



HELIO RESOURCE CORP.

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

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual and Special General Meeting (the “Meeting”) of the shareholders of **Helio Resource Corp.** (the “Company”) will be held at the Xchange Centre, 888 Dunsmuir Street, 2nd Floor, Vancouver, British Columbia, V6C 2K4 on Thursday, October 26, 2017 at **10:00 a.m.** (Vancouver time) to transact the usual business of an annual general meeting and for the following purposes:

1. To receive and consider the audited financial statements for the Company for the fiscal period ended March 31, 2017, including the accompanying notes and the auditor’s report and the annual Management Discussion and Analysis.
2. To appoint an auditor for the Company to hold office until the close of the next annual general meeting and to authorize the directors to fix the remuneration to be paid to the auditor of the Company.
3. To elect directors to hold office until the close of the next annual general meeting.
4. To consider, and if deemed advisable, to approve the Company’s Incentive Stock Option Plan (the “Plan”) which allocates and reserves for issuance up to 10% of the Company’s issued common shares for the purpose of granting options under the Plan, as more particularly described in the Information Circular.
5. To consider, and if deemed advisable, adopt a special resolution in the form set out in the Information Circular, authorizing the board of directors of the Company to consolidate, no later than April 26, 2018, the issued and outstanding common shares of the Company on the basis of one post-consolidation common share of the Company for up to twenty-five pre-consolidation common shares of the Company if the board of directors deems the consolidation to be in the best interests of the Company, as more particularly described in the accompanying Information Circular.
6. To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof, without notice.

Shareholders of record on the Company’s books at the close of business of September 21, 2017 are entitled to notice of and to attend and vote at the Meeting or at any postponement or adjournment thereof. Pursuant to the Company’s governing documents, each Common Share is entitled to one vote.

An Information Circular accompanies this Notice and contains details of matters to be considered at the Meeting. No other matters are contemplated, however, any permitted amendment to or variation of any matter identified in the Notice may be properly considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure their shares are voted at the Meeting are asked to complete, date and sign the enclosed form of Proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered (beneficial) shareholders who plan to attend the Meeting must follow the instructions set out in the Proxy or voting instruction form to ensure their shares are voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered (beneficial) shareholder.

A copy of the annual audited consolidated financial statements of the Company for its financial year ended March 31, 2017 and the auditor's report thereof, together with the corresponding management discussion and analysis are also being mailed to those shareholders who have requested a copy. These documents, along with news releases which describe important recent events material to the Company, may also be obtained on SEDAR at www.sedar.com.

DATED at Vancouver, B.C. this 25th day of September, 2017.

BY ORDER OF THE BOARD
HELIO RESOURCE CORP.

Richard Williams
Richard Williams, Chief Executive Officer



HELIO RESOURCE CORP.

HELIO RESOURCE CORP.

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

MANAGEMENT INFORMATION CIRCULAR

As at September 25, 2017
unless otherwise noted

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of HELIO RESOURCE CORP. (the "Company"), at the time and place and for the purposes set forth in the Notice of Meeting.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at a nominal cost. The cost of this solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Company. **A Shareholder eligible to vote at the Meeting has the right to appoint a person, who need not be a Shareholder, to attend and act for the Shareholder and vote on the Shareholder's behalf at the Meeting other than either of the persons designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the form of proxy or by completing another suitable form of proxy.**

Voting by Proxyholder

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Trust Company of Canada ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524 or by mail to 8th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 marked "Attention Proxy Department"; or
- (b) use the phone and/or internet voting options as outlined in the proxy. Registered shareholders may refer to the enclosed proxy form for the holder's account number and the proxy access number.

Whichever method you use to submit your proxy, for the form of proxy to be effective, you must ensure the proxy is received by Computershare at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 10:00 a.m., Vancouver time, on **Tuesday, October 24, 2017**) (the "**Proxy Deadline**") or any adjournment thereof at which the proxy is to be used.

A Shareholder who has given a proxy may revoke it by an instrument in writing duly executed and delivered either to the registered office of the Company at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation. Non-Registered Holders (as defined below) who wish to revoke their proxy must arrange for their respective Intermediary (as defined below) to revoke the proxy on their behalf within the time specified by such Intermediary.

Non-Registered (Beneficial) Holders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "United States" or the "U.S.") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") who object to their name being made known to the issuer of the securities they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuer of the securities they own knowing who they are.

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit the Company to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") through our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare tabulates the results of the VIFs it receives from NOBOs and provides appropriate voting instructions at the Meeting with respect to the shares represented by those VIFs.

These security holder materials are sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a VIF in lieu of the proxy provided by the Company. The VIF will name the same persons as those in the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting, or (b) to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

EXERCISE OF DISCRETION

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the election of directors and the appointment of the auditors; and
- (b) any other matter, including amendments to any of the foregoing, as may properly come before the Meeting or any adjournment thereof.

In respect of a matter for which a choice is not specified in the proxy, or unless otherwise provided in the proxy, the nominees named in the accompanying form of proxy will vote the Shares represented by the proxy for the approval of such matter.

As of the date of this Information Circular, the management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee intends to vote thereon in accordance with the nominee’s best judgement.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

FINANCIAL STATEMENTS, MANAGEMENT'S DISCUSSION AND ANALYSIS & ADDITIONAL INFORMATION

Please note that the figures in this Information Circular are in Canadian dollars unless otherwise indicated.

The consolidated financial statements of the Company for the year ended March 31, 2017 (the "Financial Statements"), including the accompanying notes and the auditor's report will be presented to the shareholders at the Meeting. These documents have also been mailed to the Company's shareholders who have requested them. The Financial Statements have also been filed on SEDAR and may be found at www.sedar.com.

