



Heron Resources Limited

ASX/TSX Release

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Heron Resources Limited – Woodlawn Drilling Commences

Heron Resources Limited (“Heron” or the “Company”) is pleased to announce the commencement of the 2014 drilling program at the high grade Woodlawn Project, located in New South Wales, Australia.

Highlights:

- Significant four month drilling program underway
- 7,200m diamond and up to 5,000m RC drilling
- Targeting resource expansion, geotechnical data and metallurgical sample material

ASX:HRR/TSX:HER

Issued Shares	361M
Share Price	\$0.17
Market Cap	\$61.4M
Cash (30 June 2014)	\$32.9M
Investments	\$ 3.4M
Total C+I	\$36.3M

As noted in the 27 August 2014 market release, Heron has committed to undertaking a significant drilling program at the Woodlawn Project and now confirms that the first diamond drill rig has commenced on site. The second drill rig, being an RC rig, is being mobilized and expected to commence within the next few days.

2014 Woodlawn Drilling Program

The Woodlawn VMS system comprises 12 known massive sulphide lenses and these are the focus of the current drilling program. The target is to delineate additional resources up and down dip in support of recommencing underground mining at Woodlawn, including the testing of the new Kate Lens, discovered in 2013.

The drilling program consists of up to 5,000 metres of shallow RC drilling, and 7,200 metres of diamond drilling and separated into four major components:

1. Shallow RC drilling to test the up-dip extension to known lenses
2. Mid-depth diamond drilling targeting Kate Lens and other western lenses
3. Limited deep drilling targeting I, I2, D and B Lenses
4. Geotechnical drilling for the box cut and access decline

The RC drilling will target the up-dip extensions to a number of the lenses that historically lacked access and were impeded by existing mine infrastructure that was constructed prior to their discovery. With modifications to the mine layout these areas now have the potential to provide Heron with the early stage, easy access sources of high grade underground feed stock to the future processing plant.

The mid-depth drilling is centered on 350 to 400 metres below surface and well above the base of the former operations. Within this zone a key target is the Kate Lens (up/down dip and along strike from the discovery hole). In addition, there are a number of holes testing the down plunge extensions to a number of the lenses that were not extensively exploited historically. These areas also have the capacity to deliver easy access ore to the mine production early in the mine life.

The deeper drilling is designed to test the I, I2 and D lenses at depths down to 450 metres below the surface before continuing down to test extensions of the thick (often over 20 metres during previous underground mining) and high-grade B Lens position at some 750 metres to 800 metres below the surface.

