



Heron Resources Limited

Building an Australian zinc producer

July 2018



ASX:HRR

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Compliance Statement (JORC 2012 and NI 43-101)

The technical information in this release relating to the exploration results and forward program at the Woodlawn Project is based on information compiled by Mr David von Perger, who is a Member of the Australian Institute of Mining and Metallurgy (Chartered Professional – Geology). Mr von Perger is a full time employee of Heron Resources Limited and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 edition) and "qualified person" as this term is defined in Canadian National Instrument 43-101 ("NI 43-101"). Mr von Perger has reviewed and approved the technical information this presentation.

An Exploration Target is term used within the JORC 2012 Code for an estimate of the exploration potential of a mineral deposit. As used in this release the stated exploration target is based upon the parameters described in the text, however the potential quantity and grade is conceptual in nature and there is insufficient information to estimate a Mineral Resource and it remains uncertain if further exploration will result in the estimation of a Mineral Resource in this area of recent drilling.

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for Au, Ag, Cu, Pb and Zn. $ZnEq = Zn\% + Cu\% * 3.12 + Pb\% * 0.81 + Au \text{ g/t} * 0.86 + Ag \text{ g/t} * 0.03$. Metal prices used in the calculation are: Zn US\$2,300/t, Pb US\$ 2,050/t, Cu US\$6,600/t, Au US\$1,250/oz and Ag US\$18/oz. These metal prices are based on Heron's long term view on average metal prices. It is Heron's view that all the metals within this formula are expected to be recovered and sold. Metallurgical metal recoveries used for the formula are: 88% Zn, 70% Pb, 70% Cu, 33% Au and 82% Ag; these are based on historical recoveries at Woodlawn and supported by metallurgical testwork undertaken during the 2015-16 feasibility study.

HERON RESOURCES INVESTMENT PROPOSITION

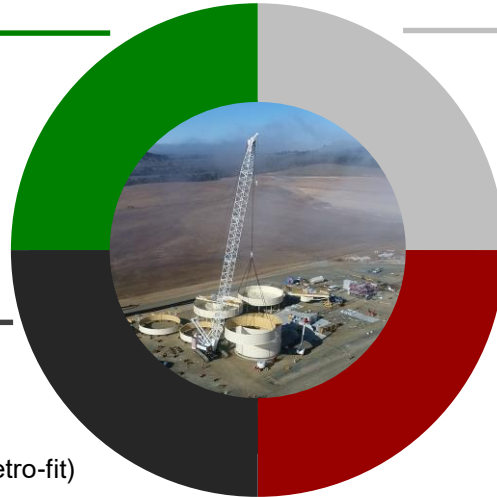
ASX:HRR

MARKET - ZINC

- Supply / demand fundamentals support price strength
- Woodlawn production timed to meet tight physical market

ASSET - WOODLAWN PROJECT

- High quality deposit
- Compelling 'starter' business case
- New 'state of the art' process plant (no refurb/retro-fit)
- Favourable jurisdiction & excellent infrastructure
- Longevity through resource conversion & discovery



FINANCED - FOR DEVELOPMENT

- A\$240M full funding package
- Three supportive cornerstone investors

FOCUS - EXCLUSIVELY WOODLAWN

- Construction underway – 62% COMPLETE
- First product shipment – Q1 2019
- Growth through strong regional position

HERON OVERVIEW



CAPITAL STRUCTURE

ASX listing:	ASX: HRR
Shares:	242 million
Opts/Perf Rights:	6.7million
Share Price:	A\$0.60
Market Cap:	A\$145 million
Cash: (30Jun 2018)	A\$65 million (unrestricted)
Debt:	US\$20M of US\$60M drawn
Listed Investments:	Ardea Resources Alchemy Resources Centennial Mining

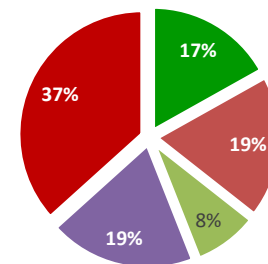


BOARD

Chairman	Stephen Dennis
MD & CEO	Wayne Taylor
Non-Executive Director	Borden Putnam III
Non-Executive Director	Fiona Robertson
Non-Executive Director	Mark Sawyer
Non-Executive Director	Peter Rozenauers
Non-Executive Director	Ricardo De Armas
Non-Executive Director	Ian Pattison