Additional information relating to the Company may be found on SEDAR at www.sedar.com. In addition, a security holder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

APPOINTMENT AND REMUNERATION OF AUDITOR

The management of the Company will recommend to the Meeting the appointment of Dale Matheson Carr-Hilton LaBonte LLP ("DMCL"), Chartered Accountants, of 1500 - 1140 West Pender Street, Vancouver, B.C. V6E 4G1 as auditor of the Company to hold office until the close of the next Annual General Meeting of shareholders. It is proposed that the remuneration to be paid to the auditor be fixed by the directors.

Dale Matheson Carr-Hilton LaBonte LLP was first appointed auditor of the Company on February 21, 2013.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue unlimited common shares without par value (the "Common Shares"). As of September 21, 2017 the Company has 261,232,959 Common Shares issued and outstanding.

Only the holders of Common Shares are entitled to vote at the Meeting and the holders of Common Shares are entitled to one vote for each Common Share held. The directors of the Company fixed **September 21, 2017** as the record date (the "Record Date") for the determination of the shareholders entitled to vote at the Annual General Meeting.

To the knowledge of the directors and senior officers of the Company, as at the Record Date, the following are the only persons beneficially owning, directly or indirectly, or exercising control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company:

Name	Number of Voting Securities as at September 21, 2017	Percentage of Issued Voting Securities
CE Mining Limited ⁽¹⁾	66,140,000 Common	25.32%

Note:

- (1) CE Mining Limited (“CE Mining”) is a Guernsey based company which is jointly owned and managed by Plinian Capital Ltd. and Generation Asset Management. CE Mining invests in exploration and development mineral resource projects. CE Mining owns directly or indirectly, or has control and direction over 66,140,000 common shares representing an approximate 25.32% interest in the Company. Plinian Capital Ltd. owns directly or indirectly, or has control and direction over 9,600,000 common shares representing an approximate 3.67% interest in the Company. CE Mining II Helio Ltd., an affiliated company, owns directly or indirectly, or has control and direction over 13,860,000 common shares representing an approximate 5.30% interest in the Company. The affiliated companies together own 89,600,000 common shares representing an approximate combined 34.29% interest in the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

At the Meeting, Shareholders will be asked to elect five directors to succeed the present directors whose term of office will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director’s office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia). Management proposes to nominate the persons listed in the following table for election as directors. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF AND MANAGEMENT IS NOT AWARE OF ANY PROPOSED NOMINEE IN ADDITION TO THE NAMED NOMINEES.

The following table sets out the names of Management’s nominees for election as directors, their positions and offices in the Company; principal occupations; the period of time that they have been Directors of the Company; and the number of shares of the Company which each beneficially owns or over which control or direction is exercised.

Name, Province/State and Country of Ordinary Residence	Present principal occupation, business or employment and, if not elected a director by a vote of security holders, principal occupation, business or employment during the past five years ⁽²⁾	Term of service as a director of the Company and Proposed Expiry Date ⁽¹⁾ and First and Last Position in the Company	Approx. no. of voting securities beneficially owned, directly or indirectly or over which direction or control is exercised ⁽³⁾
Richard D. Williams ⁽⁴⁾ British Columbia, Canada	Chief Executive Officer and Director of the Company; President, CEO and Director of Strongbow Exploration Inc	CEO, May 1, 2006 to date; Director, Aug 30, 2004 to date; President Aug 30, 2004 to May 1, 2006;	6,960,574
Stephen M. Leahy ⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Director of Oroco Resource Corp.; CEO and Director of International Tungsten Inc.; Director of Golden Dawn Minerals Inc.	Director, Nov. 10, 1998 to date; President, May 15, 1999 - Aug. 30, 2004;	1,970,000
D. Grenville Thomas ⁽⁵⁾⁽⁶⁾ British Columbia, Canada	Chairman, Director, and former President and CEO of Strongbow Exploration Inc., Chairman, Director and former President of North Arrow Minerals Inc., President, CEO & Director of Westhaven Ventures Ltd.	Chairman of the Company; Director, August 30, 2004 to present	2,172,019
Bradford A. Mills ⁽⁵⁾⁽⁶⁾ London, England	Co-founder and Managing Partner of Plinian Capital Ltd.; Director of Mandalay Resources Corporation, and Director and Chairman of Rambler Metals and Mining PLC	Director, May 9, 2013 to present	89,600,000 ⁽⁷⁾
Dr. Mark V. Sander ⁽⁴⁾⁽⁶⁾ Pennsylvania, U.S.A.	Co-founder of Plinian Capital Ltd.; President, CEO and Director of Mandalay Resources Corporation; Director of CE Mining, and of Rambler Metals and Mining PLC.	Director, August 27, 2013 to present	0 ⁽⁷⁾

Notes:

- (1) For the purposes of disclosing positions held in the Company, "Company" shall include the Company and/or a parent or subsidiary thereof. The term of office of each director or proposed director will expire at the next Annual General Meeting.
- (2) Unless otherwise stated above, each of the above-named nominees has held the principal occupation or employment indicated for at least five years.
- (3) Securities beneficially owned by directors are based on information furnished to the Company by the nominees as at September 21, 2017.
- (4) Member of Audit Committee.
- (5) Member of Compensation Committee.
- (6) Member of Corporate Governance Committee
- (7) indirectly held through CE Mining Limited and CE Mining II Helio Ltd. See "Interest of Informed Persons in Material Transactions" herein for details.

As of September 21, 2017, the directors and officers of the Company beneficially own, directly or indirectly or direct control over a total of 102,524,093 shares representing approximately 39.25% of the outstanding Shares. None of the directors or officers of the Company have entered into a non-competition or non-disclosure agreement with the Company.

Corporate Cease Trade Orders or Bankruptcies

Within 10 years before the date of this Information Circular, none of the directors, proposed directors, executive officers or promoters of the Company was a director, chief executive officer or chief financial officer of any company (including Helio) that:

- (a) was subject to a cease trade order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to a cease trade order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets within a year of that person ceasing to act in that capacity.