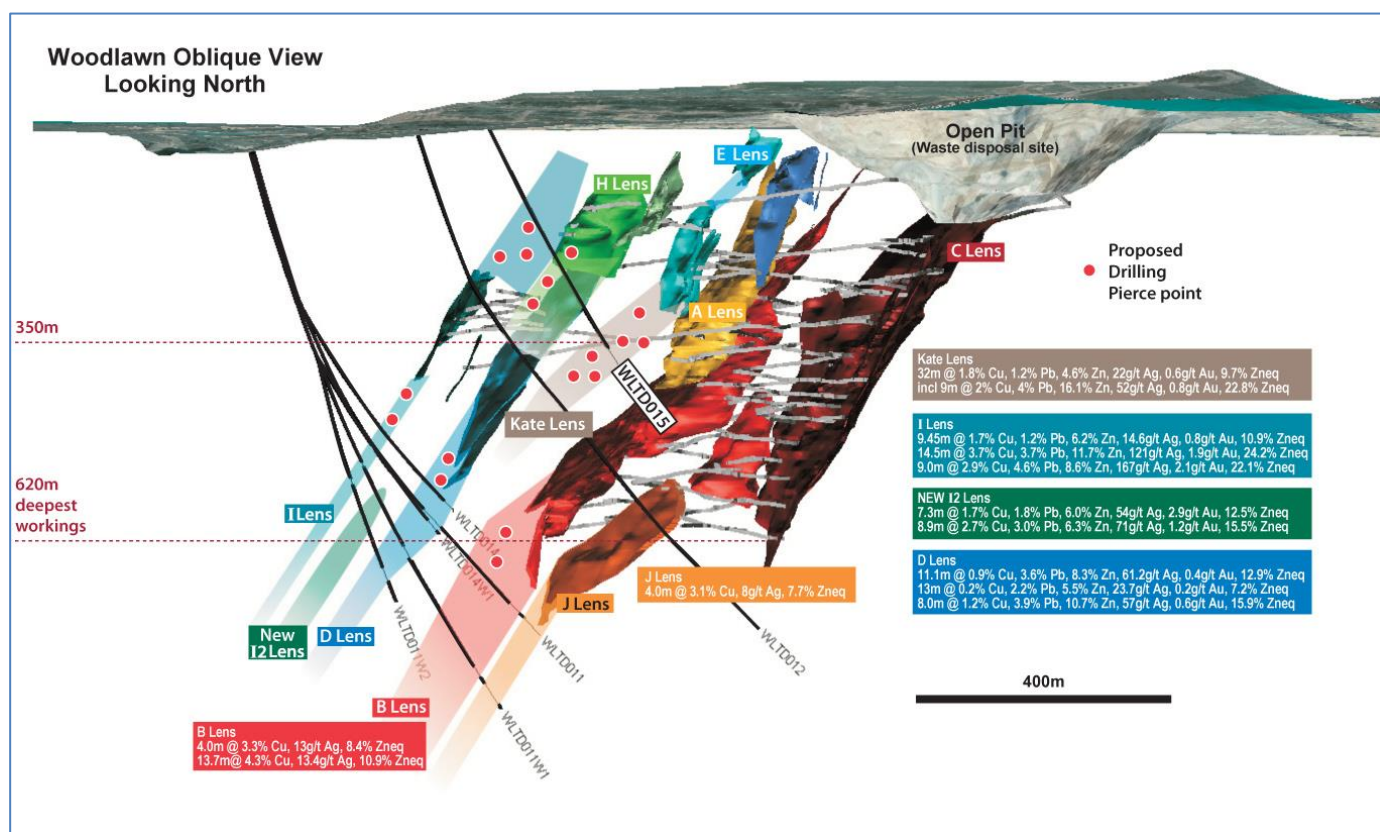


Figure 1: Woodlawn high grade massive sulphide lenses (looking north), recent drilling (green traces), planned drilling piece points (dots).

An integral part of the program will be the further use of downhole EM surveying, the technique responsible for the discovery of the Kate Lens. The EM loops are being designed to fit around the existing surface infrastructure and it is expected that they can be left in place to enable rapid turnaround of results to assist with concurrent hole planning.

Geotechnical logging of the core will provide critical input data for the selection of appropriate mining methods to be applied to individual areas. This drilling program will also provide material for metallurgical testwork to commence on the Woodlawn Underground Project. Additionally, sterilization RC drilling is required in the area of the box cut and proposed plant site area. The final component to the program is the geotechnical drilling to finalise the access box cut location and design parameters.

Woodlawn Near-Mine Exploration

The current drill program has clearly defined targets, however, in the area immediately adjacent to the mine site are a number of priority areas that will form the initial step-out exploration at Woodlawn. The top priority is the structurally controlled northwest corridor (Figure 2) which forms a logical extension to the current exploration work.

The massive sulphide lenses discovered to date at Woodlawn are stacked and structurally bound by northwest trending faults. This area remains untested outside of the immediately defined mineralized footprint due to existing surface infrastructure previously inhibiting the establishment of suitable drilling locations. In addition, this structural corridor is further supported by defined EM anomalies from previous survey work. These anomalies are currently being reviewed by the Company's geophysical consultants and will be one of numerous data-sets used to generate future targets.