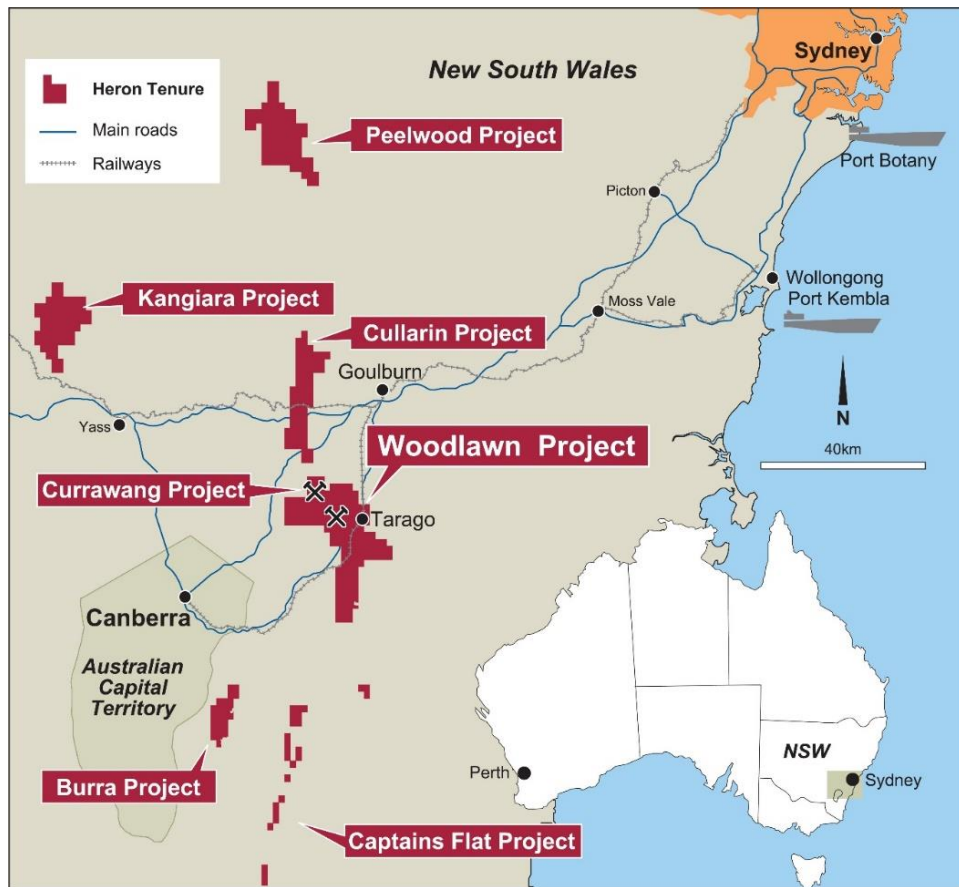


SHARE REGISTER



- Orion
- Greenstone
- Greenstone Aff
- Castllake
- Australian Register

WOODLAWN ZINC-COPPER PROJECT



Premier Location

ACCESS	✓
POWER	✓
PORT	✓
WATER	✓
LABOUR	✓
PERMITTING	✓
MINING LEASE	✓
COMMUNITY	✓

MARKET ZINC FUNDAMENTALS

Prices reached 10-year highs with strong outlook

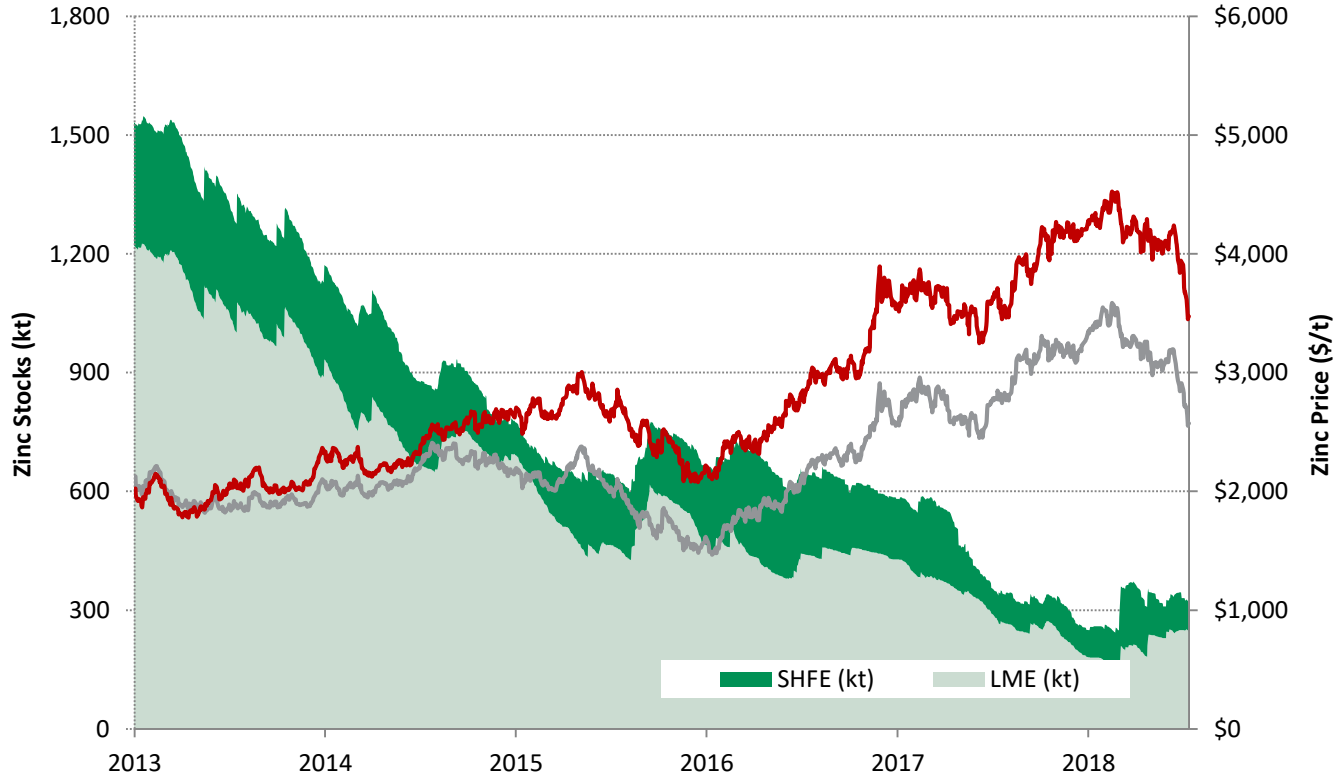


Chart Source: LME, RBA, SHFE, Terra Studio

Market Drivers

(a current snapshot)

A Supply Side Story

- Aging production base
- Project pipeline lacking incentive (price driven)
- Producer discipline

Demand growth

- Steady consumption growth (galvanising)

= MARKET IMBALANCE

- Contracting stocks
- Price support (noting recent volatility)
- Low treatment charges

MARKET ZINC - Where to from here?

The case for future price support

Market Supplier Attributes:

- Current base load production
- Some 'incentivised restarts' BUT only a handful of 'new' projects
- Dropping head grades for existing and added projects
- Difficulty in securing project finance for greenfield investment

Same 'old' assets just 'older'
First movers taking path of least resistance
Cost base support for higher prices
Current volatility means its going to get harder

Market Demand Attributes:

Steady consumption growth - drivers include infrastructure, consumer products, vehicles

Medium to Long Term – without new projects there is a strong case to revert to market drivers that got us here today

A Case for Further Consumption Upside*

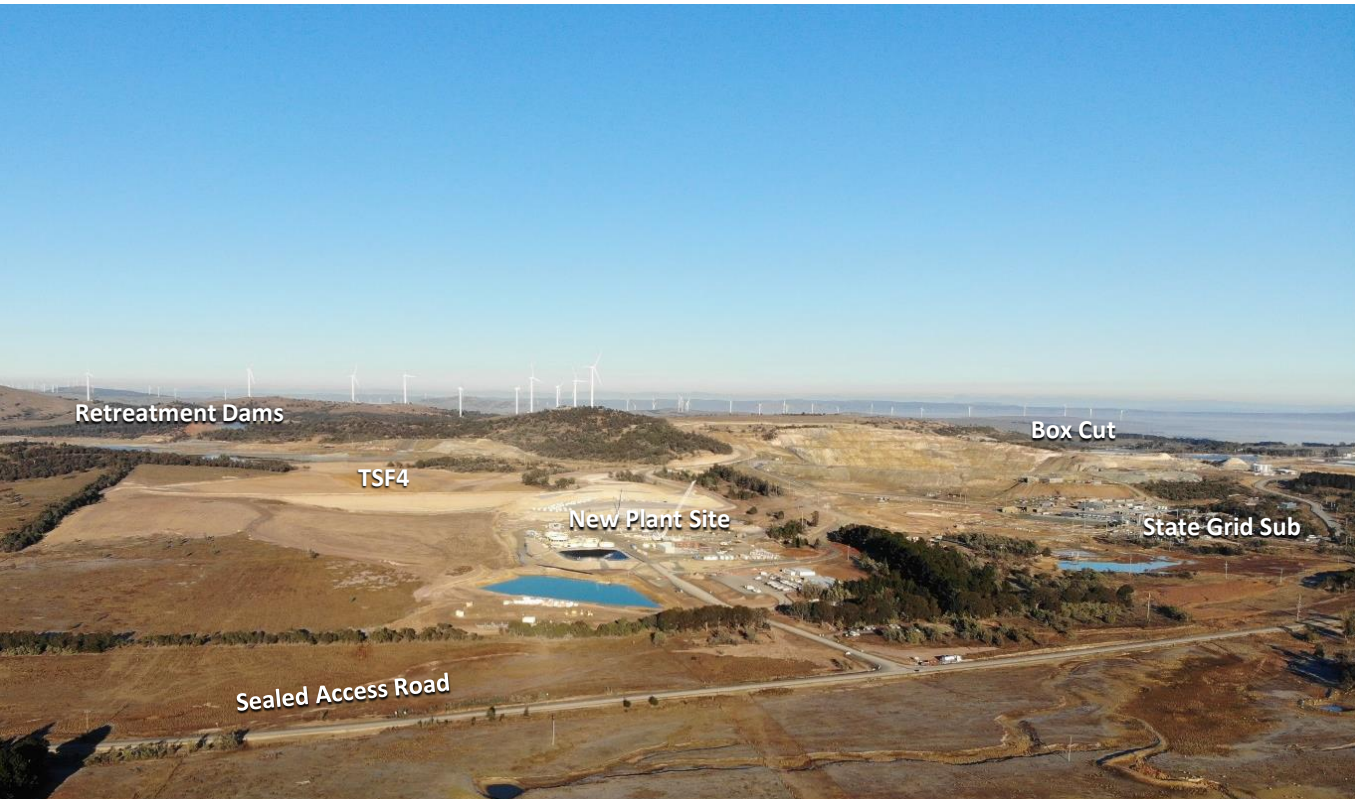
- China - #1 for vehicle production (2017: 30% of global production)
 - Consumer demand for product quality
 - 2013: 22M vehicles & c.21% galvanised
 - 2017: 29M vehicles & c.35% galvanised represents +123% increase
 - Size of Chinese vehicle zinc market c. 1.5Mtpa