Personal Bankruptcies

In the 10 years prior to the date hereof, of the directors, proposed directors, executive officers or promoters of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, none has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director, proposed director, officer, Insider or promoter of Helio or Shareholder holding sufficient number of securities of Helio to affect materially the control of Helio, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

STATEMENT OF EXECUTIVE COMPENSATION

Reference is made to Schedule "A" attached hereto and forming a part hereof.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at the end of the Company's most recently completed financial year, i.e. March 31, 2017, the following equity securities of the Company were authorized for issuance with respect to compensation plans:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	5,500,000	\$0.11	20,623,296 ⁽¹⁾
Equity compensation plans not approved by Securityholders	Nil	Nil	Nil
Total	5,500,000	\$0.11	20,623,296

Column (c) is calculated as 10% of the common shares issued and outstanding minus column (a).

(1) The only equity compensation plan the Company maintains is its “rolling” stock option plan (a “Rolling Plan”) reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant, which Rolling Plan was most recently approved by the shareholders at the Company’s Annual General Meeting held on September 23, 2016. As at March 31, 2017, there were 261,232,959 common shares issued and outstanding.

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers and senior officers of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company (other than routine indebtedness) in excess of \$50,000 at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year, other than as disclosed elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. The term “informed person” as defined in National Instrument 51-102, Continuous Disclosure Obligations, means:

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries that are to any substantial degree performed by a person other than a director, executive officer or employee of the Company or its subsidiaries.

AUDIT COMMITTEE

The Audit Committee's Charter

Under National Instrument 52-110 – Audit Committees (“NI 52-110”) reporting issuers in those jurisdictions which have adopted NI 52-110 are required to provide disclosure with respect to its audit committee including the text of the audit committee’s charter, composition of the committee, and the fees paid to the external auditor. The Company adopted an Audit Committee Charter effective July 26, 2005, a copy of which is attached hereto as Schedule “B” and is also available on SEDAR at www.sedar.com. The fees paid to the external auditor are set forth below.

NI 52-110, *Audit Committees*, of the Canadian Securities Administrators requires that every issuer disclose certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Part 6.2, *Required Disclosure*, of NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

In accordance with the definitions set forth in National Instrument 51-102, *Continuous Disclosure Obligations*, a “venture issuer” means a reporting issuer that, as at the applicable time, did **not** have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside Canada and the United States. The Company is a “venture issuer” and is relying on the exemption in Part 6.1, *Venture Issuers*, of NI 52-110 with respect to the requirements of Part 3, *Composition of the Audit Committee*, and Part 5, *Reporting Obligations*.

The Company’s audit committee for the year ended March 31, 2017 was comprised of three directors, as set forth below:

1. Richard D. Williams has 14 years’ experience as a CEO and Director of public companies, including Helio Resource Corp., Strongbow Exploration Inc. and others. During this time he has worked closely with CFOs and independent auditors reviewing annual financial reports in order to gain an understanding of the accounting principles used by the Company. In addition, since 1993 he has worked in a management / consultant and director position with a variety of public companies with responsibility for multi-million dollar exploration expenditures.
2. Stephen Leahy has more than 30 years’ experience in venture capital, primarily in the resource sector, and he has been instrumental in the formation, financing and development of a number of public and private corporations. As founder of North American Tungsten Corporation Ltd., he was instrumental in facilitating the company's acquisition of the Cantung mine and Mactung deposit.
3. Dr. Mark Sander has been active in the mineral resource industry for the last 25 years in operations, strategy and exploration, with a focus on copper, gold and platinum projects. He was formerly the VP of Strategy and Planning for BHP Copper, is currently President, CEO and a Director of Mandalay Resources, a Director of Rambler Metals and Mining

PLC, is a founding partner of Plinian and is a Director of the Company. Dr Sander was first elected as a director at the August 27, 2013 Annual General Meeting and has been a member of the Company’s audit committee since that time.

As defined in NI 52-110:

- Richard D. Williams is not “independent”;
- Stephen Leahy and Mark Sander are “independent”;
- All of the members of the audit committee are financially literate.

Richard D. Williams is not “independent” by virtue of being an officer of the Company, namely the Chief Executive Officer.

At no time since the commencement of the Company’s most recently completed financial year, has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Since the effective date of NI 52-110, the Company has not relied on either of the exemptions contained in section 2.4, *De Minimis Non-Audit Services*, or section 8, *Exemptions*. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company’s audit committee and, where applicable, by the Board of Directors, on a case-by-case basis.

Set forth below are details of certain service fees paid to the Company’s external auditor in each of the last two fiscal years:

Financial Year End	Audit Fees⁽¹⁾	Audit Fees⁽²⁾	Related Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
March 31, 2016	\$30,600	\$16,100	\$11,300	\$Nil
March 31, 2017	\$26,520	\$12,800	\$750	\$Nil

Notes:

- (1) The aggregate fees billed by the Company’s external auditor
- (2) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit Fees”.
- (3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than the services reported under clauses 1, 2 and 3 above.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

The TSX-Venture Exchange (the “**Exchange**”) requires all TSX Tier 2 listed companies to have a stock option plan in place that has been approved by the shareholders of the Company. The terms of any stock

option plan and incentive stock options granted by the Company are in accordance with the rules and policies of the Exchange, including the number of common shares under option, the exercise price and expiry date of such options and any amendments thereto. The Company fully disclosed the terms of its current Employee Incentive Stock Option Plan (the “**Plan**”), at its Annual General Meeting held on September 17, 2015 and a copy of the current Plan was attached as Schedule “C” to the Company’s Management Information Circular. The Plan is a rolling 10% stock option plan and was most recently amended in September 2015 in order to incorporate minor amendments to the Plan due to recent Exchange policy changes and in order to allow for the cashless exercise of options granted under the Plan, in the event the Company becomes listed as a “Tier 1” company on the Exchange, or obtains a listing on a more senior exchange that allows the cashless exercise of options.

As it is a requirement of the Exchange that rolling stock option plans must receive shareholder approval yearly at the Company’s Annual General Meeting, shareholder approval to the Company’s Plan is once again being sought at the Company’s Annual General Meeting to be held on October 26, 2017. A copy of the Company’s Plan, as recently amended to remain compliant with Exchange policy, was attached as Schedule “C” to the August 13, 2015 Management Information Circular and is available for viewing on SEDAR at www.sedar.com.

