



HELIO RESOURCE CORP.

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NEWS RELEASE

Helio and Damara Agree to Merge Namibian Interests into Osino Resources Corp.

Vancouver, February 18, 2016

Helio Resource Corp (TSX-V: HRC), (“Helio” or the “Company”) is pleased to report that it has reached agreement with Damara Gold (TSX-V: DMR) (“Damara”) whereby the earn-in agreement between Damara and Helio will be cancelled, and Helio and Damara will transfer their respective interests in two Namibian exploration licences, through wholly owned subsidiaries, namely EPL 3738 (Wilhelmstal) and EPL 3739 (Otjimbojo) (together the “Property”), into Osino Resources Corp. (“Osino”), a privately-held British Columbia corporation in return for shares in Osino.

Background

On March 27, 2014 Helio announced an agreement with Damara (formerly Solomon Resources) whereby Damara had the option to earn up to a 60% interest in the Property. To date Damara has spent \$300,000 on the projects and issued 500,000 common shares to Helio as part of the earn-in.

Under the terms of the arms-length agreement between Osino, Damara and the Company, Helio will transfer the shares of its wholly owned subsidiary holding the Property to Osino and Damara will forgo its rights under the earn-in agreement with Helio for an interest in Osino. Osino currently owns 4 Namibian exploration licences, all of which will remain in Osino.

Post consolidation Helio will own 60.5% of the shares of Osino, and Damara will own 22% of the shares of Osino. Each party will appoint 2 directors to the Board of Osino.

Closing of the transaction is subject to a number of conditions including Osino concluding a financing on terms acceptable to Helio and Damara; applicable regulatory approvals and completion by Osino of its due diligence investigations regarding each of Helio, Damara and Helio’s Namibian Licences.

Richard Williams, CEO of Helio commented “We believe this transaction represents the best opportunity for our Otjimbojo and Wilhelmstal projects to advance quickly under difficult market conditions. Our Company’s focus has been, and continues to be, the development of the SMP Gold Project in Tanzania. The initial plan is for Osino to remain a private company with a focus on spending any money raised in the ground, and only returning to the public markets when conditions are supportive”.

About Helio Resource Corp.

Helio Resource Corp. is a resource company focused on advancing the 100% owned SMP Gold Project in Tanzania to a production decision, and outlining the resource potential at the DGP Gold Project in Namibia.

For additional information please contact Richard Williams at 604 638 8005.

ON BEHALF OF THE BOARD OF DIRECTORS

“Richard D. Williams”
Richard D. Williams, P.Geol

“Chris MacKenzie”
Christopher J. MacKenzie, C.Geol.

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