* Data from Teck presentation 6 June 2018

ASSET WOODLAWN ZINC-COPPER PROJECT

Unrivalled infrastructure



Feasibility Review (Feasibility Study - June 2016)

1.5Mtpa Production Rate

9.3yr LOM (Reserves only)

- Significant Resource upside

Reserves

- UG 2.8Mt @ 14% ZnEq¹
- Reprocessing 9.5Mt @ 6% ZnEq

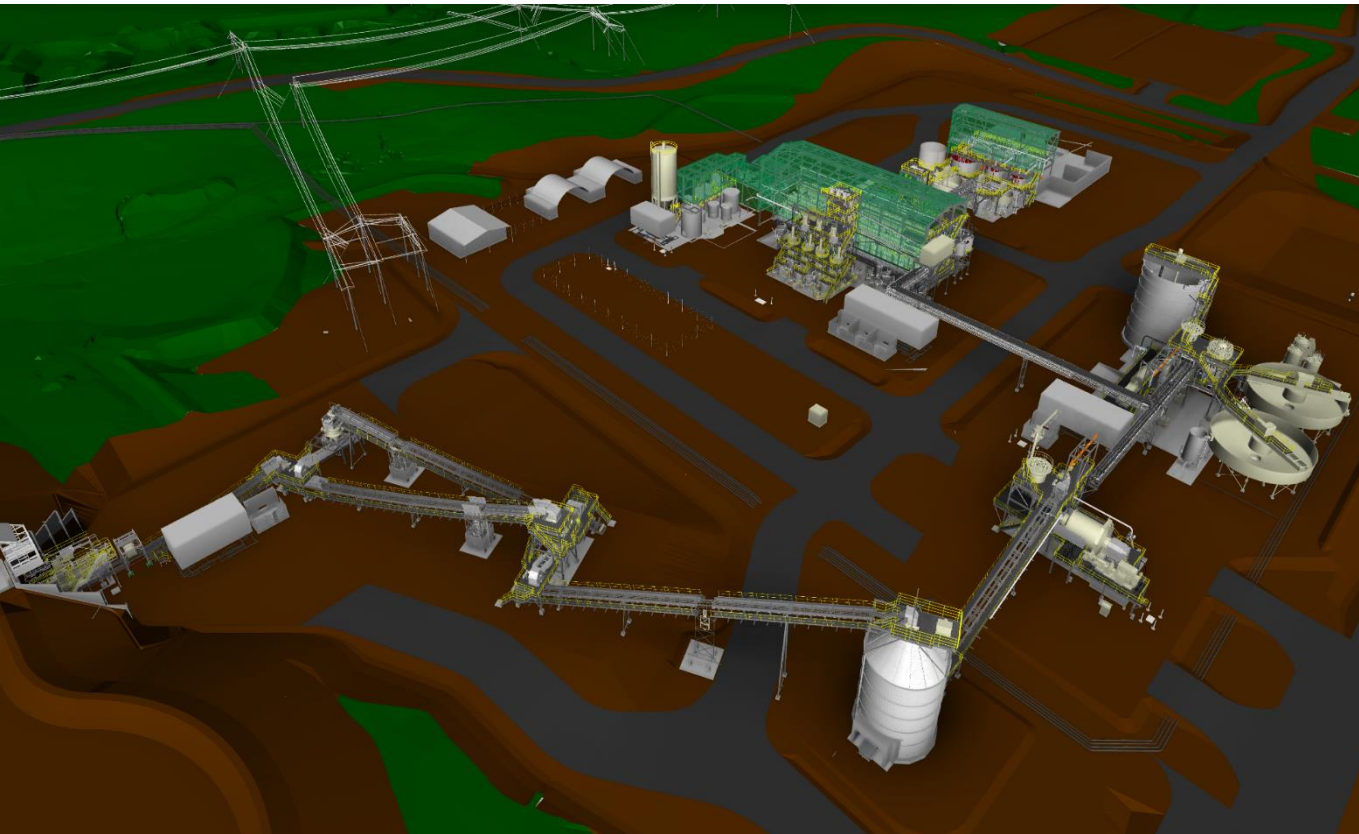
Steady State Gross Production

- 40ktpa Zn (88Mlbs)
- 10ktpa Cu (20Mlbs)
- 12ktpa Pb (25Mlbs)
- + Ag / + Au

¹ Refer to Slide 2 for definition

FOCUS WOODLAWN EPC

Construction on track and within budget



Project Delivery

Contractor: Sedgman

Value: A\$107M GMP
(Guaranteed Max. Price)

Personnel: 150+ FTE (current)
250 (peak)

Site Progress (end June):

- **Earthworks – Done**
- Detailed Design – 93%
- Concrete – 89%
- Equip Purchase – 93%
- Off Site Fabrication – 71%

