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Heron Resources Limited
Quarterly Report
September 2014

30 October 2014

HIGHLIGHTS

ASX:HRR	TSX:HER
Issued Shares	361M
Share Price	$0.15
Market Cap	$54.2M
Cash (Sept 2014)	$31.0M
Investments	$ 3.4M
Total C+I	$34.4M

- **Heron – TriAusMin merger successfully completed**
- **Drilling underway at the high grade Woodlawn Zinc-Copper Project**
  - **Five diamond holes and 11 RC holes completed with a number of massive sulphide intercepts (assays all pending):**
    - **14.4 metres in WNDD0001 from 374 metres (Kate Lens)**
    - **8.8 metres in WNDD0002 from 374 metres (Kate Lens)**
    - **6.3 metres in WNDD0003 from 397 metres (Kate Lens pyrite breccia)**
    - **1.5 metres in WNDD002 from 217 metres (edge of H Lens)**
    - **8.0 metres in WNRC0010 from 37 metres (up-dip G Lens)**
  - **Downhole EM survey underway – new conductor plates modelled**
- **PEA / Scoping Study commenced on Woodlawn Underground Project**
  - **Geotechnical drilling and evaluation contracts let for box-cut and decline underground re-access**
- **Cash A$31.0 million and listed investments A$3.4 million at 30 September 2014**

1. Heron-TriAusMin Merger

- **Heron – TriAusMin merger successfully completed 5 August 2014**
- **Heron commenced trading on the TSX on 20 August 2014 (ASX:HRR, TSX:HER)**

Heron Resources Limited (**Heron**) and TriAusMin Limited (**TriAusMin**) completed a **A$15.6 million all-scrip merger** on 5 August 2014 following the Federal Court approval of the transaction. Heron commenced trading on the TSX on 20 August 2014 under the ticker 'HER'.

The merged entity immediately mobilised personnel and contract drilling resources to the Woodlawn site to commence the proposed drilling program targeting the expansion of the resource base for the underground project. This is the initial step to deliver a Preliminary Economic Assessment (PEA) or Scoping Study on the underground project in March 2015.

2. Woodlawn Zinc-Copper Project

Heron now holds a direct 100% ownership of the past-producing Woodlawn Mine situated 40km south of Goulburn and 200km south-west of Sydney, in southern NSW. It is Heron's aim to create a profitable, long life and low cost mineral processing operation at Woodlawn that produces base and precious metal concentrates. Heron also holds a portfolio of tenements adjacent to the Woodlawn site covering the prospective felsic volcanics that host the Woodlawn VMS deposit.

Historically, the Woodlawn Mine operated from 1978 to 1998 and processed 13.8 million tonnes of ore from the Woodlawn open pit, underground and satellite deposits grading 9.1% zinc, 1.6% copper; 3.6% lead, 0.5g/t gold and 74g/t silver. The mine was closed in March 1998 due to prevailing low metal prices and corporate issues faced elsewhere by the mine owner at the time. Post the mine closure, the mineral rights contained within the Woodlawn Mining Licence SML20 were purchased by TriAusMin. Since that time, work has focused on evaluating the potential to re-process the existing tailings left on site from previous operations (termed the **Woodlawn Retreatment Project – WRP**), the potential to re-develop the underground mine (**Woodlawn Underground Project – WUP**), and exploring the regional Woodlawn land holdings to discover new, high grade satellite deposits (**Woodlawn Exploration Project – WEP**).

Surface rights to the Woodlawn site were separately purchased by Veolia Environmental Services (Australia) Pty Limited (Veolia) which now operates a waste management facility and bioreactor at the open site. Heron has entered into various agreements with Veolia that provide for the physical boundaries to the respective working areas (including the steps to excise Veolia's surface area from SML20), the option for Heron to either lease or purchase freehold land over its areas of operation and the structure through which aspects requiring a co-operative approach are addressed and administered.

On 4 July 2013 final project approval for the Woodlawn Project (both WRP and WUP) was granted by the NSW Department of Planning and Infrastructure under Part 3A Major Projects of the NSW Environmental Planning and Assessment. This represents formal approval to commence a future mining operation.

The mining lease covering the Woodlawn Project (SML20) is held by Tarago Operations Pty Ltd, a 100%-owned subsidiary of Heron. This lease is in the final stages of being renewed for a further 21 year period with the Company expecting formal renewal notification in the next quarter.

Woodlawn Underground Project (WUP)

- **Drilling underway at the high grade Woodlawn Zinc-Copper Project**
  - **Five diamond holes and 11 RC holes completed with a number of massive sulphide intercepts (assays all pending):**
    - **14.4 metres in WNDD0001 from 374 metres (Kate Lens)**
    - **8.8 metres in WNDD0002 from 374 metres (Kate Lens)**
    - **6.3 metres in WNDD0003 from 397 metres (Kate Lens pyrite breccia)**
    - **1.5 metres in WNDD002 from 217 metres (edge of H Lens)**
    - **8.0 metres in WNRC0010 from 37 metres (up-dip G Lens)**
  - **Downhole EM survey underway – new conductor plates modelled**

The 2014 drilling program commenced on 9 September following up the 2013 Kate Lens discovery. The first stage of drilling is designed to enable estimation of an Inferred Mineral Resource and in combination with the existing resource will form the basis of a PEA/Scoping Study centred on the underground project at Woodlawn with targeted completion in March 2015.

The first phase of the proposed drilling comprised some 7,200 metres of diamond core drilling (DDH) in 15 holes and a program of up to 5,000m of reverse circulation (RC) drilling. To date five DDH holes have been completed for 1,859 metres and 11 RC holes have been completed for 1,146 metres (Figure 1). The DDH drilling has targeted the Kate Lens EM conductor plate and also the up-dip position of the I Lens.

Key intercepts for the Kate Lens drilling include:

- WNDD0001: 14.4 metres of Complex Massive Sulphide from 373.6 metres (northern Kate Lens)
- WNDD0002: 1.5 metres of Complex Massive Sulphide from 216.8 metres (edge of H Lens)
- WNDD0002: 8.8 metres of Complex Massive Sulphide from 373.9 metres (upper Kate Lens)
- WNDD0003: 6.3 metres of Semi Massive Pyrite Breccia from 397.2 metres (northern edge Kate Lens)

Preliminary assays for the WNDD0001 sulphide intercepts have been received but are currently undergoing quality control checks including re-assay of selected intervals to ensure the results satisfy QAQC standards before being released.

The two diamond holes into the I Lens up-dip position both intersected zones of weak stringer sulphide mineralisation indicating likely proximity to a massive sulphide lens (refer to DHEM survey notes below).