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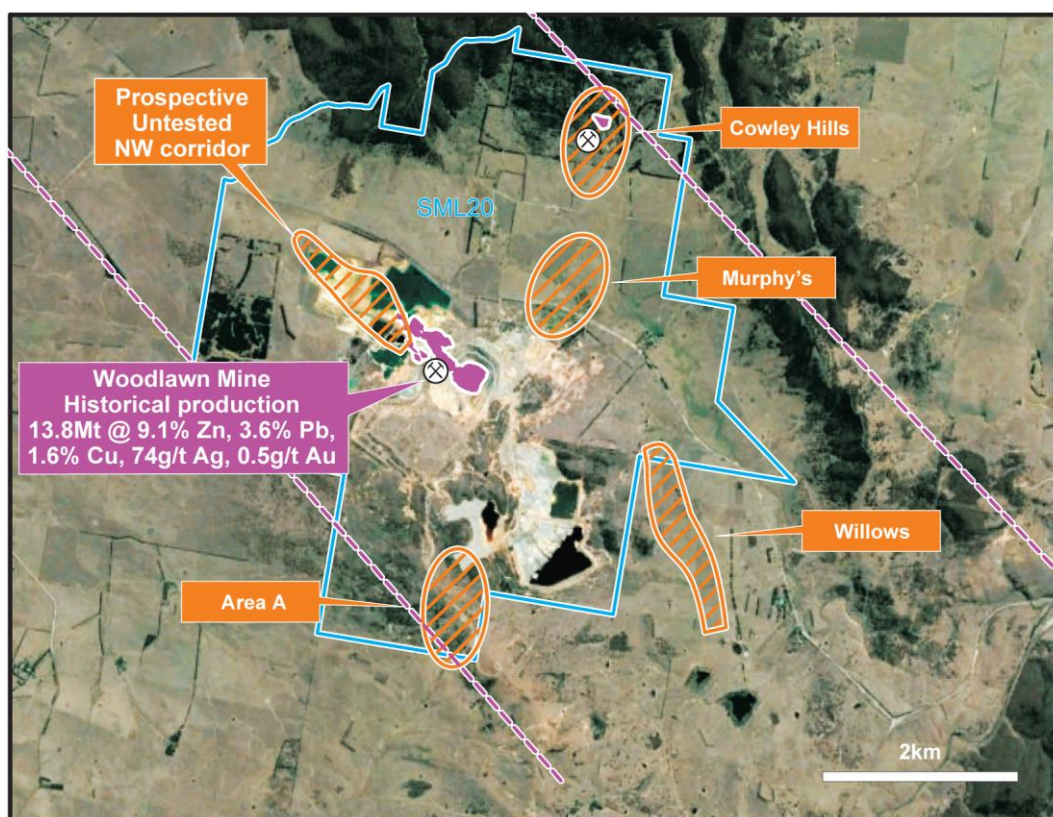


Figure 2: Woodlawn – prospective northwest corridor and near mine prospects.

Woodlawn Regional Exploration

The regional exploration setting is considered very prospective for further base metal discovery. This has been demonstrated through the previous mining operations at Cowley Hills, 2km north of Woodlawn, and Currawang, 9km northwest of Woodlawn (Figure 3). These deposits provided high grade base metal satellite feed to the Woodlawn concentrator during the former operations.

Currawang is of particular interest having produced in excess of 500,000 tonnes of ore from an underground mine between 1991 and 1995. This ore was trucked the 10km southeast to Woodlawn and was of similar grade to the Woodlawn ore. The deposit is largely hosted by the Currawang Basalt in a higher stratigraphic position than Woodlawn. Two high priority targets have been generated in this area through a detailed review of the project in 2009. The ore lenses at Currawang were often rich in pyrrhotite making them potential EM targets and therefore, the priority targets will be surveyed with surface EM prior to potential drill testing.