OVERALL COMPLETION 62%

FOCUS WOODLAWN PROCESS PLANT

Site Progress



FOCUS WOODLAWN PROCESS PLANT

Site Progress - ROM Pad, TSF4 & Crushing



FOCUS WOODLAWN PROCESS PLANT

Site Progress - Grinding



FOCUS WOODLAWN PROCESS PLANT

Site Progress - Flotation



FOCUS WOODLAWN PROCESS PLANT

Site Progress – Concentrate Handling



FOCUS WOODLAWN PROCESS PLANT

Site Progress – Administration Facilities



FOCUS WOODLAWN OPERATIONAL READINESS

Building strong foundations

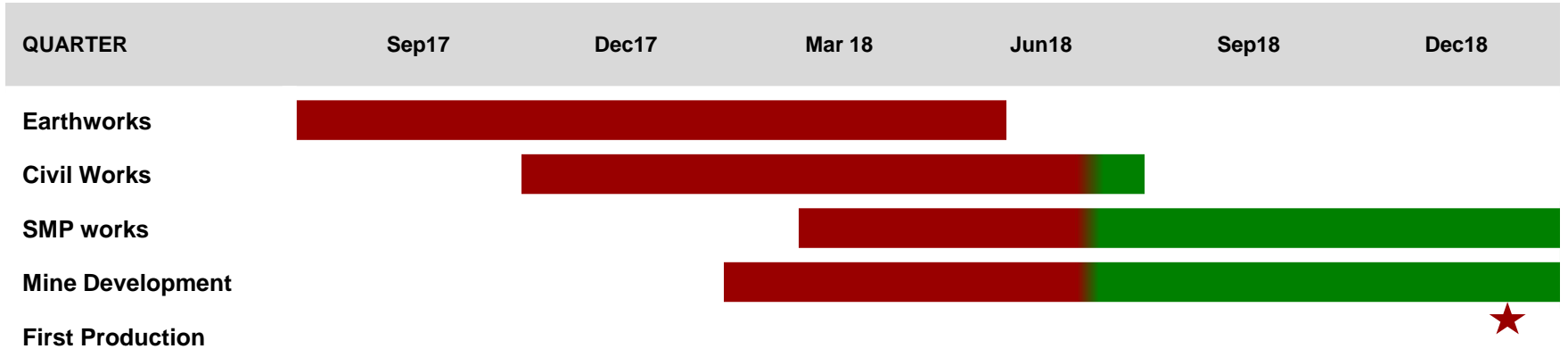


Current Activities

UG Mining Contract	Awarded
Tails Mining Contract	Awarded
Port Contract	Awarded
Haulage Logistics	Awarded
Power Contract	Awarded
Water Treatment	Awarded
Ops Team	Mgmt 100%
	Superintendents 80%
	Staff 44%
	Ops & Maint commenced

FOCUS WOODLAWN DELIVERY SCHEDULE

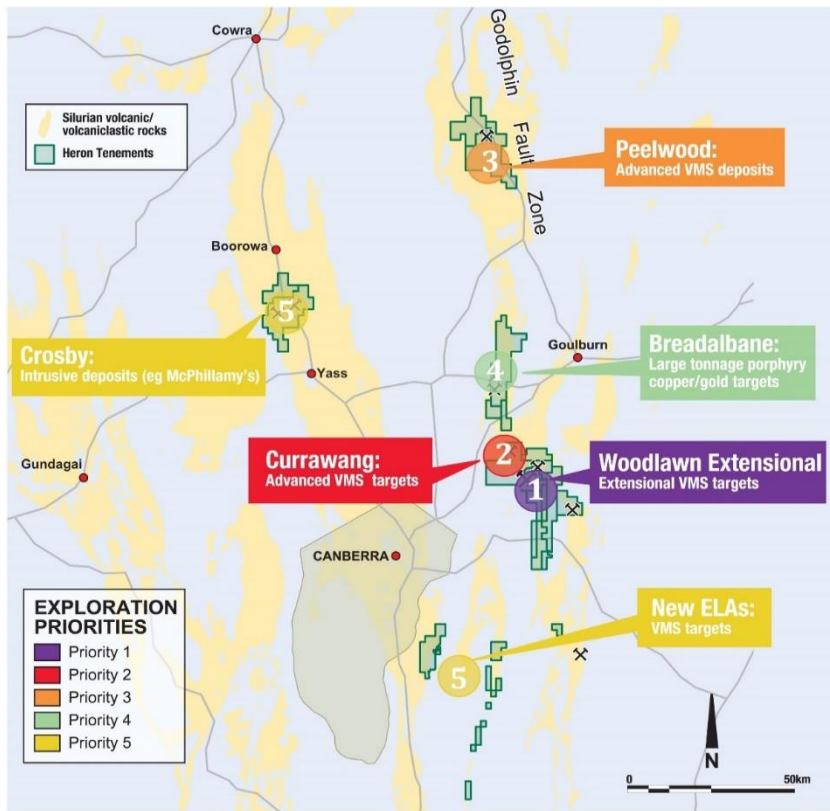
Expedited project schedule



Project currently 62% complete as at 30 June 2018
Targeting first production end 2018 / early 2019

GROWTH WOODLAWN EXPLORATION STRATEGY

Value Multiplier – building the business beyond the Feasibility Study ‘Starter Case’



Prioritised Organic Growth

1

In Mine Exploration

- Advancing Inferred Resources
 - UG 2.6Mt @ 15% ZnEq
 - Tailings 1.1Mt @ 5.8% ZnEq
- Shallow extensions – G, G2, Lisa, D lenses
- Adjacent trends & step out targets
- Deeper extensions – all 12 lenses

2

Near Mine (Regional) Exploration

- Historical satellite production sources
- Advanced regional deposits
- Regional prospects
- Commanding land tenure position

3

4

5

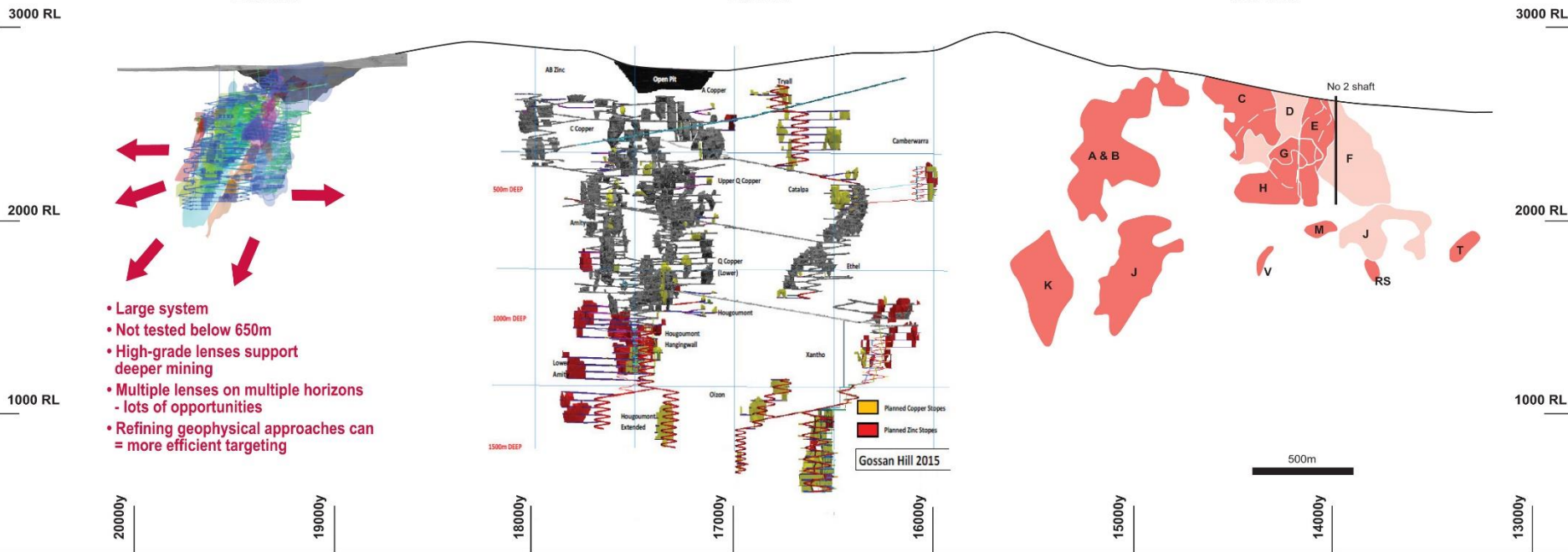
GROWTH WOODLAWN IN-MINE EXPLORATION

Limited Testing - Comparison with more extensively tested VMS deposits

**Woodlawn
~23Mt**

**Golden Grove / Gossan Hill
~48Mt**

**Rosebery
~50Mt**



- Large system
- Not tested below 650m
- High-grade lenses support deeper mining
- Multiple lenses on multiple horizons - lots of opportunities
- Refining geophysical approaches can = more efficient targeting