The RC drilling has targeted the shallow up-dip positions of the A, G, H and I Lenses. However due to collapsing clay material encountered in the drill collars of the I Lens up-dip positions, RC drilling was terminated. As a result of persistent operational issues the RC drilling has been replaced with an extension to the diamond drilling component of the program. The RC program did return an intersection of the G Lens at shallow depths:

- WNRC0010: 8 metres of massive sulphides from 37 metres depth (G Lens up-dip), assays pending

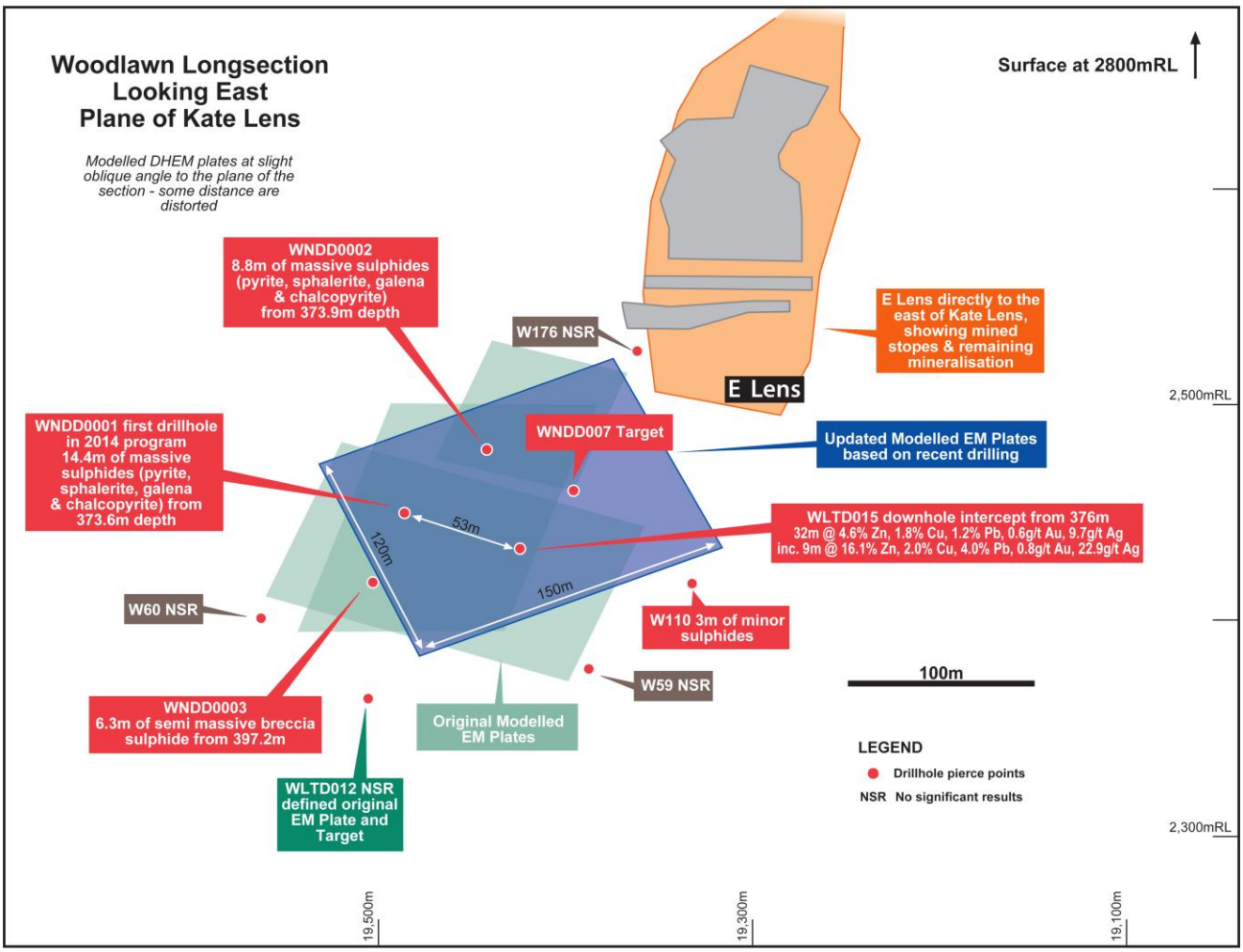


Figure 1 Long-section looking east for the Kate Lens showing recent drilling and modelled DHEM plates.

Heron has engaged Outer Rim and Mitre Geophysics to undertake and interpret down hole electromagnetic (DHEM) surveys during the current drilling program. This technique was successful for initially identifying the Kate Lens and is an important tool to assist in 'seeing' beyond the immediate drill hole position. To date four of the recent DDH holes have been surveyed. This has resulted in further refining the Kate Lens geometry and the drilling program has been modified to account for this new information. The surveys in the two holes targeting the I Lens up-dip position recorded off-hole conductors that also provide targets for future drilling. The DHEM surveys are continuing on the various RC holes and are an integral part of the current evaluation program.

Geotechnical studies, mine design and the drafting of management plans have commenced as preparation to re-establish access to the WUP via a box-cut and short decline to intersect the former underground development infrastructure.

A Preliminary Economic Assessment (PEA) or Scoping Study has been commenced with a focus on the WUP. This has involved the appointment of a number of independent consultants to provide specialist, and where required, Qualified Persons (QP) input into critical areas of the resource modelling, geotechnical studies, mine planning, backfill design, metallurgical test work, plant design / engineering and environmental studies. A detailed schedule has been developed that will see the completion of the PEA by the end of March 2015. Following the PEA, and with the noted benefits of capital cost efficiencies and operating flexibility with the combined development of the WUP & WRP, a Bankable Feasibility Study for the combined project development will commence. All current drilling and feasibility programs at Woodlawn are fully funded from Heron cash reserves. This includes the completion of the PEA on the underground project.

Woodlawn Tailings Retreatment Project (WRP)

- **Simulus Engineers – undertaking WRP optimisation study:**
  - **flotation test-work completed**
  - **capital cost review identifies potential for significant capital reductions**

Heron's focus at Woodlawn is the WUP, notably securing access as soon as possible. However, the lower grade WRP fully complements the high grade WUP, with both amenable to processing through a single flotation plant. Additionally, going forward, the WRP can act as a "low grade stockpile" for combined project production scheduling.

The key attributes of the WRP are:

- Proven & Probable Reserves at surface, fully quantified, no further drilling required.
- Feasibility, technical and business case studies all completed, with a strong business case – capital cost estimated at A$92.8 million and operating costs A$26 per tonne.
- Proven hydraulic mining method, standard sulphide flotation processing – extensive metallurgical test work.
- Water, power, access, spent tails disposal sites identified, strong community support and local skilled work force.
- As a standalone project, annual production 49Kt zinc concentrate grading 45% zinc, 14Kt copper concentrate grading 22% copper and 15Kt lead concentrate grading 35% lead, with gold / silver credits.

Through the merger due diligence process it was identified that modifications to the WRP flow sheet had the potential to improve the metal recoveries through to concentrates. In addition, it was observed that the construction market had changed significantly since the 2012 FEED Study and potential capital cost savings were also possible. Simulus Engineers were engaged to undertake the test work to determine if the flow sheet modifications would be effective. The initial results did not provide the recovery improvements sought and the test work was halted. The capital cost re-estimation did provide a significantly lower capital cost of A$77.7 million (including 10% contingency) and compares to the 2012 FEED estimate of A$89.0 million (including a 6% contingency). The estimates exclude the mining related capital and construction of the fourth tailings storage facility (TSF4). Whilst the improvements to the standalone WRP business case are noted with the potential capital reduction the Company's focus remains on advancing the WUP to enable a combined development of the WUP and WRP.

Woodlawn Exploration Project (WEP), 100% Heron unless otherwise stated

- **Currawang Prospect – follow-up of existing targets and generation of new targets from historic DHEM**
- **Hayshed Prospect – surface sampling submitted for assay**
- **Cowley Hills Prospect – review of existing targets commenced**

The Woodlawn Project includes a 556km^2 exploration portfolio, highly prospective for Volcanogenic Massive Sulphide (VMS) style mineralisation.

As a VMS centre, the Woodlawn mineralising system can be expected to generate multiple mineralised positions. High priority "brownfields" targets have been defined in and around SML20 in the Northwest Corridor immediately north-west of Kate Lens, at Murphy's immediately north-east of the proposed box-cut, Cowley Hills a further 2.5km NE, Willows and Hayshed south-east and Area A immediately south of the mine. In many instances, drill targets are based on 1970s – 1990s mapping of gossan/alteration occurrences that remain un-tested.

Heron's current WUP core logging program has identified several readily identifiable key indicators of VMS-style exhalation events and alteration, including the palaeogeography of the Woodlawn Volcanics. This new data is now being extrapolated to the surrounding WEP target areas.