At the Meeting, the shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend the shareholders approve, a resolution whereunder the Company allocate and reserve 10% of the issued Common Shares of the Company from time to time for use in its current Plan. The Plan complies with the rules set forth for such plans by the Exchange. The Plan provides for the issuance of options to “Directors”, “Employees”, “Consultants” and “Management Company Employees” of the Company to purchase common shares of the Company. The stock options would be issued at the discretion of the Board of Directors and would be exercisable during a period not exceeding ten years. The exercise price will not be lower than the "Discounted Market Price" of the Shares on the Exchange at the time of grant. In the context of the Plan, "Discounted Market Price" means the last closing price of the Company's shares on the day immediately preceding the date on which the directors grant and publicly announce the options, less the applicable discount, and will not otherwise be less than \$0.05 per share. Disinterested shareholder approval will be obtained for any reduction in the exercise price of options granted to persons who are insiders of the Company at the time of such proposed amendment.

The objective of the Company’s Plan is to provide for and encourage ownership of common shares of the Company by its directors, officers, key employees and selected consultants so that such persons may increase their stake in the Company and benefit from increases in the value of the common shares, in order to align the interests of such persons with those of shareholders. The Plan is designed to be competitive with the benefit programs of other companies in the natural resource industry. It is the view of management that the Plan is a significant incentive for the directors, officers and key employees to continue and to increase their efforts in promoting the Company's operations to the mutual benefit of both the Company and such individuals.

The text of an ordinary resolution, in substantially the form as set out below, will be placed before the shareholders of the Company at the Company’s Annual General Meeting to be held October 26, 2017:

“A. The Company’s stock option plan, (the “**Plan**”) be and is hereby approved, ratified and confirmed;

B. the Board of Directors are granted the power and authority to make certain amendments to the Plan or any option without shareholder approval, including: amendments of a “housekeeping” nature; a change to the vesting provisions of an option, if any; accelerating the expiry date of an option; amending the definitions contained within the Plan; amending or modifying the mechanics of the exercise of options (except with respect to eliminating the requirement that full payment be received for the exercise of

options, including payment to the Company of any taxes that must be remitted as a result of the exercise); amendments that are necessary to comply with the provisions of applicable laws or the rules, regulations and policies of the Exchange; or any more senior exchange upon which the Company may be listed, amendments relating to the administration of the Plan; amendments that are necessary to suspend or terminate the Plan; and any other amendment, whether fundamental or otherwise, not requiring shareholder approval as may be allowed by the Exchange or any more senior exchange upon which the Company may be listed under their applicable rules, regulations and policies.”

In the event of a negative vote by the shareholders with respect to the proposed approval of the Plan, management reserves the right to submit such resolution pertaining to the incentive stock option plan to the next general meeting of the shareholders.

Reference is made to the section captioned “Election of Directors” for further details with respect to the present positions of the Company’s directors and the number of shares held in the Company.

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying Form of Proxy intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

Consolidation of Shares

Subject to obtaining all required regulatory and shareholder approvals, the Company is seeking the approval of shareholders for the authority to effect a consolidation of its Common Shares on the basis of one post-consolidation Common Share for up to twenty-five pre-consolidation Common Shares (the “**Share Consolidation**”).

The Company’s board of directors believes that the Share Consolidation is in the best interests of the Company and its shareholders and may be necessary in order to provide the Company with a share capital structure that will better attract capital financing and enhance future growth opportunities. If the Board proceeds with the consolidation, the final ratio to be chosen will be determined by the Board after reviewing all relevant factors at the time.

The Share Consolidation is also subject to the approval of the Exchange. Assuming approval of the Share Consolidation is obtained from the shareholders and the Exchange, the Share Consolidation will take effect on a date to be coordinated with the Exchange and announced in advance by the Company.

For illustrative purposes, with an aggregate of 261,232,959 Common Shares issued and outstanding immediately prior to the Share Consolidation, the number issued and outstanding immediately after a 25:1 Share Consolidation would be reduced to approximately 10,449,318 Common Shares (subject to adjustments being made with respect to fractional Common Shares as set out below).

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to authorize and approve a special resolution in the form set out below approving the Share Consolidation (the “**Share Consolidation Resolution**”). If the Share Consolidation Resolution is approved and final approval of the Exchange of the Share Consolidation is received, the Share Consolidation will be implemented upon a determination by the Company’s board of directors that it is in the best interests of the Company and its shareholders at that time. In connection with any determination to implement a consolidation, the Board of the Company will set the timing for such consolidation. No further action on the part of shareholders will be required in order for the Company’s board of directors to implement the Share Consolidation. If

the Company's board of directors does not implement the Share Consolidation before **April 26, 2018** the authority granted by the special resolution to implement the Share Consolidation on these terms will lapse. The special resolution also authorizes the Company's board of directors to elect to not proceed with and abandon the Share Consolidation at any time if it determines, in its sole discretion, to do so. The Company's board of directors would exercise this right if it determined that the Share Consolidation was no longer be in the best interests of the Company and its shareholders. No further approval or action by or prior notice to the shareholders would be required in order for the Company's board of directors to abandon the Share Consolidation.

Principal Effects of the Share Consolidation

If approved and implemented, the Share Consolidation will occur simultaneously for all the Common Shares and the consolidation ratio would be the same for all such Common Shares. The consolidation would affect all shareholders equally. Except for any variances attributable to fractional Common Shares, the change in the number of issued and outstanding Common Shares that would result from the Share Consolidation would cause no change in the capital attributable to the Common Shares and would not materially affect any shareholders' percentage ownership in the Company, even though such ownership would be represented by a smaller number of common shares. The Company's name will not change in conjunction with the Share Consolidation.