Planned Copper Stopes
Planned Zinc Stopes
Gossan Hill 2015

GROWTH WOODLAWN IN-MINE EXPLORATION

Multiple drilling programs – high grades across multiple massive sulphide lenses

Kate Lens Polymetallic
52% ZnEq



31% Zn, 2.0% Cu, 14% Pb, 0.54g/t Au, 96g/t Ag
WNDD0007: 425 – 426m

Kate Lens Polymetallic
33% ZnEq



20% Zn, 3.1% Cu, 1.2% Pb, 0.9g/t Au, 51g/t Ag
WNDD0031: 385.85-386.50m

Kate Lens Copper
30% ZnEq



9.1% Cu, 0.87g/t Au, 26g/t Ag
WNDD0071: 383-384m

B Lens Extension
26% ZnEq



12% Zn, 0.5% Cu, 7.6% Pb, 1.0g/t Au, 169g/t Ag
WNDD0108: 552.17-553.06m

G2 Mass Polymetallic
54% ZnEq



23% Zn, 6% Cu, 14% Pb, 0.11g/t Au, 52g/t Ag
WNDD0114: 150.65-151.65

G2 Mass Polymetallic
45% ZnEq

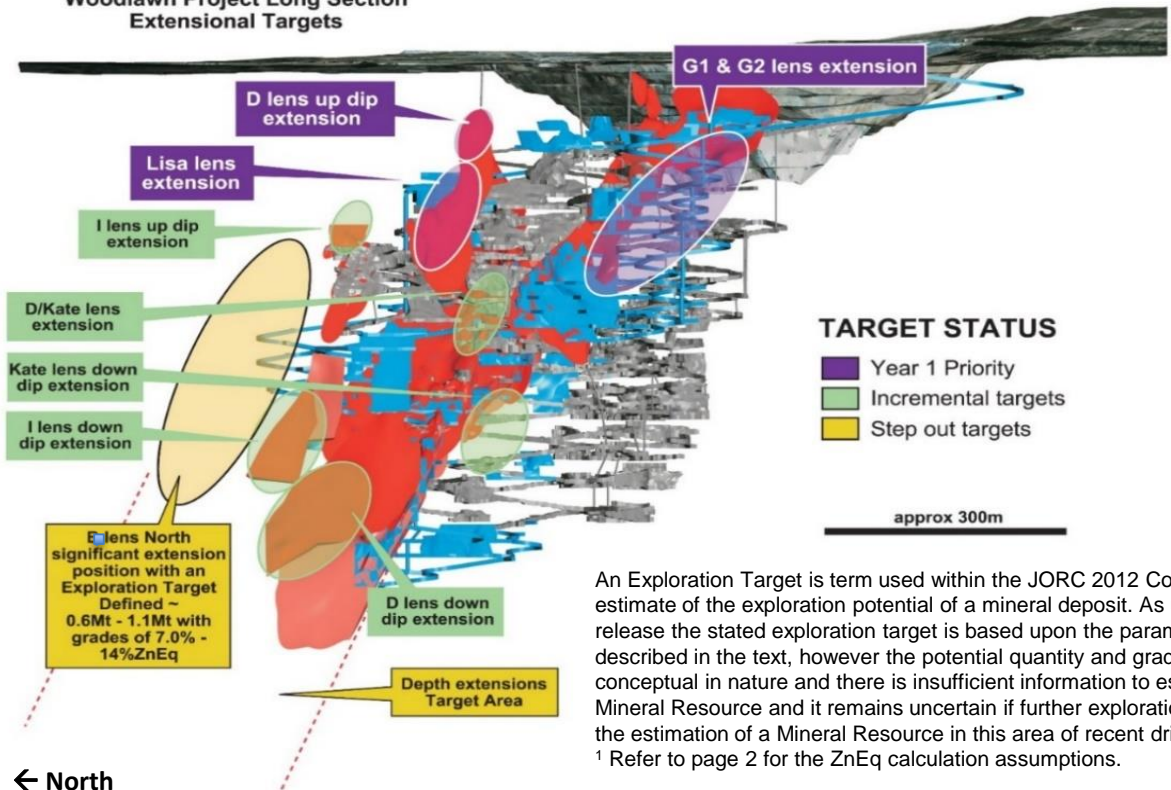


35% Zn, 0.8% Cu, 2.2% Pb, 2.2g/t Au, 114g/t Ag
WNDD0138: 124.04-125.13

GROWTH WOODLAWN IN-MINE EXPLORATION

Targeted additions to the Mine Plan

Woodlawn Project Long Section
Extensional Targets



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¹ Refer to page 2 for the ZnEq calculation assumptions.

Immediate Value-Add

Significant untapped potential remains 'in-mine'

14 Massive Sulphide Lenses

Numerous extensional positions

New lens discovery potential remains (since 2013 - Kate, Lisa, B Nth, G2)