While the priority has been to implement the WUP drilling program, the initial regional exploration focus is:

- Currawang (10km NW of Woodlawn) – historic data compilation in 2009 generated two near-mine targets that are being assessed for ground based EM surveys prior to possible drill testing. Also historic DHEM data is being assessed in relation to a number of off-hole conductors that may warrant follow-up drill testing.
- Cowley Hills (2.5km NE of Woodlawn) – EM target directly west of previously-mined deposit requires review and possible drill testing.
- Willow/Hayshed (directly SE of Woodlawn) – a program of rock-chip sampling late in the Quarter was undertaken where high gold results were reported from previous sampling programs. Assays are pending.
- Cullarin Joint Venture (Heron 78.9%, Golden Cross Resources Ltd 21.1%, 45km NNW of Woodlawn) – an airborne EM survey was completed in the Quarter and while no high priority targets were generated for immediate drill testing, a number of more subtle, lower priority targets will be assessed.

Work on WEP areas will progress in parallel to the current SML20 activities and form an important part in Woodlawn becoming a regional processing centre for polymetallic sulphide mineralisation.

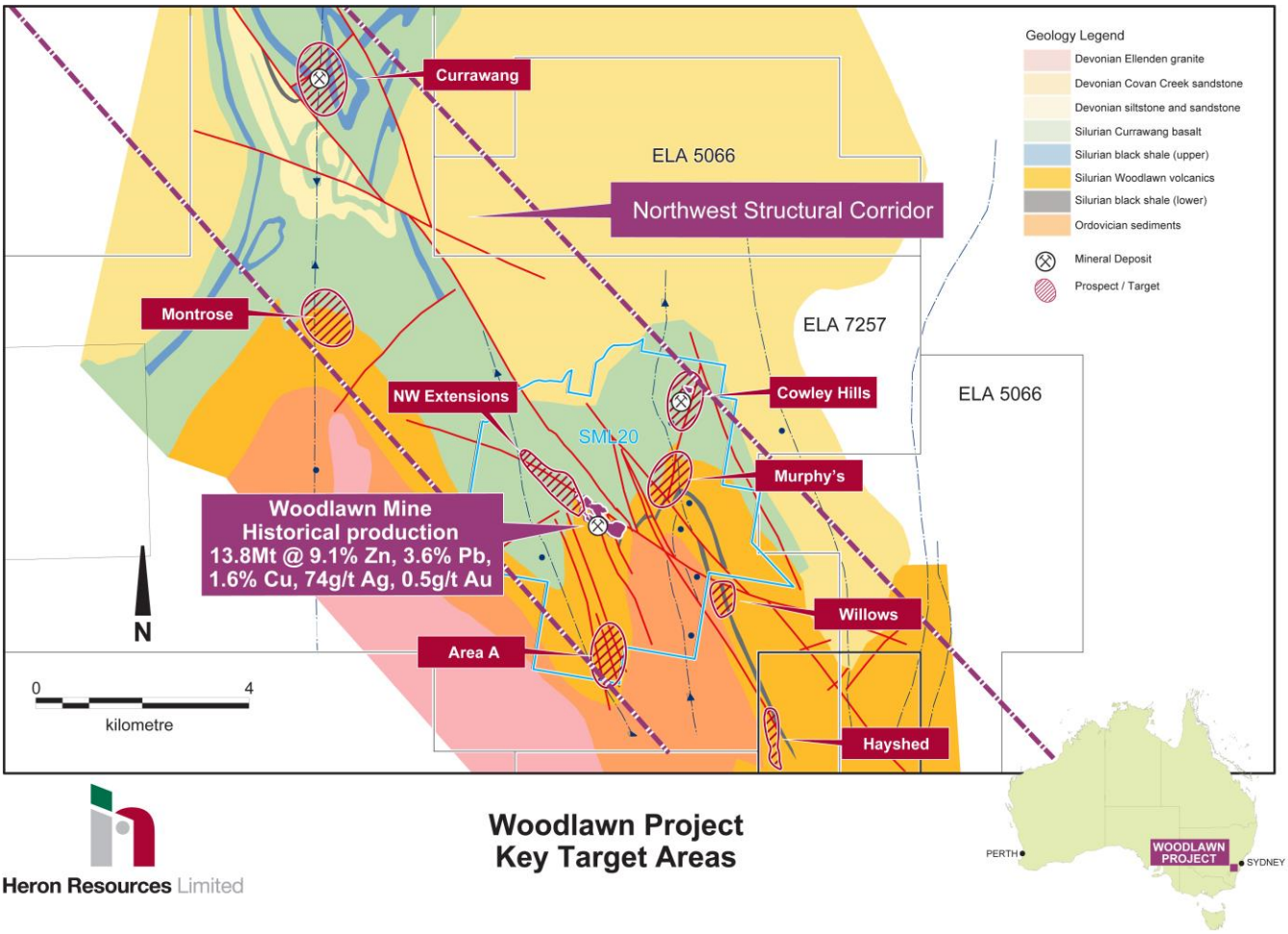


Figure 2 Woodlawn location and regional exploration targets

3. Kalgoorlie Nickel Project, 100% Heron (KNP)

- **Simulus Engineers completed metallurgical test work using sulphuric acid leaching with reagent recycling**
- **Completion of a 20Ktpa nickel production Scoping Study with A$660 million capex and C1 nickel cost US$4.27 per pound**
- **Heron subscribed for initial equity in Carbon Friendly Nickel Production (Intellectual Property holder - reagent recycling)**
- **KPMG Corporate Finance partner search progressing**

The KNP provides significant exposure to long-term, low cost nickel production in a highly stable and mining-orientated jurisdiction. The project is located in the Eastern Goldfields of Western Australia, 50-100km north and east from Kalgoorlie with a tenement holding covering 850km^2. The nickel laterite rights are 100% held by Heron on unencumbered tenure. The combination of a large resource base and with screen beneficiation of siliceous material, a potential Leach Feed Grade of 1.1-1.5% nickel is possible over a long mine life. The project is also well supported by gas, road and rail infrastructure that is suitably located to support the development of the KNP plant site. To date more than A$50 million has been spent on the resource drill-out and on previous technical studies (reviewing nickel production scenarios of 20,000-37,000 tonnes pa in a Mixed Hydroxide Product) providing the project with a number of extensive and valuable datasets.

In July 2014, Heron released the results of a 20Ktpa Scoping Study that has delivered excellent technical and financial results:

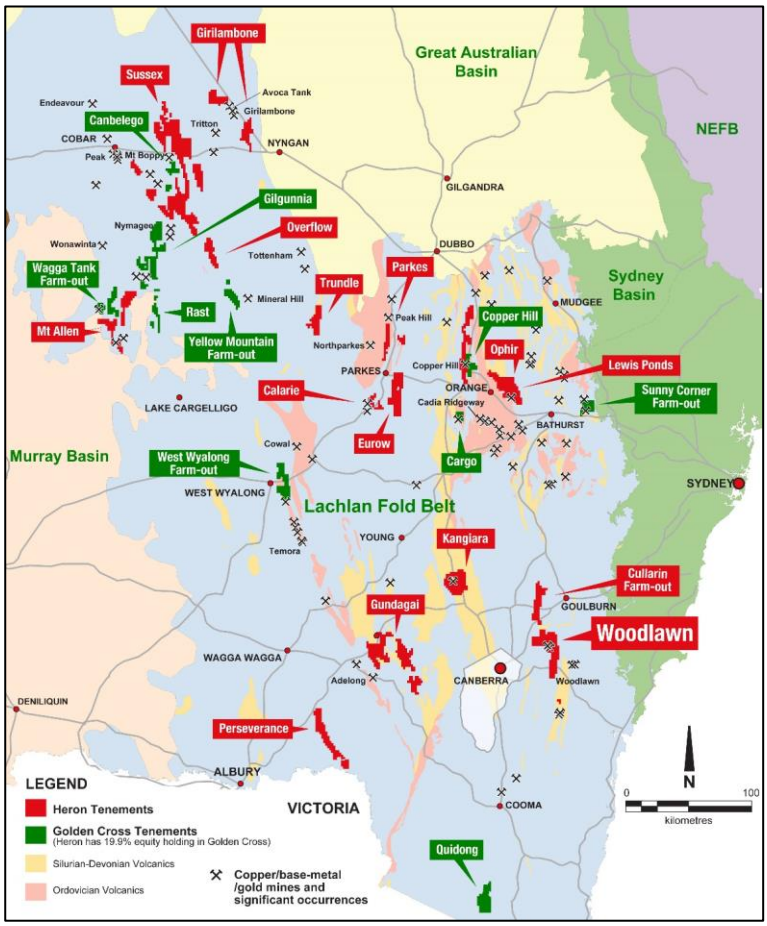
- Confirms the potential for the KNP to be developed as a large scale, very long life mine using the Carbon Friendly Nickel Production sulphuric acid leaching and recycling process.
- Based on the KNP JORC 2012-compliant Mineral Resource of 795.9 million tonnes at 0.70% nickel and 0.048% cobalt, an initial mining inventory of **123.8 million tonnes has been modelled at a Leach Feed Grade (LFG) of 1.16% nickel and 0.06% cobalt**, with a Production Target of 683,600 tonnes of nickel in concentrate over a 35 year mine life.
- Production potential is greater than 50 years or capable of supporting higher production rates.
- Processing rate of 2.0Mtpa for annual production averaging 19,500 tonnes nickel and 900 tonnes cobalt (first 10 years of average 20,200 tonnes of nickel) shipped as Mixed Hydroxide Product.
- Capital costs of A$660 million inclusive of a 10% contingency, confirming a relatively low capital intensity of US$13.82 per annual pound of nickel production compared to a traditional HPAL process route of around US$40/lb.
- Total revenue (including by-product credits) of A$12.6 billion and pre-tax net cash flow of A$4.3 billion over the initial 35 years of operation – based on a nickel price of US$9.00 per pound (A$/US$ 0.90).
- Over the first 10 years of operation, C1 cost US$3.71/lb nickel and averaging US$4.27/lb nickel over the 35 year mine life, which is comparable to the published C1 cost of the established Ravensthorpe HPAL project but at a much lower initial capital cost.
- C3 cost of US$5.90/lb nickel over the initial 35 year mine life.
- Significant leverage to the nickel price, with an increase in the nickel price assumption of US$1.00/lb increasing the pre-tax project net cash flow by approximately A$1.4 billion.

Heron commenced partnership studies and is seeking a potential funding partner to commercialize the “KNP Optimized Flowsheet”. KPMG Corporate Finance has been mandated to assist in the process. There has been in-bound interest from a number of parties considering the merits of partnering on the KNP. This interest appears to be driven by a number of factors including the relatively strong nickel price environment and outlook, the current decline in ore exports from the Indonesian laterite nickel industry and the consequent need to identify alternative sources of nickel ore or concentrate, and the flowsheet advances made by Heron through its partnership with Simulus.

4. Exploration Projects

New South Wales – Copper-Gold Exploration

Figure 3 Heron's tenement holdings and interests in NSW



Heron maintains a significant tenement holding in the Lachlan Fold Belt with some 4,500km^2 under a variety of granted and pending tenure (Figure 3).

Three regional structural settings have been the focus for Heron acquisitions:

1 Woodlawn VMS Belt base metals

Centred on the Woodlawn mining operation, the exploration target is the world-class VMS systems occurring in the N-S Silurian acid volcanic rift from south to north being Stockmans, Captains Flat, Woodlawn and Cullarin. All Lachlan VMS centres are characterized by multiple lenses associated with a discrete exhalative Silurian felsic volcanic/pelite stratigraphy, and all are suited to EM-based exploration drilling.

2 Lachlan Transverse Zone copper-gold

Centred on the Copper Hill mining centre, world-class porphyry copper-gold occurs within N-S trending Macquarie Arc Ordovician andesite belt intruded by Silurian monzonite-tonalite in the WNW trending Lachlan Transverse Zone from east to west on the southern bounding fault being Forest Reefs, Cadia-Ridgeway, Cargo; and from east to west on the northern bounding fault being Sunny Corner, Lewis Ponds, Copper Hill, Eurow-Kamandra and Northparkes.

3 Gilmore Suture gold-copper

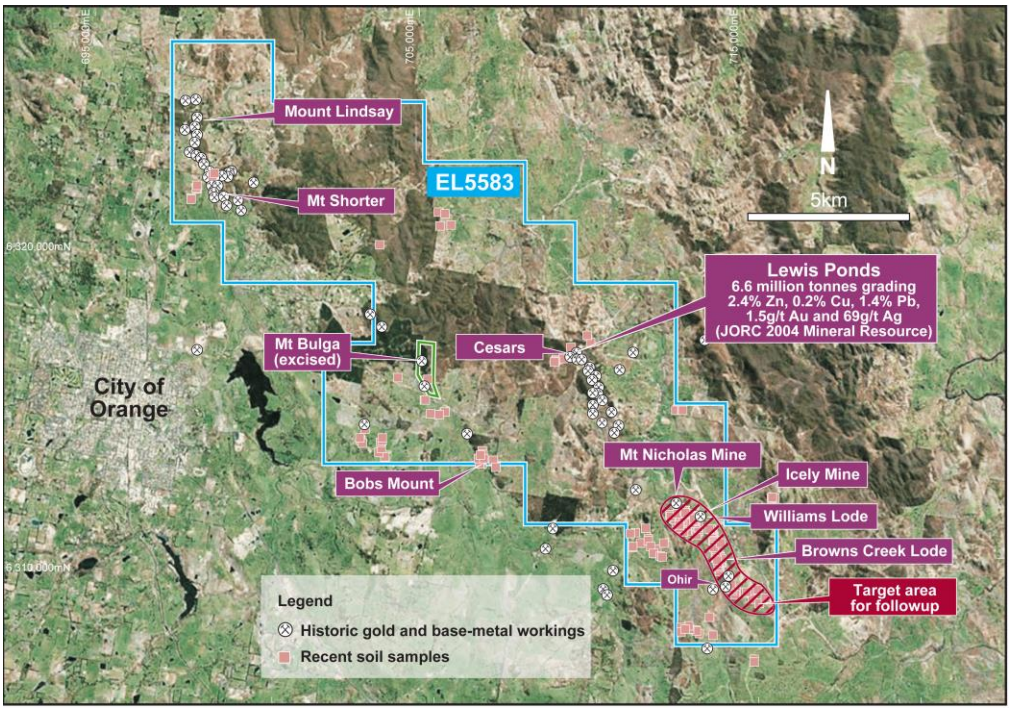
Centred on the Overflow mining centre, the exploration target is the porphyry/epithermal gold-copper systems occurring in Silurian-Devonian crustal rift from south to north Gundagai, Adrah, West Wyalong, Temora, Yellow Mountain, Mineral Hill, Overflow, Mt Boppy and Sussex.

The key focus of the exploration is on the Lewis Ponds and Overflow projects. The other mainly grass-roots projects are being reviewed with the potential to farm out to suitable partners.