The Share Consolidation will not change, in any way, any shareholder's proportion of votes to total votes; however, if the Share Consolidation Resolution is passed, the total number of votes that a Shareholder may cast at any future general meeting of the Company will be reduced. Any fractional Common Share resulting from the Share Consolidation will be rounded down to the nearest whole number and any fractional post-consolidation Common Share will be cancelled without consideration.

The exercise or conversion price and the number of Common Shares issuable under any outstanding convertible securities of the Company, including outstanding stock options issued under the Plan, will be adjusted in accordance with their terms if the Share Consolidation is implemented.

Certain Risks of the Share Consolidation

The effect of the Share Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for companies similar to the Company is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Share Consolidation will remain higher than the per-share market price immediately before the Share Consolidation or equal or exceed the direct arithmetical result of the Share Consolidation. In addition, a decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of the Share Consolidation. Furthermore, the Share Consolidation may lead to an increase in the number of shareholders who will hold "odd lots"; that is, a number of shares not evenly divisible into "board lots" (a board lot is either 100, 500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a board lot. Nonetheless, despite the risks and the potential increased cost to shareholders in transferring odd lots of post-consolidation Common Shares, the Company's board of directors believes the Share Consolidation is in the best interest of all shareholders.

Effect on Common Share Certificate

If the Share Consolidation is approved by shareholders and the Exchange and is implemented, registered shareholders will be required to exchange their existing share certificates for new share certificates

representing post-consolidation Common Shares. Provided final approval by the Exchange is received and if the Company's board of directors decides to implement it, then following the announcement by the Company of the effective date of the Share Consolidation, registered shareholders will be sent a letter of transmittal from the Company's transfer agent, Computershare Trust Company of Canada, as soon as practicable after the effective date of the Share Consolidation. The letter of transmittal will contain instructions on how to surrender certificate(s) representing pre-consolidation Common Shares to the transfer agent. The transfer agent will forward to each registered shareholder who has sent the required documents a new share certificate representing the number of post-consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-consolidation Common Share will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the shareholder is entitled as a result of the Share Consolidation.

Effect on Beneficial Shareholders

Beneficial Shareholders holding their Common Shares through a bank, broker or other intermediary should note that such banks, brokers or other intermediaries may have different procedures for processing the Share Consolidation than those that will be put in place by the Company for registered shareholders. If you hold your Common Shares with a bank, broker or other intermediary and if you have any questions in this regard, you are encouraged to contact your intermediary. **SHAREHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATES(S) AND SHOULD NOT SUBMIT ANY SHARE CERTIFICATE(S) UNTIL REQUESTED TO DO SO.**

Procedure for Implementing the Share Consolidation

If the Share Consolidation Resolution is approved by shareholders and final approval by the Exchange of the Share Consolidation is received, no further action will be required to implement the Share Consolidation and it will become effective on the date approved the Board of the Company, which date will be announced in advance by the Company.

No Dissent Rights

Under the *Business Corporations Act* (British Columbia), the Shareholders do not have any dissent rights with respect to the proposed Share Consolidation.

Shareholder Approval Authorizing the Share Consolidation

Shareholders will be asked to approve the Share Consolidation by special resolution at the Meeting, being a majority of not less than two thirds ($\frac{2}{3}$) of the votes cast by shareholders present in person or by proxy at the Meeting. The text of a special resolution, in substantially the form as set out below, will be placed before shareholders of the Company at the Meeting.

BE IT RESOLVED, as a special resolution of the Company's shareholders, that:

1. the Company is hereby authorized consolidate all of the issued and outstanding Common Shares of the Company on the basis of one post-consolidation Common Share for up to twenty-five pre-consolidation Common Shares (the "**Share Consolidation**") and that the determination of the basis for the consolidation and the final ratio shall be at the discretion of the board of directors of the Company;
2. any fractional Common Share arising on the consolidation of the Common Shares of the Company be deemed to have been tendered by its registered owner to the Company for cancellation and will be returned to the authorized but unissued share capital of the Company;

3. following receipt of final approval by the Exchange of the Share Consolidation, the officers and directors of the Company are hereby authorized to effect the Share Consolidation, if and when deemed advisable by the board of directors of the Company in its discretion, but in no case later than **April 26, 2018**, and do all other things necessary in order to give effect to the foregoing;
4. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions; and
5. notwithstanding that this resolution has been duly passed by the shareholders, the Company's board of directors is hereby authorized and empowered, if it decides that the Share Consolidation is not in the best interests of the Company, not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders

The Board recommends that shareholders vote **FOR** the Share Consolidation Resolution.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company's Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

The Board of Directors

The Board currently consists of five directors, of which four directors (Stephen M. Leahy, D. Grenville Thomas, Bradford A. Mills and Mark V. Sander) are currently “independent” in the context of the Policy as it relates to the Audit Committee. Richard Williams is not independent because he is the Chief Executive Officer of the Company. Christopher J. MacKenzie was not independent because he was the Chief Operating Officer of the Company.

Directorships

Certain of the directors are also directors of other reporting issuers as follows:

Director	Other Reporting Issuers
Stephen M. Leahy	Oroco Resource Corp. Golden Dawn Minerals Inc. International Tungsten Inc.
D. Grenville Thomas	Strongbow Exploration Inc. North Arrow Minerals Inc. Westhaven Ventures Ltd.

Director	Other Reporting Issuers
Richard D. Williams	Strongbow Exploration Inc.
Bradford A. Mills	Rambler Metals and Mining PLC Mandalay Resources Corporation
Mark V. Sander	Mandalay Resources Corporation Rambler Metals and Mining PLC

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, however, during the course of a directors' meeting, if a matter is more effectively dealt with without the presence of members of management, the independent directors ask members of management to leave the meeting, and the independent directors then meet *in camera*.

