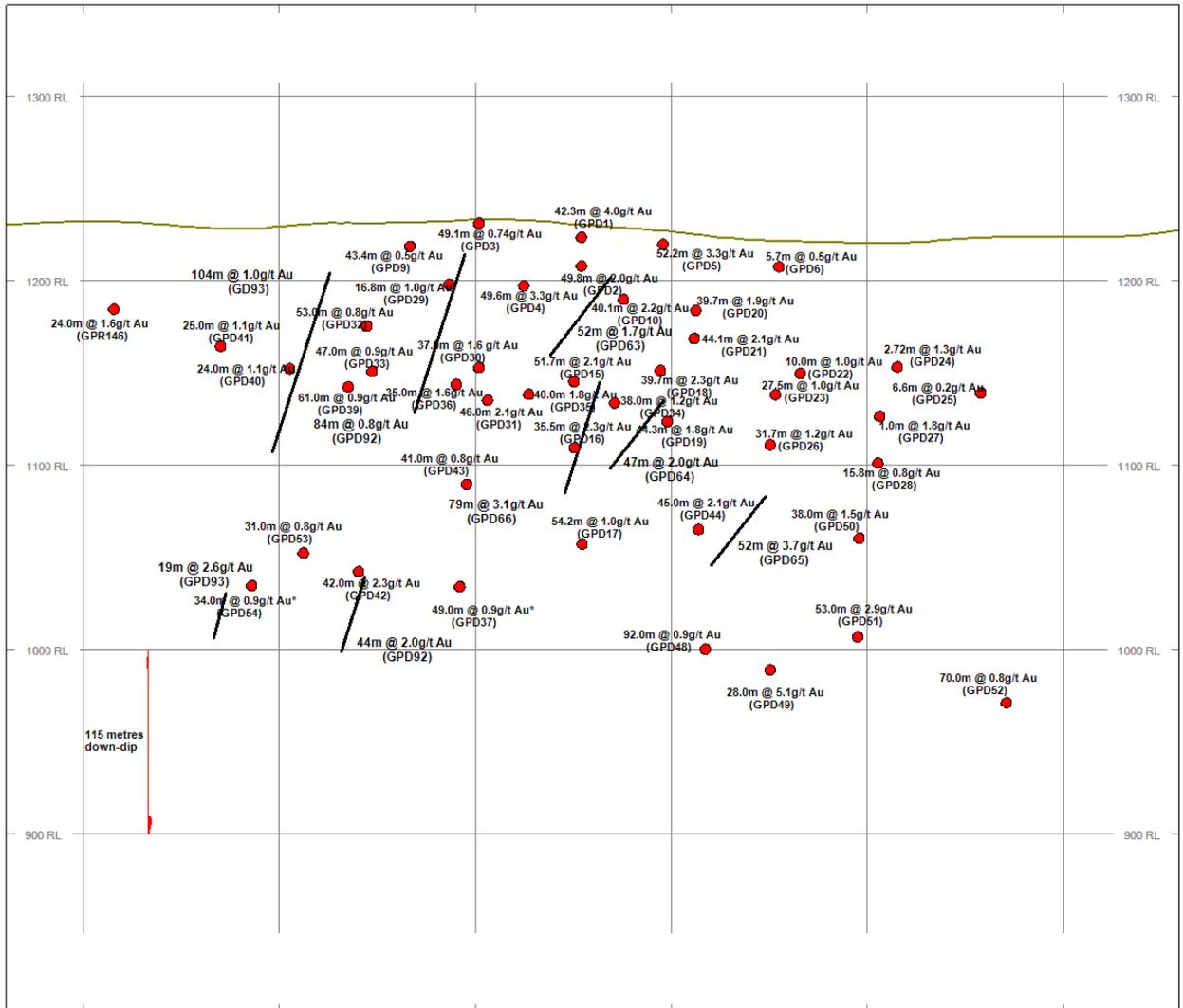
Dashed lines indicate trend requiring more drilling

Shaded area between Quill and Main Zones contains mineralisation but is only sampled by occasional unidirectional holes and needs more drilling



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SMP Gold Project, Tanzania
Porcupine Anomaly Plan Map





NB - This is a long section representing a perpendicular view of a plane dipping at -60 degrees towards the observer (parallel to the main trace of the mineralised zone).