Lewis Ponds Gold-Copper Project (100% Heron)

Located 15km east of Orange, in central NSW (Figure 3) the project contains the Lewis Ponds VMS deposit (6.6 million tonnes grading 2.4% zinc, 0.2% copper, 1.4% lead, 1.5g/t gold and 69g/t silver JORC 2004 Mineral Resource) – made up of Main Zone and Tom's Zone which occur in a sequence of deformed Silurian felsic-to intermediate-volcano marine-sedimentary rocks. As reported previously, a number of targets warrant follow-up in the immediate vicinity of the existing resource.

Figure 4 Lewis Ponds Project showing key prospects and target areas for follow-up in the SE corner (recent rock-chip samples are shown as pink squares)



The immediate focus for the Lewis Ponds project is on the strongly anomalous rock-chip samples taken from the Ophir and Browns Creek area in the south-east of the tenement. These areas have received very little past exploration and the Heron results suggest a significant mineralising system may be present. A program of systematic soil auger sampling will be planned to better delineate the size of the system prior to potential reconnaissance drilling to determine the nature of the mineralisation.

The tenement was renewed at its current size for a further three years during the Quarter. Additionally, new tenure was applied for on the northern boundary (Ophir prospect).

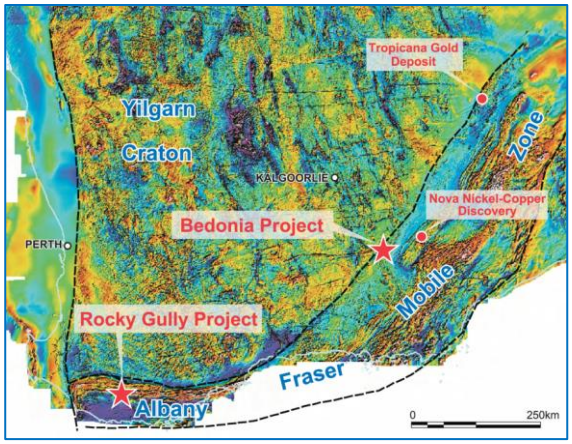
Overflow Gold-Base Metal Project (Heron 75.5% on certain blocks and 100% on the remainder)

The Overflow project is located 110km south-east of Nyngan and 50km north-west along strike from the Mineral Hill operation (owned by KBL Mining Ltd). The project is located along the northern extension of the Gilmore Suture within Ordovician and Devonian aged meta-sediments and has the potential to host both epithermal and Cobar-style gold and base-metal mineralisation. No field work was undertaken during the Quarter.

West Australia – Nickel Sulphide Exploration

Bedonia Project (100% Heron)

The Company's Bedonia Project is located 75km east of Norseman, Western Australia and 60km west-southwest of the Nova-Bollinger nickel-copper discovery (by Sirius Resources NL) (Figures 5) within the Albany Fraser Mobile Zone. Total tenement holding is now approximately 1,500 km^2.



In the south of the project area the Company is seeking Nova-style nickel-copper mineralization hosted within the interpreted Proterozoic-aged Mount Andrews Gneiss Complex where there is potential for discrete mineralized mafic intrusive bodies.

To this end, Heron completed an initial four hole RC drill program in late 2013 to test a bedrock EM conductor which intersected gneissic mafic to intermediate rocks with disseminated sulphides.

Auger programs earlier in 2014 identified a number of nickel sulphide targets at the Beaker, Woodline and Mordicus prospects. The Company is currently seeking a joint venture partner to advance the Bedonia targets.

Figure 5 – Bedonia Project location on aeromagnetic image

Mt Zephyr Gold and Nickel Sulphide Project (100% Heron)

The Mt Zephyr Project is located 80km north-northeast of Leonora and is prospective for Archaean gold mineralization within high-grade laminated quartz occurrences identified by a local prospector in the north of the project area (Paul's Find).

In addition, a strong basal contact anomaly of **500-1,000ppm nickel** was generated during the Quarter through soil auger sampling north of Paul's Find where Archaean ultramafic units occur at a similar stratigraphic level to the Mt Windarra ultramafic units north of Laverton. Follow-up sampling and a possible EM survey is being planned.

Mt Zephyr is a contiguous strategic greenstone holding which Heron ranks highly within its WA exploration portfolio. No further work was completed in the current Quarter, however, once targets are better defined, the Company will be seeking a joint venture partner to advance specific targets.

Queensland Exploration Projects (100% Heron)

The Company holds four tenements covering some 550km^2 in the Mt Isa Inlier of northwest Queensland, targeting copper-gold-REE mineralization in Iron Oxide Copper Gold (IOCG) settings. Following a detailed review of open file reports on previous exploration, the Company had made a strategic decision that farm outs will be sought over the next 12 months.

Joint Venture Projects WA and NSW

Bulong Gold Project (Heron 20%, Southern Gold Ltd 80%; Heron retains 100% of nickel laterite rights Bulong East)

The Bulong Gold Project is located 30km east of Kalgoorlie. No field work was undertaken during the Quarter and a review of the merits of retaining lower priority targets in relation to their near-term opportunities for exploration success resulted in a number of tenements being relinquished.

Rocky Gully Nickel-Copper Prospect (100% Heron, PLD Corporation right to purchase 90%)

The Rocky Gully Project is located 85km northwest of Albany, Western Australia within the western extension of the Albany Fraser Mobile Zone and is prospective for Nova-style nickel-copper sulphide deposits. PLD Corporation Limited (ASX:PLD) (PLD) has entered into an agreement with Heron whereby PLD has a 12 month option to acquire a 90% interest in Heron's tenements for a consideration of A$280,000 cash or equivalent PLD shares (PLD election).

During the Quarter PLD completed RC drilling at the M20 Prospect at the Rocky Gully Project which consisted of 5 RC holes for a total of 362 metres to verify nickel copper mineralisation, confirm the presence of sulphides and to extend known mineralisation at shallow depths (<100 metres). PLD is currently undertaking a Deep Penetrating EM Survey employing Moving Loop ground EM system (MLEM) which is used to detect massive sulphide conductors to depths greater than 500 metres. Field exploration, ground EM and drilling of a further 18 bedrock EM conductors will be evaluated.

Calarie Copper-Gold Project (EL7023 and ML739 – farmed out to Kimberley Diamonds Ltd earning a 75% interest)

Located 25km south-southwest of Parkes. No field work was reported for the Quarter.

5. Corporate

As a result of the merger with TriAusMin, Heron made a number of new appointments including:

Mr Wayne Taylor – Appointed MD & CEO

Mr Ian Buchhorn – Appointed Executive Director

Mr Simon Smith – Appointed CFO & Joint Company Secretary

Dr Jim Gill was appointed Deputy Chairman following merger but subsequently resigned on 19 August 2014.

During the Quarter, Sprott Inc and Exploration Capital Partners 2008 LP together purchased the 10.4% Heron equity position previously held by BHP Billiton. In addition, Vale Inco sold their 9.0% stake in Heron to an oversubscribed Euroz book-build. The sale of both the Vale and BHP positions has been a significant step in rebalancing the shareholder register.

At the end of the Quarter (30 September 2014) Heron held A$31.0M in cash and A$3.4M in ASX-listed investments.

6. Corporate Directory

Directors

Craig Readhead*

Chairman

Stephen Dennis*+

Ian Buchhorn

Wayne Taylor

**Denotes Non-executive*

+Denotes Independent

Executive Management

Wayne Taylor

Managing Director & Chief Executive Officer

Ian Buchhorn

Executive Director

Simon Smith

Chief Financial Officer & Joint Company Secretary

Bryan Horan

Joint Company Secretary

David von Perger

General Manager Exploration

Charlie Kempson

General Manager Strategy & Business Development

Issued Share Capital

As at the date of this report, Heron Resources Limited had 360,877,723 ordinary shares, 16,424,890 options.

The options have expiry dates ranging from 23 June 2015 to 31 January 2019 and have exercise prices ranging from A$0.09 to A$0.6864

Heron trades on the ASX as 'HRR' and on the TSX as 'HER'.