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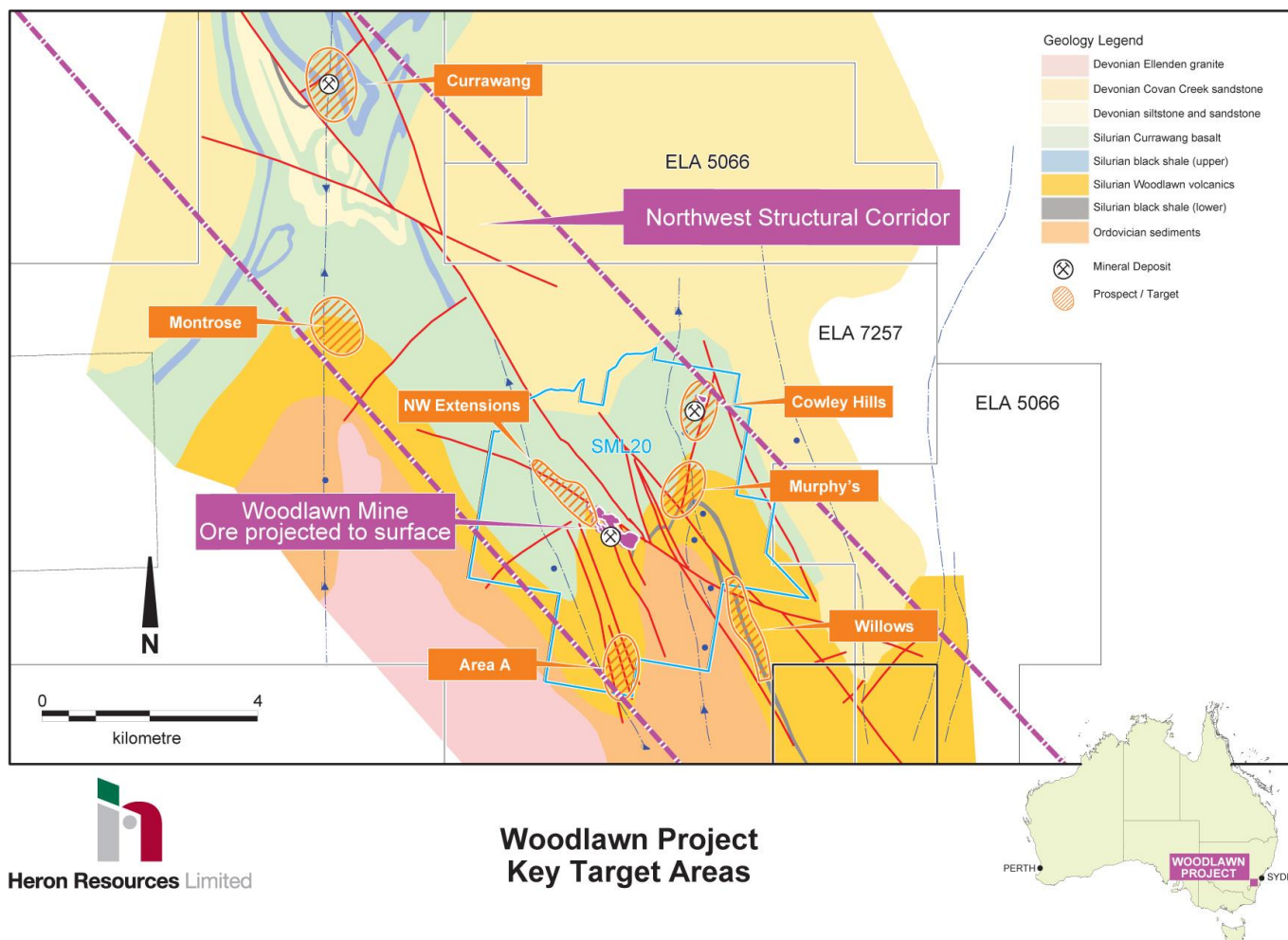


Figure 3: Geological map of the Woodlawn region showing the cluster of deposits and key prospects with the NW Structural Corridor.

About Heron Resources Limited

Heron is engaged in the exploration and development of base and precious metal deposits in Australia. Heron's projects include the high grade Woodlawn Project located 250km southwest of Sydney, New South Wales, and the Kalgoorlie Nickel Project located north of Kalgoorlie, Western Australia. In addition the Company holds a number of other high quality base metal and copper-gold exploration properties located in the Lachlan Fold Belt, New South Wales.

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The technical information in this report that relates to exploration is based on information compiled by David von Perger who is a Member of the Australasian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited. David von Perger has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity that is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David von Perger has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, which are based on expectations, estimates and projections as of the date of this news release. This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Canada, Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.