The view is towards 340 degrees.

The image is therefore vertically foreshortened. Intersections are drilled widths.

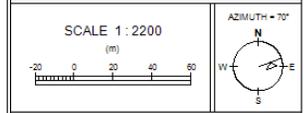
The red dots are the projected intersections on this plane of the hangingwall of the main mineralised zone. Intercepts are reported as drilled widths.

* = Intercept includes internal dilution from a 10m+ dyke.

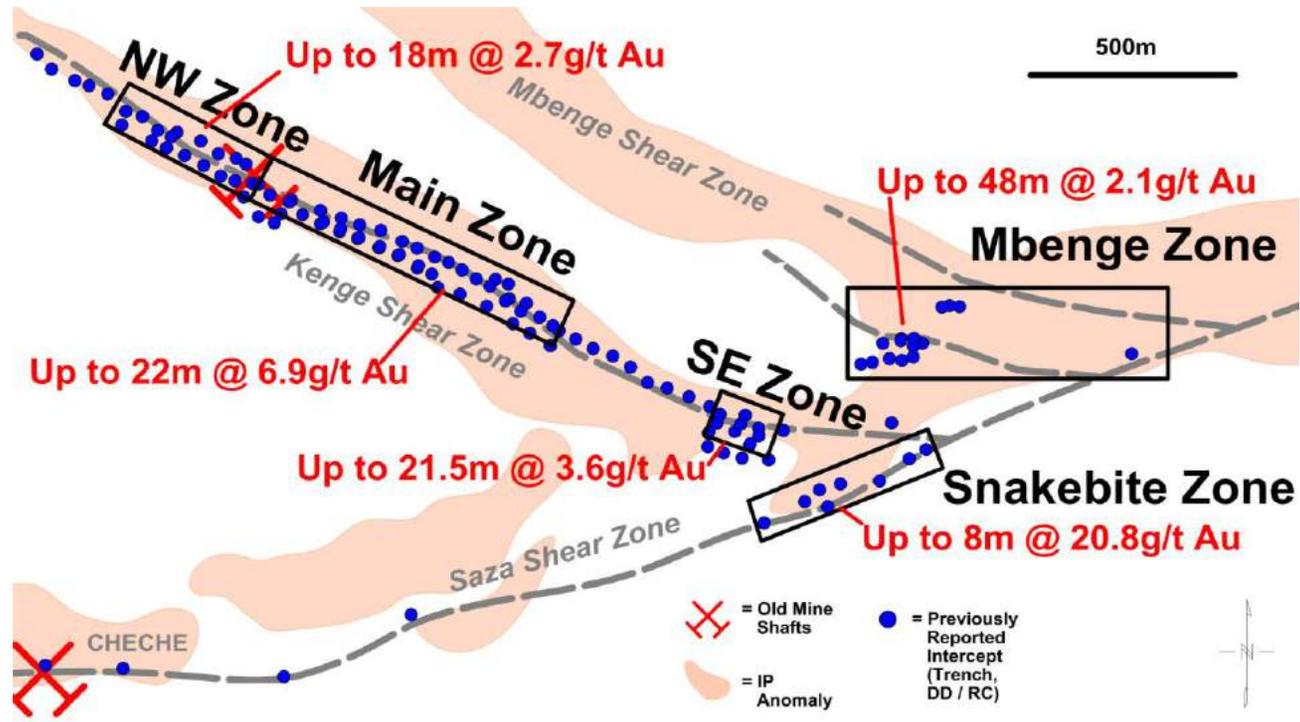
The black / grey lines indicate the trace of oriented holes drilled at an azimuth of 220 or 270 degrees (projected).

SECTION SPECS:

REF. PT. E.N	636.7 m	546.7 m
EXTENTS	1350 m	803.3 m
SECTION TOP, BOT	125 m	
TOLERANCE +/-	30"	
SWING ANGLE		



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 SMP Gold Project, Tanzania
 Porcupine Target
 Long Section



Kenge Target - Mineralised Zones