D. Grenville Thomas is the Chairman of the Board of Directors of the Company.

Board Mandate

The Board of Directors is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board agrees with and confirms its responsibility for overseeing management's performance in the following particular areas:

- the strategic planning process of the Company;
- identification and management of the principal risks associated with the business of the Company;
- planning for succession of management;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the operations of the Company and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the full Board and of its committees. The CEO is a member of the Board, giving the Board direct access to information about operations. Other management personnel attend Board meetings, if required, to provide information and answer questions, as required. Directors also consult from time to time with management and have, on occasion, visited the properties of the Company. The reports and information provided to the Board include details concerning the monitoring and management of the risks associated with the Company's activities, such as compliance with safety standards and legal requirements, environmental issues and the financial position and liquidity of the Company. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning, if required.

Position Descriptions

The Board of Directors has not developed written position descriptions for the Chairman, the chairman of any Board committees, the Chief Executive Officer, or the Chief Financial Officer. The Board is of the view that given the size of the Company, the relatively frequent discussions between Board members, the CEO, and the CFO and the experience of the individual members of the Board, the responsibilities of such individuals are known and understood without position descriptions being in writing. The Board

will evaluate this position from time to time, and if written position descriptions appear to be justified, they will be prepared.

Orientation and Continuing Education

The Board does not have a formal policy relating to the orientation of new directors and continuing education for directors. The appointment of a new director is a relatively infrequent event in the Company's affairs, and each situation is addressed on its merits on a case-by-case basis. The Company has a relatively restricted scope of operations, and most candidates for Board positions will likely have past experience in the mining business; they will likely be familiar therefore with the operations of a resource company of the size and complexity of the Company. The Board, with the assistance of counsel, keeps itself apprised of changes in the duties and responsibilities of directors and deals with material changes of those duties and responsibilities as and when the circumstances warrant. The Board will evaluate these positions, and if changes appear to be justified, formal policies will be developed and followed.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. In addition, the Company has adopted a whistle blower policy, which is set out in its Charter of the Audit Committee, and which is available for viewing on the Company's website at <http://www.helioresource.com>

Nomination of Directors

The Board has neither a formal policy for identifying new candidates for Board nomination nor a permanent nominating committee. If and when the Board determines that its size should be increased or if a director needs to be replaced, a nomination committee comprised entirely of independent directors will be struck. The terms of reference of such a committee will be determined when it is created, but are expected to include the determination of the independence of the candidate, his or her experience in the mining business and compatibility with the other directors.

Compensation

Taking into account the Company's present status as an exploration-stage enterprise, the Board of Directors reviews the adequacy and form of compensation provided to Directors on a periodic basis to ensure that the compensation is commensurate with the responsibilities and risks undertaken by an effective director. Until September 30, 2014, certain independent Directors of the Company received an annual stipend of \$30,000, payable quarterly. Beginning October 1, 2014, the annual stipend was reduced to \$12,000, and a meeting fee of \$750 per Board meeting and \$500 per committee meeting was implemented for those independent Directors of the Company.

Other Board Committees

At present, the Board has established an Audit Committee (as discussed elsewhere herein), a Corporate Governance Committee, and a Compensation Committee, each of which comprise a majority of independent directors. The Board of Directors is of the view that the decision to not set up other various committees such as a Nominating or Human Resources committee is appropriate, having regard to cost and time issues and the size of the Company.

Assessments

The Board has no formal process for the assessment of the effectiveness and contribution of the individual directors. Each director has extensive public company experience and is familiar with what is required of him. Frequency of attendance at Board and committee meetings and the quality of participation in such meetings are two of the criteria by which the performance of a director will be assessed.

ADDITIONAL INFORMATION

Additional information concerning the Company is available on SEDAR at www.sedar.com. Financial information concerning the Company is provided in the Company's comparative audited financial statements and Management's Discussion and Analysis for the fiscal year ended March 31, 2017, a copy of which was filed on SEDAR on July 31, 2017.

BOARD APPROVAL

The contents of this Information Circular, including the schedules thereto, and the sending thereof to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate governmental agencies, have been approved in substance by the directors of the Company pursuant to resolutions passed as of August 23, 2017.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD
HELIO RESOURCE CORP.

Richard Williams
Richard Williams, Chief Executive Officer

Schedule "A" to the Information Circular of
HELIO RESOURCE CORP. (the "Company")
STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

- (a) "Chief Executive Officer" or "CEO" means an individual who acted as chief executive officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year;
- (b) "Chief Operating Officer" or "COO" means each individual who served as chief operating officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (c) "Chief Financial Officer" or "CFO" means an individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;
- (d) "Named Executive Officer" or "NEO" means each of the following individuals:
 - (i) a CEO;
 - (ii) a COO;
 - (iii) a CFO;
 - (iv) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
 - (v) each individual who would be an NEO under paragraph (d) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant give or otherwise provide to each NEO and director for the financial year ended March 31, 2017.

COMPENSATION DISCUSSION AND ANALYSIS

The Board of Directors, upon the advice of the Compensation Committee, determines executive compensation for the Company. The Compensation Committee for the year ended March 31, 2017 was comprised of Mark Sander, Grenville Thomas and Stephen Leahy. The Board of directors is responsible for establishing and monitoring the Company's long range plans and programs for attracting, retaining, developing and motivating employees, with input from the Compensation Committee as required. The Compensation Committee reviews recommendations for the appointment of persons to senior executive positions, considers terms of employment including succession planning and matters of compensation. The Company has adopted an incentive stock option plan that complies with the policies of the Exchange.

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The significant objectives, elements and formula for compensation to be awarded to, earned by, paid to, or payable to NEOs for the year ended March 31, 2017, were to:

- (i) Attract and retain experienced and talented executive officers;
- (ii) Inspire excellence in the performance of executive officers; and
- (iii) Align shareholder and executive officer interests.

The compensation program is designed to reward performance of the NEO for fulfilling the duties and responsibilities of the particular position and attainment of the goals set for the NEO in conjunction with the strategic plan of the issuer as well as rewarding extraordinary performance beyond the goals set for the NEO.

The significant elements of compensation awarded to the NEOs are cash salary, stock options and/or annual bonuses.