Monthly Share Price Activity

(A$ per share - ASX)

Month	*High*	*Low*	*Close*
Jan 14	0.140	0.120	0.120
Feb 14	0.140	0.120	0.120
Mar 14	0.160	0.130	0.150
Apr 14	0.140	0.120	0.130
May 14	0.130	0.120	0.120
Jun 14	0.120	0.105	0.100
Jul 14	0.140	0.120	0.160
Aug 14	0.180	0.140	0.190
Sep 14	0.205	0.140	0.160

(CA$ per share - TSX)

Month	*High*	*Low*	*Close*
Aug 14	0.250	0.150	0.185
Sep 14	0.205	0.145	0.170

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Telephone +61 8 9315 2333

Fascimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

Please direct enquiries regarding Australian shareholdings to the Share Registrar.

Transfer Agent (Canada)

TMX Equity Transfer Services Inc 200 University Avenue, Suite 300 Toronto ON M5H 4H1

Toll Free: 1 (866) 393-4891
Tel: (416) 361-0930
Email:TMXEInvestorservices@tmx.com

Please direct enquiries regarding North American shareholdings to the Transfer Agent.

Table 1 Woodlawn Drillholes Drilled in Current Program to Date:

Hole No	Local East	Local North	Local RL	Depth	Dip	Local azimuth	Comments
DDH Holes							
WNDD0001	8,995	19,401	2,792	425.5	-64.5	84.7	
WNDD0002	9,011	19,400	2,793	434.5	-58.2	95.1	
WNDD0003	8,996	19,402	2,793	463.2	-71.1	88.8	
WNDD0004	8,977	19,637	2,786	272.5	-70.4	86.0	
WNDD0005	8,976	19,638	2,787	263.6	-65.3	78.7	
WNDD0006	8,548	19,749	2,787	159.6	-70.0	96.8	In progress
RC Holes							
WNRC0001	9,427	19,439	2,797	138.0	-62.0	90.1	
WNRC0002	9,407	19,496	2,797	150.0	-62.0	65.1	
WNRC0003	9,426	19,499	2,797	108.0	-66.3	89.1	
WNRC0004	9,410	19,542	2,797	132.0	-61.0	94.6	
WNRC0005	9,427	19,495	2,797	12.0	-76.4	97.4	Abandoned
WNRC0006	8,989	19,638	2,786	48.0	-74.7	87.2	Abandoned
WNRC0007	8,991	19,638	2,786	11.5	-74.5	83.6	
WNRC0008	9,992	19,736	2,781	120.0	-60.0	88.6	
WNRC0009	9,198	19,340	2,796	138.0	-61.7	90.1	
WNRC0010	9,298	19,307	2,801	168.0	-62.6	89.2	
WNRC0011	9,242	19,285	2,797	121.0	-62.4	93.7	

The information in this report that relates to Mineral Resources for the Highway, Goongarrie Hill, Goongarrie South, Big Four, Aubils and Boyce Creek Prospects is based on information originally compiled by a former Heron Resources Limited resource geologist and validated by Steve Jones in 2013. Both are Members of the Australasian Institute of Mining and Metallurgy. Steve Jones is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the resource estimation activity that he is 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'. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

The information in this report that relates to Mineral Resources for the Siberia North, Bulong East, Siberia, Black Range, Taurus and Jump Up Dam Prospects is based on information compiled by Snowden Mining Industry Consultants by members of the Australian Institute of Mining and Metallurgy. Snowden Mining Industry Consultants had sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the resource estimation activity. All resources were internally audited by Snowden and signed off by a person of sufficient experience 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'. Steve Jones a full time employee of Heron Resources Limited validated the Snowden Mining Siberia North estimate in 2013. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

The information in this report that relates to KNP exploration and resource data (including drilling data, database quality, geological interpretation and density modeling) is based on information originally compiled by previous full time employees of Heron Resources Limited and Steve Jones. Steve Jones is currently a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the exploration activities undertaken 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'. Steve Jones has validated the original resource estimates during 2013. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

The information in this report that relates to Mineral Resources for the Lewis Ponds Project is based on information compiled by Mr Robert Cotton of Mineral Appraisals Pty Ltd in May 2005 who at the time was a Fellow of the Australian Institute of Mining and Metallurgy and who has sufficient relevant experience to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Cotton was a consultant to the Company at the time the Mineral Resource was estimated.

The 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 and has sufficient experience that is relevant to the style of mineralization 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.

The information in this report that relates to Mineral Economics is based on information compiled by Ian Buchhorn who is a Member of the Australasian Institute of Mining and Metallurgy. Ian Buchhorn is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralization 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". Ian Buchhorn has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.

Additional Cautionary Statements

In accordance with the ASX listing rules, the Company advises the 20Ktpa Scoping Study referred to in this announcement is based on lower-level technical and preliminary economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. The Production Target referred to in this announcement is partly based on Indicated Mineral Resources (being 73%) and on Inferred Mineral Resources (being 27%). There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target or preliminary economic assessment will be realised.

Information, including forecast financial information and the Production Target provided in this announcement relating to the 20Ktpa Scoping Study was disclosed in the announcement entitled "Kalgoorlie Nickel Project 20ktpa Scoping Study Results Confirms Potential for Robust Long Life Project", released on 31 July 2014 and available at www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In relation to the Mineral Resources on which the Production Target is based, the information is extracted from the report entitled "Updated Mineral Resource Estimate, KNP" created on 18 October 2013 and is available to view on www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In relation to the Vale Inco 2009 Prefeasibility Study and Heron 2010 PFS Revision referenced in this announcement, information is extracted from the announcement entitled "Vale Delivers Strong KNP Pre-Feasibility Report" released on 9 February 2009 and from the announcement entitled "Completion of Kalgoorlie Nickel Project PFS Revision" released on 16 February 2010 which are available at www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

In relation to the Heron 2014 10Ktpa Scoping Study referenced in this announcement, information is extracted from the announcement entitled "Simulus Scoping Study results - Step Change for KNP" released on 8 April 2014 and from the announcement entitled "Simulus Scoping Study Clarification" released on 22 April 2014 which is available at www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HERON RESOURCES LIMITED

ABN	Quarter ended
30 068 263 098	30 September 2014

Consolidated statement of cash flows

	Current Qtr $A'000	Year to Date (3 months) $A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation	(1,363)	(1,363)
(b) development		
(c) production		
(d) administration, business development	(972)	(972)
1.3 Dividends received		
1.4 Interest and other items of similar nature received	292	292
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other –GST	4	4
Net Operating Cash Flows	(2,039)	(2,039)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(7)	(7)
(b) equity investment	(178)	(178)
(c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investment		
(c) other fixed assets		
1.10 Loans to other entities – TriAusMin converting note		
1.11 Loans repaid by other entities		
Net Investing Cash Flows	(189)	(189)
1.12 Total operating and investing cash flows (carried forward)	(2,228)	(2,228)

1.12 Total operating and investing cash flows (brought forward)	(2,228)	(2,228)
Cash flows related to financing activities		
1.13 Proceeds from the issue of shares, options, etc.		
1.14 Proceeds from the sale of forfeited shares		
1.15 Proceeds from borrowings		
1.16 Repayment of borrowings		
1.17 Dividends paid		
1.18 Other (provide details if material)		
Net financing cash flows		
Net increase (decrease) in cash held	(2,228)	(2,228)
1.19 Cash at beginning of quarter/year	32,915	32,915
1.20 Cash acquired via TriAusMin acquisition	315	315
1.21 **Cash at end of quarter**	31,002	31,002

Payments to directors of the entity and associates of the directors, payments to related entities of the entity and associates of the related entities