Majority supported by existing planned capital development

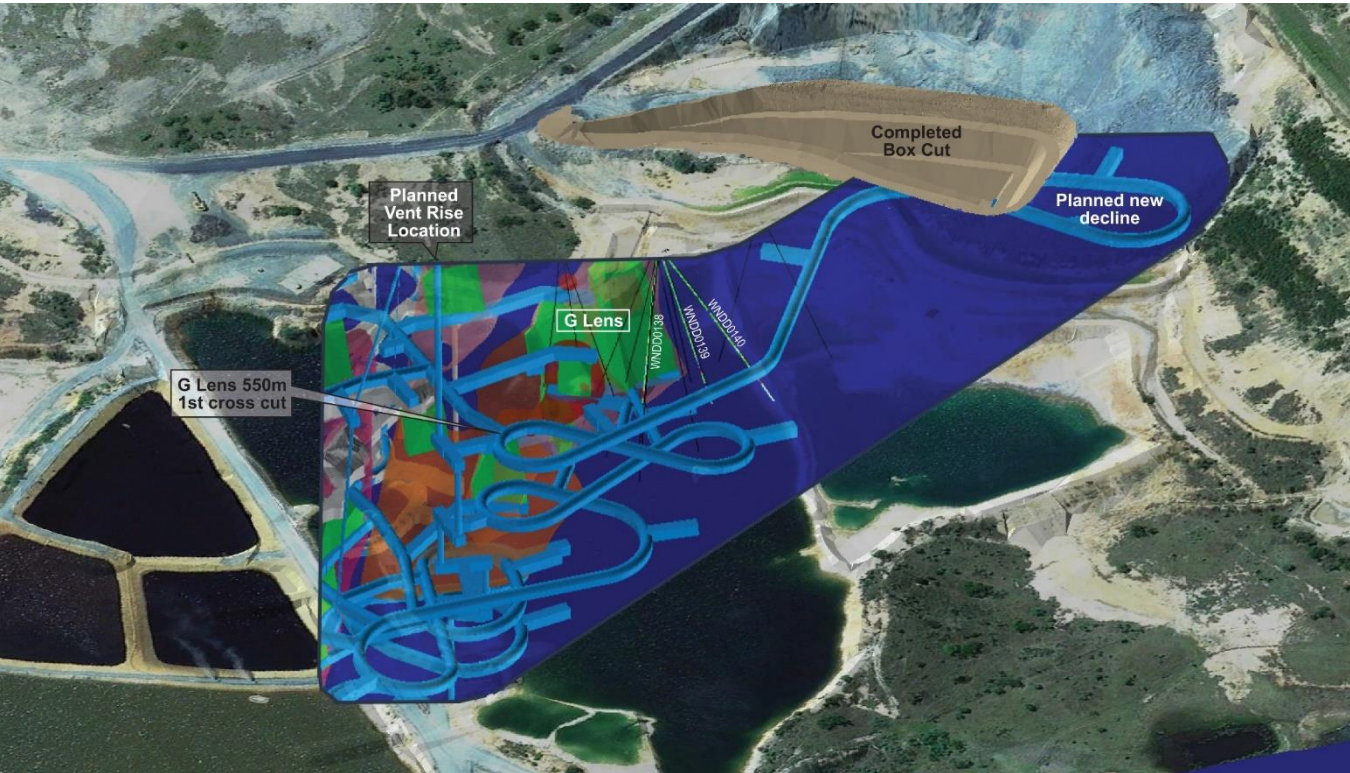
2017/2018 Focus – G2 & Lisa

- Shallow
- Early production sources

Mine Plan - Integrated drill testing program

GROWTH WOODLAWN IN-MINE EXPLORATION

G2 Main Lens – early stage mine plan addition



Immediate Value-Add

First mineralisation to be accessed underground

Returned high grade results from G2 & G2 H/W

Resource update H2 2018 (final assays Aug)

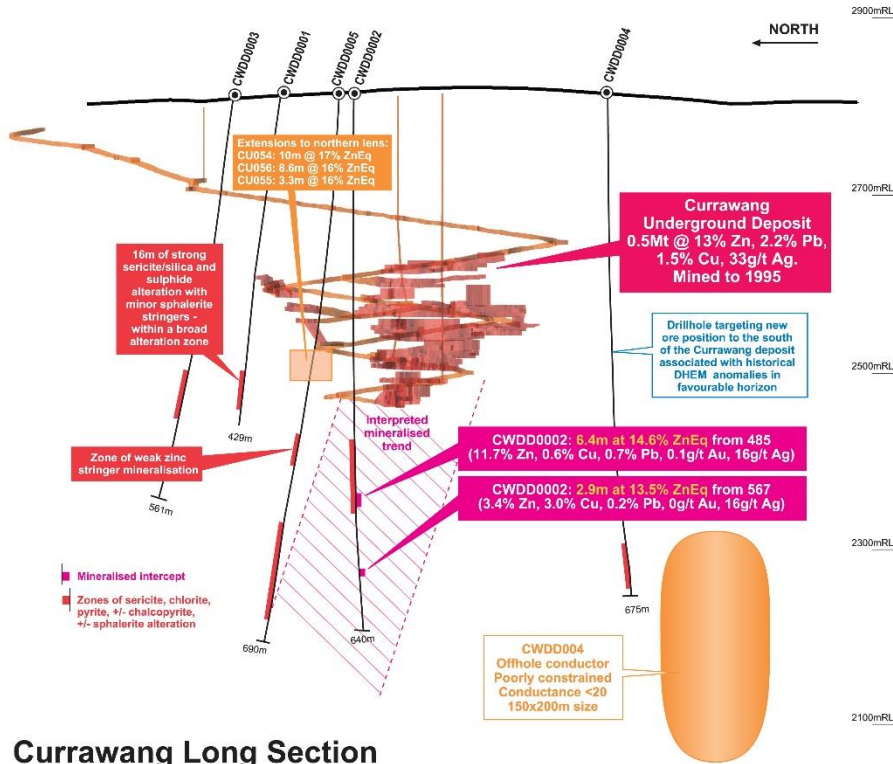
Positive initial metallurgical test work results

Depth extension potential (not closed off)



GROWTH CURRAWANG

Success with the first exploration program in 20 years



Currawang Long Section

Note: only current program drilling shown - existing drilling removed for clarity

Regional Priority

10km NW of Woodlawn

Mined 1992-1996:

- 0.5Mt @ 13% Zn, 1.5% Cu, 2.2% Pb, 33g/t Ag

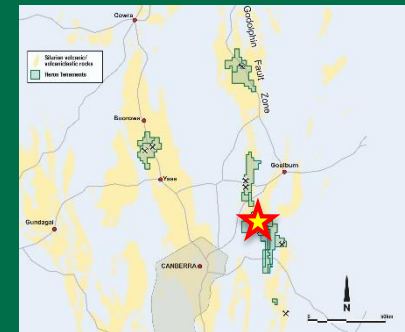
Unmined extensions:

- 8.6m @ 16% ZnEq
- 10.0m @ 17% ZnEq

2017 – Completed 5 hole drilling program

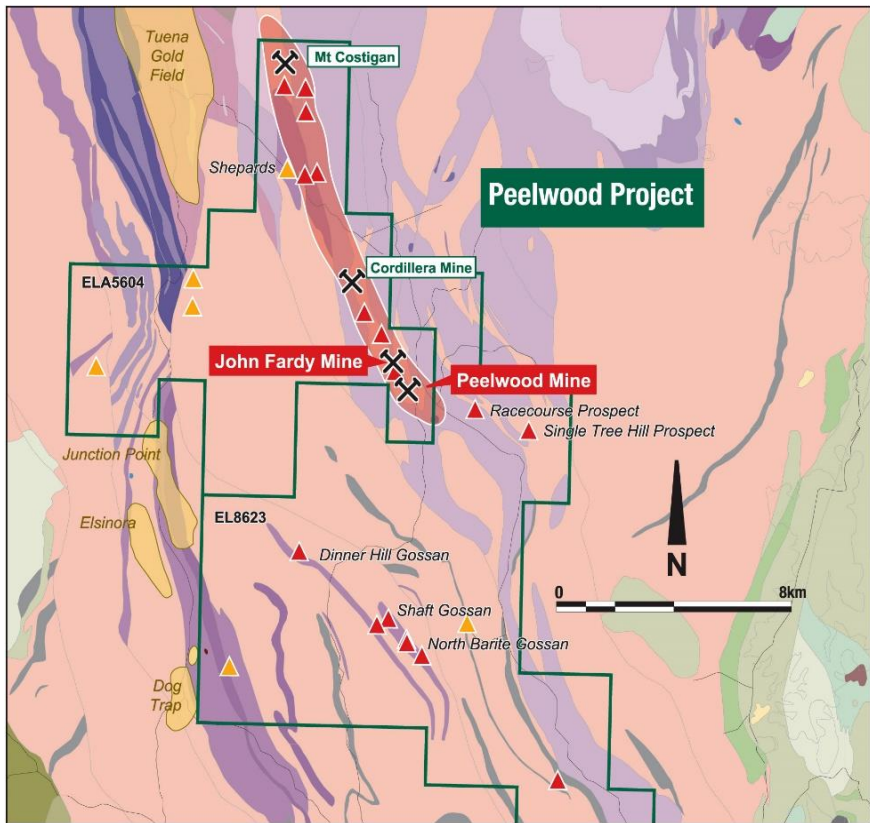
Intercepted semi-massive zinc and copper sulphides:

- 6.4m @ 14.6% ZnEq from 485m (11.7% Zn, 0.6% Cu, 0.7% Pb, 0.1g/t Au, 16g/t Ag)
- 2.9m @ 13.5% ZnEq from 567m (3.4% Zn, 3.0% Cu, 0.2% Pb, 0g/t Au, 16g/t Ag)



GROWTH PEELWOOD

Advanced VMS deposits



LEGEND

- Base Metal Mine (Red callout -prospects with JORC(2004) Mineral Resources)
- Base-metal prospects
- Gold prospects
- Heron Tenements
- Base-metal 'camps'
- Gold 'camps'

Devonian

- Cunningham Formation, Slaty siltstone with minor shale and sandstone
- Bushranger Volcanics, Porphyritic andesite
- Cooks Vale Granite, Muscovite-biotite granite

Silurian

- Cuddyong Formation, Sandstone, siltstone and shales with rhyolitic to dacitic volcanoclastic rocks and lavas
- Cuddyong Formation, Rhyolitic to dacitic, volcanic sandstone and lava
- Cuddyong Formation, Quartzose sandstone with interbedded, grey to black siltstone
- Cuddyong Formation, Black, siliceous, carbonaceous, and pyritic siltstone and shale
- Kangaloolah Volcanics, Rhyolitic, volcanic sandstone and breccia with some tuffaceous shales
- Wrens Nest Trachyte, Porphyritic quartz trachyte to rhyolite
- Limestone which locally contains crinoid ossicles

Regional Priority

105km north of Woodlawn

New ELA5604 – VMS camp coverage

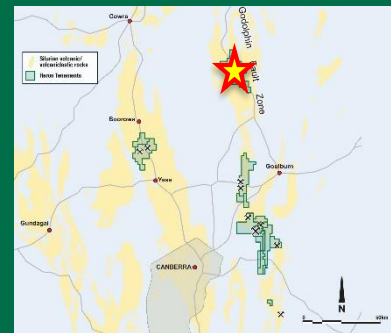
John Fardy & Peelwood Mines – a 'forgotten' asset

High grade VMS drill results:

8.4m from 36m (JF16)
(23.5% Zn, 2.6% Cu, 0.6% Pb, 41g/t Ag)

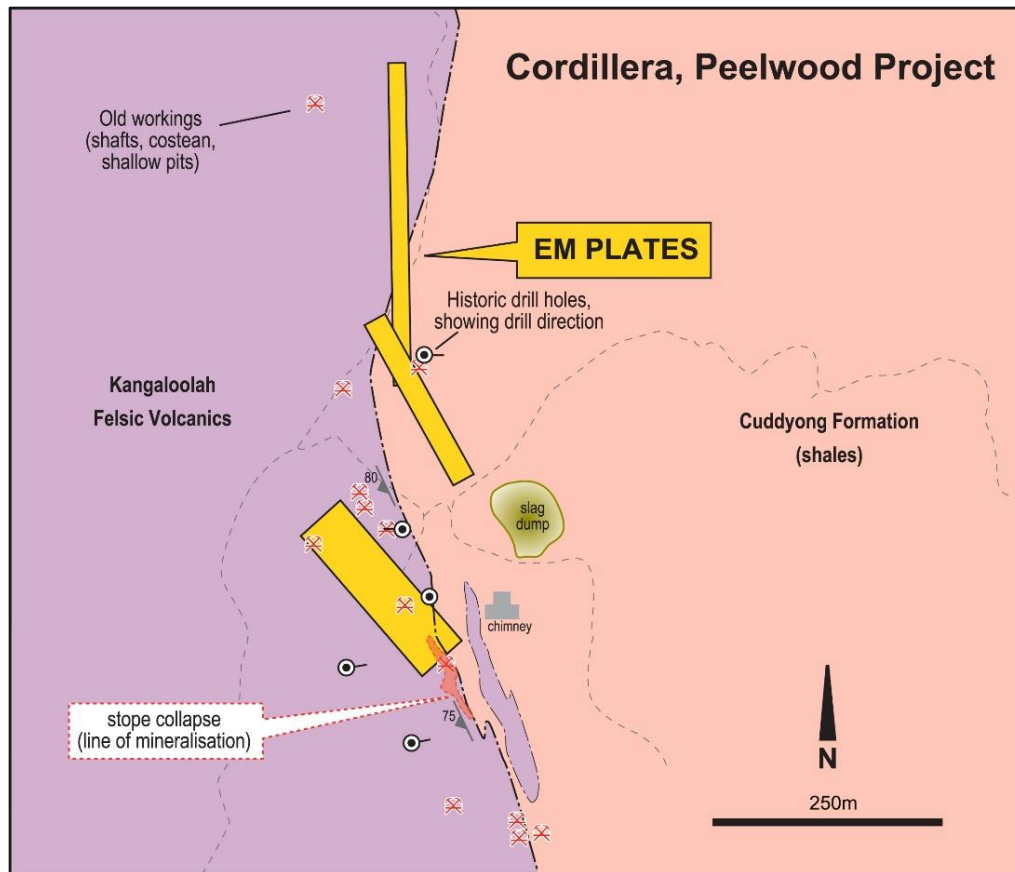
6.1m from 45m (JF38)
(22.7% Zn, 1.2% Cu, 1.5% Pb, 23g/t Ag)

Previously defined resources, reserves and project studies – Balamara 2009



GROWTH PEELWOOD

Cordillera Mine Prospect – Electromagnetic Anomalies Drill Targets



Regional Priority

Historic mine site

4km north – west of Peelwood

Grab sample from mine dumps of fresh massive sulphide by Heron returned:

16%Zn, 25%Pb and 497g/t Ag

2014 airborne EM survey -

- EM anomalies extending to the north
- Previous drilling has not tested

Finalising land access and drilling preliminaries – drilling Q3



WOODLAWN PRODUCING ZINC IN 2019



HERON RESOURCES

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ASX: HRR

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WOODLAWN Mineral Resources and Ore Reserves - Underground

Woodlawn Total Underground Mineral Resource 2017 (ASX Release 13 Nov 2017)
(7% ZnEq cog for Polymetallic and 1% Cu cog for Copper)

Indicated + Measured Mineral Resource

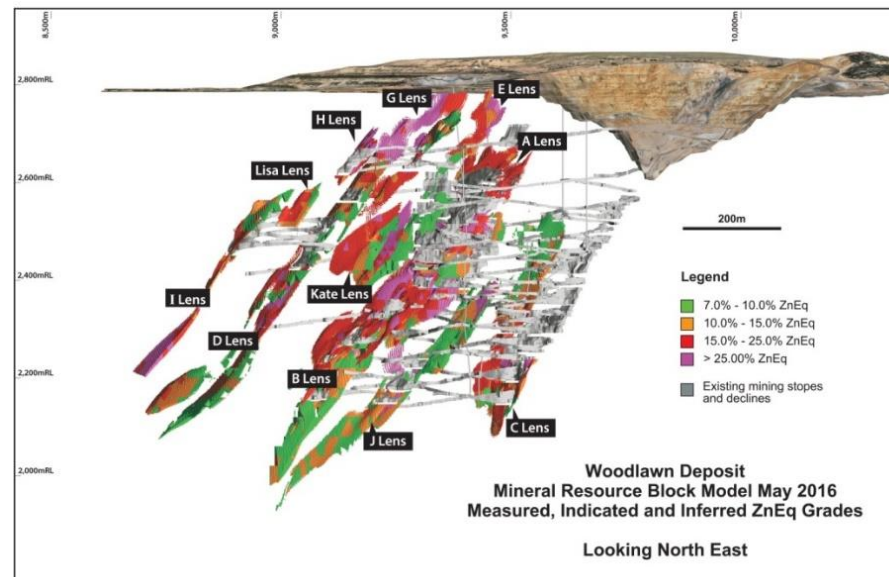
			Tonnes Mt	ZnEq %	Zn %	Cu %	Pb %	Au g/t	Ag g/t
All Lenses	Polymetallic	Ind+Mea	2.7	21.6	10.9	1.5	4.0	0.7	79
All Lenses	Copper	Ind+Mea	1.9	9.7	0.7	2.6	0.1	0.2	14
Total	Combined	Ind+Mea	4.6	16.7	6.7	1.9	2.4	0.5	52