Cash Salary:

The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company. The salary to be paid to a particular NEO is determined by publications of mining industry surveys and/or other available information from the mining and exploration industry. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEO for performance of his or her duties and responsibilities. The payment of such salary may impact on other elements of the compensation package to a particular NEO.

The Compensation Committee reviews the compensation of senior officers.

Annual bonus: stock options, etc.:

The Senior Management Team (the CEO and CFO) proposes bonuses and stock option grants which are submitted to the Compensation Committee for review and approval. Annual bonuses, if any, and stock option grants are not based on objective and formal measures, such as share price and P/E ratios.

Following the year ended March 31, 2017, the Company did not take any action or make any decisions or policies that could affect a reasonable person's understanding of any NEO's compensation for the most recently completed financial year.

Option Based Awards

As stated elsewhere herein, the Company has in place an Employee Incentive Stock Option Plan (the "**Plan**"). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Board administers the Plan. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the Exchange and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. As previously set out in this Information Circular, the Company sought and obtained shareholder approval at the 2015 Annual General Meeting to amend the Company's Employee Incentive Stock Option Plan in order for the terms of the Plan to remain compliant with the current policies of the Exchange.

The process by which the Board grants option-based awards to executive officers is:

- Options are granted to corporate executives by the Compensation Committee as part of the annual compensation review. Any special compensation is typically granted in the form of options. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is established at the time each option is granted, subject to the Plan, and such price, in all cases shall be not less than the Discounted Market Price as defined by the policies of the Exchange, subject to a minimum exercise price of \$0.05 per share.
- The Board approves base salaries, annual cash incentives and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Options are granted at other times of the year to individuals commencing employment with the Company.

SUMMARY COMPENSATION TABLE

The compensation paid to the NEOs during the Company's most recently completed financial year ending March 31, 2017 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year ⁽¹⁾	Salary ⁽²⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation ⁽⁴⁾ (\$)		Pension value ⁽⁶⁾ (\$)	All other compensation ⁽⁷⁾ (\$)	Total compensation ⁽⁸⁾ (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans ⁽⁵⁾			
Christopher MacKenzie, COO and Director ⁽⁹⁾	2017	\$104,413	Nil	Nil	Nil	Nil	Nil	\$182,875	\$287,288
	2016	\$200,000	Nil	Nil	Nil	Nil	Nil	Nil	\$200,000
	2015	\$200,000	Nil	\$33,227	Nil	Nil	Nil	Nil	\$233,227
Richard Williams, CEO and Director	2017	\$100,000	Nil	Nil	Nil	Nil	Nil	Nil	\$100,000
	2016	\$200,000	Nil	Nil	Nil	Nil	Nil	Nil	\$200,000
	2015	\$200,000	Nil	\$33,227	Nil	Nil	Nil	Nil	\$233,227
Andrew MacRitchie, CFO	2017	\$83,333	Nil	Nil	Nil	Nil	Nil	Nil	\$83,333
	2016	\$130,000	Nil	Nil	Nil	Nil	Nil	Nil	\$130,000
	2015	\$130,000	Nil	\$18,780	Nil	Nil	Nil	Nil	\$148,780

Notes:

- (1) April 1 of the prior year to March 31 of the year listed.
- (2) Includes the dollar value of cash and non-cash base salary earned during the financial year covered.
- (3) The amount represents the fair value, on the date of grant, of awards made under the Company's Current Plan. The grant date fair value has been calculated using the Black Scholes Model in accordance with Section 3870 of the CICA Handbook.
- (4) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the years listed.
- (5) N/A.
- (6) N/A.
- (7) These amounts cover all compensation other than amounts already set out in the table for the year ended March 31, 2017 and consist of restructuring costs for the 2017 year.
- (8) These amounts include the dollar value of total compensation for the covered year. This is the sum of all amounts reported in columns with footnotes 2 to 7 above for each NEO and executive officer.
- (9) Mr. MacKenzie resigned as a director and officer of the Company on December 12, 2016.

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards and Option-based Awards

An Incentive Stock Option Plan (the "Plan") was initially created by the Company in June 1993 and revised as needed in subsequent years, most recently in September 2015 in order to remain compliant with Exchange policies. Employees of the Company are eligible for stock options and share appreciation rights (SAR's) at the sole discretion of the Board of Directors.

The following table sets out all share-based awards and option-based awards outstanding as at March 31, 2017, for each NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that had not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Christopher MacKenzie, COO and Director ⁽²⁾	nil	N/A	N/A	N/A	N/A	N/A	N/A
Richard Williams, CEO and Director	500,000	\$0.25	May 8, 2017	Nil	Nil	N/A	N/A
	1,150,000	\$0.07	Oct. 1, 2019	Nil	Nil	N/A	N/A
Andrew MacRitchie, CFO	300,000	\$0.25	May 8, 2017	Nil	Nil	N/A	N/A
	650,000	\$0.07	Oct. 1, 2019	Nil	Nil	N/A	N/A

Notes:

- (1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year (being \$0.035 on March 31, 2017) and the exercise price of the options on that date.
- (2) Mr. MacKenzie resigned as a director and officer of the Company on December 12, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

There were no incentive plan awards that either became vested or were earned during the year ended March 31, 2017.

PENSION PLAN BENEFITS

The Company has no pension plans for its directors, officers or employees.

TERMINATION AND CHANGE OF CONTROL BENEFITS

If the Company terminates the agreement for services or employment of Mr. Williams or Mr. MacRitchie without cause and without providing adequate notice, or on change of control of the Company, the amount payable to the employee or service-provider will be two years' full-salary or full-consulting-fees. Mr. Williams and Mr. MacRitchie are both operating at a reduced salary amount in order to reduce the cash-flow burden on the Company.

An arrangement agreement with Shanta Gold Limited was announced on June 19, 2017 (the "Arrangement"), and the Arrangement was purportedly cancelled by Shanta, announced August 18, 2017. Should the Arrangement proceed, Mr. Williams and Mr. MacRitchie have agreed to substantially reduced termination benefits. Richard

Williams would receive 2,426,975 Shanta Shares on the effective date of the Arrangement as severance. Andrew MacRitchie would receive 1,183,151 Shanta Shares on the effective date of the Arrangement as severance and each of Grenville Thomas and Stephen Leahy would receive 161,798 Shanta Shares on the effective date for Director fees owed to them.