	Current Qtr $A'000
1.22 Aggregate amount of payments to the parties included in item 1.2	251
1.23 Aggregate amount of loans to the parties included in item 1.10	

1.24 Explanation necessary for an understanding of the transactions

Directors fees, salaries and superannuation (A$204,048).
Provision of legal services by director related entity (A$28,556)
Provision of office accommodation by director related entity (A$18,450)

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

See attached schedule

Financing facilities available
Add notes as necessary for an understanding of the position

	Amount available $A'000	Amount used $A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	$A'000
4.1 Exploration and evaluation	4,800
4.2 Development	-
4.3 Production	-
4.4 Administration	850
Total	5,650

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.	Current Quarter $A'000	Previous Quarter $A'000
5.1 Cash on hand and at bank	310	110
5.2 Deposits at call	30,266	32,281
5.3 Bank Overdraft		
5.4 Other (provide details)		
Property Rental bond	49	47
Environmental bonds	377	477
Total: cash at end of quarter (Item 1.21)	31,002	32,915

6.1 Interests in Mining Tenements transferred, relinquished, withdrawn, reduced or lapsed.

Changes in interests in mining tenements

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
ELA4969	27km NNE of Yass	Registered Applicant	100	0
E15/01157	80km SW of Kambalda	Registered Applicant	100	0
E25/00321	25km ESE of Kalgoorlie	Ni-Au	20	0
E29/00873	140km NNW of Kalgoorlie	Registered Applicant	100	0
E31/00684	140km NNE of Kalgoorlie	Registered Applicant	100	0
E31/00797	140km NNE of Kalgoorlie	Registered Applicant	100	0
E39/01466	70km NW of Laverton	Registered Applicant	100	0
E39/01575	70km NW of Laverton	Registered Applicant	100	0
E39/01736	170km NNE of Kalgoorlie	Registered Applicant	100	0
E45/03478	150km ESE of Pt Hedland	Registered Applicant	100	0
E45/03657	150km E of Pt Hedland	Registered Applicant	100	0
M24/00912	63km NW of Kalgoorlie	Registered Applicant	100	0
P15/05265	70km SE of Kalgoorlie	Registered Applicant	100	0
P24/04434	70km NW of Kalgoorlie	Registered Applicant	100	0
P24/04436	70km NW of Kalgoorlie	Registered Applicant	100	0

Interests in Mining Tenements acquired or increased

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
EL8267	70km SE of Cobar	Active Holder	0	100
E27/00529	72km NE of Kalgoorlie	Active Holder	0	Pending
E39/01817	170km NNE of Kalgoorlie	Active Holder	0	Pending
P16/02811	100km NW of Kalgoorlie	Active Holder	0	100

Issued and quoted securities at end of current quarter
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) ($)	Amount paid up per security (see note 3) ($)
7.1 **Preference securities** (*description*)				
7.2 Changes during Quarter (a) Increases through share issues (b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	360,877,723	360,877,723		
7.3 Changes during Quarter * (a) Increases through share issues (b) Decreases through returns of capital, buybacks	107,891,936	107,891,936		
7.4 **Convertible debt securities** (*description*)				

7.5 Changes during Quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.6 **Options** (*description and conversion factor*)			*Exercise Price*	*Expiry Date*
	5,000,000	Nil	$0.6864	7/09/2016
	2,500,000	Nil	$0.27	23/06/2015
	2,500,000	Nil	$0.31	23/06/2016
	333,333	Nil	$0.22	16/01/2015
	333,333	Nil	$0.27	16/01/2016
	333,334	Nil	$0.31	16/01/2017
	1,000,000	Nil	$0.22	05/03/2016
	1,000,000	Nil	$0.27	05/03/2017
	1,000,000	Nil	$0.31	05/03/2018
	193,133	Nil	$0.14	23/10/2017
	85,836	Nil	$0.27	27/06/2016
	21,459	Nil	$0.58	23/06/2015
	21,459	Nil	$0.22	13/06/2017
	21,459	Nil	$0.15	13/03/2018
	214,592	Nil	$0.23	18/11/2015
	85,837	Nil	$0.23	21/11/2017
	21,459	Nil	$0.27	04/02/2017
	858,369	Nil	$0.37	19/03/2016
	858,369	Nil	$0.09	20/11/2018
	21,459	Nil	$0.17	22/02/2018
	21,459	Nil	$0.09	31/01/2019
7.7 Issued during Quarter	193,133	Nil	$0.14	23/10/2017
	85,836	Nil	$0.27	27/06/2016
	21,459	Nil	$0.58	23/06/2015
	21,459	Nil	$0.22	13/06/2017
	21,459	Nil	$0.15	13/03/2018
	214,592	Nil	$0.23	18/11/2015
	85,837	Nil	$0.23	21/11/2017
	21,459	Nil	$0.27	04/02/2017
	858,369	Nil	$0.37	19/03/2016
	858,369	Nil	$0.09	20/11/2018
	21,459	Nil	$0.17	22/02/2018
	21,459	Nil	$0.09	31/01/2019
7.8 Exercised during Quarter				
7.9 Expired during Quarter				
7.10 Debentures (totals only)				
7.11 Unsecured notes (totals only)				

Compliance 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Nothing to report

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sign here: _____ Date: 30/10/2014