Inferred Mineral Resource

			Tonnes Mt	ZnEq %	Zn %	Cu %	Pb %	Au g/t	Ag g/t
All Lenses	Polymetallic	Inf	1.9	16.9	7.3	1.5	3.0	0.8	61
All Lenses	Copper	Inf	0.7	9.2	0.7	2.5	0.1	0.2	12
Total	Combined	Inf	2.6	14.9	5.6	1.8	2.2	0.6	48

Total Mineral Resource

			Tonnes Mt	ZnEq %	Zn %	Cu %	Pb %	Au g/t	Ag g/t
All Lenses	Polymetallic	Ind+Mea+Inf	4.6	19.7	9.4	1.5	3.6	0.7	71.6
All Lenses	Copper	Ind+Mea+Inf	2.6	9.6	0.7	2.6	0.1	0.2	13.5
Total	Combined	Ind+Mea+Inf	7.2	16.0	6.3	1.9	2.3	0.5	50.6



Woodlawn Underground Mineral Reserve Estimate 2016

Type	Reserve Category	Quantity (Mt)	ZnEq(%)	Zn(%)	Cu(%)	Pb(%)	Au(g/t)	Ag(g/t)
Polymetallic	Proven	0						
Polymetallic	Probable	1.8	16	8.1	1.2	2.9	0.56	57
Copper	Proven	0						
Copper	Probable	0.96	8.8	0.61	2.4	0.13	0.23	14
Total	Probable	2.8	14	5.5	1.6	1.9	0.45	42



Mineral Resources and Ore Reserves - Tailings

Mineral Resource Estimate - Woodlawn Retreatment Project (2016)

Resource Category	Grades						
	Quantity (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Measured + Indicated Mineral Resources							
North Dam	2.7	6.0	2.40	0.42	1.30	0.27	34
South Dam	3.3	6.0	2.50	0.46	1.20	0.25	27
West Dam	3.8	6.5	2.0	0.62	1.40	0.40	35
Total Mea+ Ind	9.8	6.2	2.30	0.51	1.3	0.31	32
Inferred Mineral Resources							
North Dam	0.2	6.2	2.40	0.42	1.30	0.27	34
South Dam	0.9	5.6	2.30	0.48	1.20	0.25	24
West Dam	0.0	-	-	-	-	-	-
Total Inferred	1.1	5.8	2.30	0.47	1.20	0.25	27
Total Mea+Ind+Inf	10.9	6.2	2.30	0.51	1.29	0.30	32

Woodlawn Tailings Mineral Reserve Estimate 2016

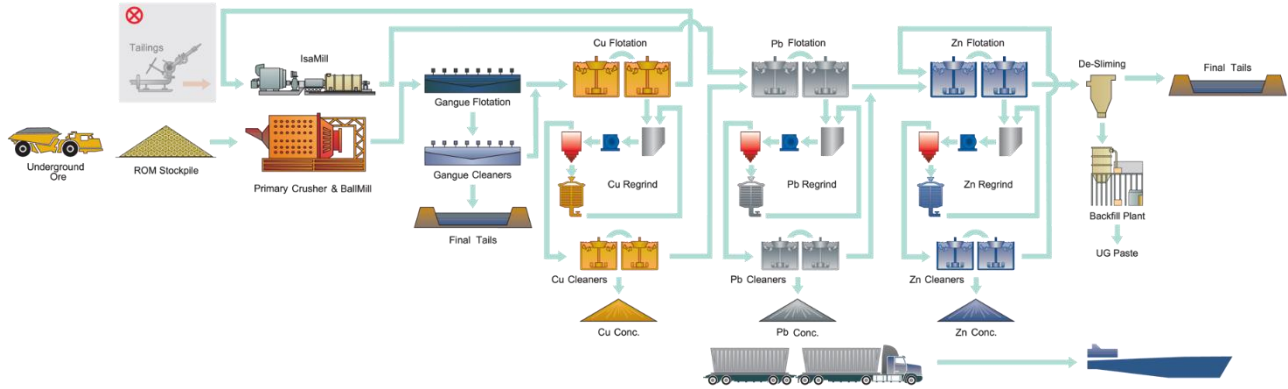
Reported with no cut-off grade applied

Reserve Category	Quantity (Mt)	ZnEq(%)	Zn(%)	Cu(%)	Pb(%)	Au(g/t)	Ag(g/t)
Proven	6.4	6.0	2.2	0.5	1.3	0.29	31
Probable	3.2	6.0	2.1	0.5	1.3	0.33	32
Total (Proven + Probable)	9.5	6.0	2.2	0.5	1.3	0.31	31

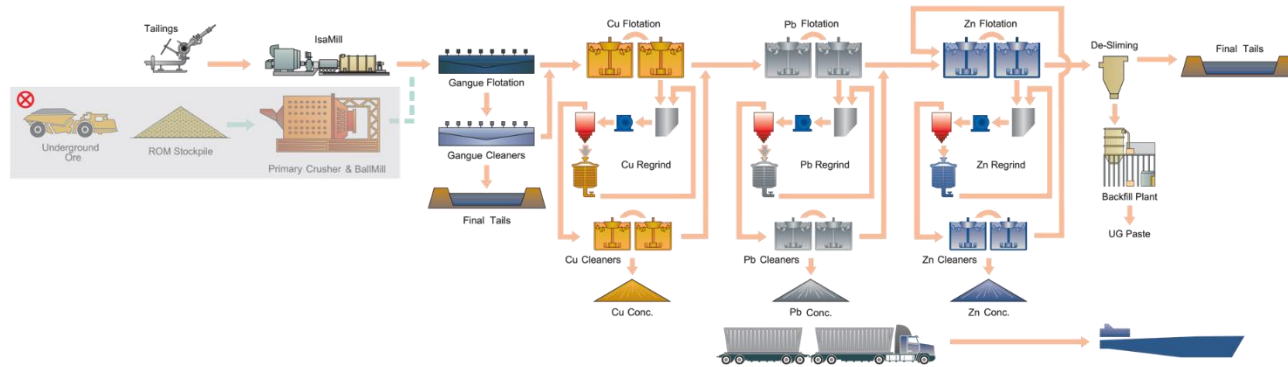


WOODLAWN PROCESS PLANT

Campaign treatment from two de-coupled ore sources



**Underground
Ore Configuration**
←



**Reclaimed Tailings
Ore Configuration**
←