DIRECTOR COMPENSATION

Director Compensation Table

The compensation provided to the directors for the Company's most recently completed financial year of March 31, 2017 is:

Name ⁽¹⁾	Fees earned (\$) ⁽²⁾	Share-based Awards (\$) ⁽³⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$) ⁽³⁾	Pension value (\$) ⁽³⁾	All other compensation ⁽⁴⁾ (\$) ⁽³⁾	Total (\$) ⁽³⁾
Stephen M. Leahy	\$15,088	Nil	Nil	Nil	Nil	Nil	\$15,088
D. Grenville Thomas	\$15,656	Nil	Nil	Nil	Nil	Nil	\$15,656
Bradford A. Mills ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mark V. Sander	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Does not include disclosure for any director who is also an NEO unless compensation has not previously been fully disclosed herein.
- (2) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
- (3) The amount represents the fair value, on the date of grant, of awards made under the Company's Current Plan. The grant date fair value has been calculated using the Black Scholes Model in accordance with Section 3870 of the CICA Handbook.
- (4) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly.
- (5) Bradford Mills is the Co-founder and Managing Partner of Plinian Capital Ltd., a private equity firm specializing in making investments in mineral resource discovery, development, production and turn-around. Plinian Capital Ltd. was paid an operator fee of CAD\$245,366 during the Financial Period ended March 31, 2017, under the terms of the Operating Agreement signed to coincide with a private placement in 2013. Additional particulars relating to Plinian Capital Ltd. and the operator fee are contained elsewhere in this Information Circular or in the publicly available disclosure documents of Helio available at www.sedar.com.

The following table sets out all share-based awards and option-based awards outstanding as at March 31, 2017, for each director, excluding any director for whom this information is already set out in the disclosure for an NEO of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that had not vested (#)	Market or payout value of share-based awards that had not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen M. Leahy	200,000	\$0.25	May 8, 2017	Nil	N/A	N/A	N/A
	600,000	\$0.07	Oct. 1, 2019	Nil	N/A	N/A	N/A
D. Grenville Thomas	200,000	\$0.25	May 8, 2017	Nil	N/A	N/A	N/A
	600,000	\$0.07	Oct. 1, 2019	Nil	N/A	N/A	N/A
Bradford Mills ⁽²⁾	1,200,000	\$0.07	Oct. 1, 2019	Nil	Nil	Nil	Nil
Mark V. Sander	Nil	N/A	N/A	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year (being \$0.035 on March 31, 2017) and the exercise price of the options on that date.
- (2) Bradford Mills is the Co-founder and Managing Partner of Plinian Capital Ltd., a private equity firm specializing in making investments in mineral resource discovery, development, production and turn-around. Plinian Capital Ltd., in its capacity as a consultant to the Company, was granted options to purchase securities of the Company on October 1, 2014.

There were no incentive plan awards that became vested or were earned during the year ended March 31, 2017.

**Schedule “B” to the Information Circular of
Helio Resource Corp. (the "Company")**

CHARTER OF THE AUDIT COMMITTEE

Purpose

The purpose of the Audit Committee (the “Committee”) is to act as the representative of the Board of Directors in carrying out its oversight responsibilities relating to:

- The audit process;
- The financial accounting and reporting process to shareholders and regulatory bodies; and
- The system of internal financial controls.

Composition

The Committee shall consist of three Directors, the majority of whom are “independent” within the meaning of National Instrument 52-110, *Audit Committees*, for so long as the Company is a “venture issuer”, as defined therein. The Committee shall be appointed annually by the Board of Directors immediately following the Annual General Meeting of the Company. Each member of the Committee shall be financially literate, meaning that he must be able to read and understand financial statements. One member of the Committee must have accounting and financial expertise, meaning that he possesses financial or accounting credentials or has experience in finance or accounting.

Duties

The Committee’s duty is to monitor and oversee the operations of Management and the external auditor. Management is responsible for establishing and following the internal controls, financial reporting processes and for compliance with applicable laws and policies. The external auditor is responsible for performing an independent audit of the Company’s financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements. The Committee should review and evaluate this Charter on an annual basis.

The specific duties of the Committee are as follows:

- Management Oversight:
 - Review and evaluate the Company’s processes for identifying, analyzing and managing financial risks that may prevent the Company from achieving its objectives;
 - Review and evaluate the Company’s internal controls, as established by Management;
 - Review and evaluate the status and adequacy of internal information systems and security;
 - Meet with the external auditor at least once a year in the absence of Management;
 - Request the external auditor’s assessment of the Company’s financial and accounting personnel;

- Review and evaluate the adequacy of the Company's procedures and practices relating to currency exchange rates; and
 - Review and evaluate the Company's banking arrangements.
- External Auditor Oversight
 - Review and evaluate the external auditor's process for identifying and responding to key audit and internal control risks;
 - Review the scope and approach of the annual audit;
 - Inform the external auditor of the Committee's expectations;
 - Recommend the appointment of the external auditor to the Board;
 - Meet with Management at least once a year in the absence of the external auditor;
 - Review the independence of the external auditor on an annual basis;
 - Review with the external auditor both the acceptability and the quality of the Company's accounting principles; and
 - Confirm with the external auditor that the external auditor is ultimately accountable to the Board of Directors and the Committee, as representatives of the shareholders.
- Financial Statement Oversight
 - Review the quarterly reports with Management;
 - Discuss with the external auditor the quality and the acceptability of the generally accepted accounting principles applied by Management;
 - Review and discuss with Management the annual audited financial statements; and
 - Recommend to the Board whether the annual audited financial statements should be accepted, filed with the securities regulatory bodies and publicly disclosed.
- "Whistleblower" Procedures
 - Provide for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - Provide for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matter.