Company Secretary

Print name: Bryan Horan

Notes

1. The Quarterly Report is to provide a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Table 2

Heron Resources Ltd Tenement Schedule for September 2014 Quarterly Report

Tenement	Location	Heron Interest (%)	Status	Note	Tenement	Location	Heron Interest (%)	Status	Note
E15/01405	60km NE of Norseman	100	Pending		M27/00395	68km NE of Kalgoorlie	100	Live	
E15/01406	65kn NE of Norseman	100	Pending		M28/00199	65km NE of Kalgoorlie	100	Live	
E16/00332	62km NW of Kalgoorlie	100 of Ni only	Live	3	M28/00201	65km NE of Kalgoorlie	100	Live	
E24/00158	78km NW of Kalgoorlie	100	Live		M28/00205	66km NE of Kalgoorlie	100	Live	
E27/00524	67km NE of Kalgoorlie	100	Live		M29/00167	87km NNW of Kalgoorlie	100	Live	
E27/00529	72km NE of Kalgoorlie	100	Pending		M29/00202	86km NNW of Kalgoorlie	100	Live	
E28/01224	63km NE of Kalgoorlie	100	Live		M29/00214	100km NNW of Kalgoorlie	100	Live	
E28/02311	70km E of Norseman	100	Pending		M29/00272	77km NNW of Kalgoorlie	100	Live	
E28/02324	70km E of Norseman	100	Pending		M29/00278	74km NNW of Kalgoorlie	100	Live	
E28/02372	86km NE of Norseman	100	Pending		M29/00312	78km NW of Kalgoorlie	100	Live	
E29/00850	105km NNW of Kalgoorlie	100	Live		M29/00416	90km NNW of Kalgoorlie	87.5	Live	
E29/00889	78km NW of Kalgoorlie	100	Live		M29/00423	76km NNW of Kalgoorlie	100	Live	
E31/01080	140km NNE of Kalgoorlie	100	Pending		M31/00475	129km NE of Kalgoorlie	100	Live	5
E39/01706	70km NW of Laverton	100	Pending		M31/00477	129km NE of Kalgoorlie	100	Live	5
E39/01817	170km NNE of Kalgoorlie	100	Pending		M31/00479	129km NE of Kalgoorlie	100	Live	5
E63/01355	80km ENE of Norseman	100	Live		M31/00483	146km NNE of Kalgoorlie	100	Live	5
E63/01518	70km E of Norseman	100	Live		P16/02811	100km NNW of Kalgoorlie	100	Pending	
E63/01643	70km E of Norseman	100	Pending		P16/02811	100km NW of Kalgoorlie	100	Live	
E63/01670	80km ENE of Norseman	100	Pending		P24/04202	75km NW of Kalgoorlie	100	Live	
E63/01678	42km ENE of Norseman	100	Pending		P24/04203	75km NW of Kalgoorlie	100	Live	
E70/02801	85km NW of Albany	100	Live		P24/04204	75km NW of Kalgoorlie	100	Live	
E70/04543	105km NW of Albany	100	Live		P24/04205	75km NW of Kalgoorlie	100	Live	
E80/04262	114km SW Fitzroy Cross	100	Live		P24/04206	75km NW of Kalgoorlie	100	Live	
M24/00541	67km NNW of Kalgoorlie	100	Live		P24/04207	75km NW of Kalgoorlie	100	Live	
M24/00634	78km NW of Kalgoorlie	100	Live		P24/04208	75km NW of Kalgoorlie	100	Live	
M24/00658	75km NW of Kalgoorlie	100	Live		P24/04219	70km NW of Kalgoorlie	100	Live	
M24/00660	75km NW of Kalgoorlie	100	Live		P24/04220	70km NW of Kalgoorlie	100	Live	
M24/00663	75km NW of Kalgoorlie	100	Live		P24/04221	75km NW of Kalgoorlie	100	Live	
M24/00664	75km NW of Kalgoorlie	100	Live		P24/04243	75km NW of Kalgoorlie	100	Live	1
M24/00665	75km NW of Kalgoorlie	90	Live	2	P24/04395	70km NW of Kalgoorlie	100	Live	
M24/00683	78km NW of Kalgoorlie	100	Live		P24/04396	70km NW of Kalgoorlie	100	Live	
M24/00686	75km NW of Kalgoorlie	100	Live		P24/04400	70km NW of Kalgoorlie	100	Live	
M24/00731	70km NNW of Kalgoorlie	100	Live	4	P24/04401	70km NW of Kalgoorlie	100	Live	
M24/00732	70km NNW of Kalgoorlie	100	Live	4	P24/04402	70km NW of Kalgoorlie	100	Live	
M24/00744	75km NNW of Kalgoorlie	100	Live		P24/04403	70km NW of Kalgoorlie	100	Live	
M24/00757	63km NW of Kalgoorlie	100	Live		P24/04435	70km NW of Kalgoorlie	100	Live	
M24/00772	71km NW of Kalgoorlie	100	Live		P24/04437	70km NW of Kalgoorlie	100	Live	
M24/00778	70km NNW of Kalgoorlie	100	Live	4	P24/04438	70km NW of Kalgoorlie	100	Live	
M24/00797	78km NW of Kalgoorlie	100	Live		P24/04531	67km NNW of Kalgoorlie	100	Live	
M24/00845	71km NW of Kalgoorlie	100 of Ni only	Live	3	P24/04653	75km NW of Kalgoorlie	100	Live	
M24/00846	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/01853	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00847	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02050	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00848	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02062	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00915	78km NW of Kalgoorlie	100	Live		P25/02170	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00916	78km NW of Kalgoorlie	100	Live		P25/02171	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00917	75km NW of Kalgoorlie	100	Live		P25/02232	40km E of Kalgoorlie	100	Live	
M25/00059	34km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02251	40km E of Kalgoorlie	100	Live	

M25/00111	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02252	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00134	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02253	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00145	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02254	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00151	38km E of Kalgoorlie	100	Live		P25/02255	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00161	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02256	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00162	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02257	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00171	40km E of Kalgoorlie	100 Ni Lat	Live	6	P25/02258	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00187	40km E of Kalgoorlie	100	Live		P29/02264	90km NNW of Kalgoorlie	100	Live	
M25/00206	40km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02265	90km NNW of Kalgoorlie	100	Live	
M25/00207	40km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02266	90km NNW of Kalgoorlie	100	Live	
M25/00208	40km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02267	90km NNW of Kalgoorlie	100	Live	
M25/00209	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02038	113km NE of Kalgoorlie	100	Pending	
M25/00210	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02039	113km NE of Kalgoorlie	100	Pending	
M25/00220	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Pending	
M25/00234	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Pending	

Queensland Tenements									
EPM19043	46km SE of Gunpowder	100	Live	1	EPM19122	16km E of Gunpowder	100	Pending	
EPM19054	30km N of Cloncurry	100	Live		EPM19168	10km SE of	100	Live	
NSW Tenements									
EL7951	72km NW of Nyngan	100	Live		EL8223	41km E Cobar	100	Live	
EL7955	27km NW of Nyngan	100	Live		EL8267	70km SE of Cobar	100	Live	
EL8057	50km E of Cobar	100	Live		ELA4964	5km N of Forbes	100	Pending	
EL8061	Gundagai	100	Live		ELA5005	27km NNE of Yass	100	Pending	
EL8086	57km E of Cobar	100	Live		ELA5057	27km NW of	100	Pending	
EL8088	10km N of Mount Hope	100	Live		ELA5058	Molong, NSW	100	Pending	
EL8105	25km E of Holbrook	100	Live		ELA5066	60km ENE of	100	Pending	
EL8192	23km SE of Parkes	100	Live		ELA5067	11km north of	100	Pending	
EL8202	63km SE of Cobar	100	Live		ELA5070	Woodlawn	100	Pending	
EL8221	15km SE of Gundagai	100	Live						
HERON RETAINED RIGHTS, WA									
METALIKO: HERON RETAINS NICKEL RIGHTS									
M24/00919	63km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04215	60km NNW of	100% to Ni	Live	7
P24/04198	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04216	60km NNW of	100% to Ni	Live	7
P24/04199	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04217	55km NNW of	100% to Ni	Live	7
P24/04200	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04218	55km NNW of	100% to Ni	Live	7
P24/04201	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04222	55km NNW of	100% to Ni	Live	7
P24/04210	70km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04488	71km NW of	100% to Ni	Live	7
P24/04212	62km NNW of Kalgoorlie	100% to Ni	Live	7					
PIONEER: HERON RETAINS NICKEL LATERITE									
E27/00273	66km NE of Kalgoorlie	Ni Lat 100	Live		E28/01746	62m NE of Kalgoorlie	Ni Lat 100	Live	
E27/00278	61km NE of Kalgoorlie	Ni Lat 100	Live		P28/01120	62km NE of Kalgoorlie	Ni Lat 100	Live	
RAMELIUS: HERON PRE-EMPTIVE RIGHT TO NICKEL LATERITE									
E27/00300	48km N of Kalgoorlie	preempt Ni	Live		M15/01264	65km S of Kalgoorlie	preempt Ni	Live	
M15/01101	65km S of Kalgoorlie	preempt Ni	Live		M15/01323	65km S of Kalgoorlie	preempt Ni	Live	
M15/01263	65km S of Kalgoorlie	preempt Ni	Live		M15/01338	65km S of Kalgoorlie	preempt Ni	Live	
ST IVES GOLD MINING, HERON RETAINS ROYALTY ON GOLD PRODUCTION AND RIGHT TO EXPLORE AND MINE BASE METALS									
E15/00927	68km SE of Kalgoorlie	Royalty	Live		E15/01010	60km SSE of	Royalty	Live	
E15/01005	70km SE of Kalgoorlie	Royalty	Live		E15/01040	68km SE of Kalgoorlie	Royalty	Live	
YARRI BATTERY AND RESOURCES: HERON RETAINS A ROYALTY ON GOLD PRODUCTION									
E31/00859	170km NE of Kalgoorlie	Royalty	Live		P31/01791	137km NE of	Royalty	Live	
E31/00887	160km NE of Kalgoorlie	Royalty	Live		P31/01792	141km NE of	Royalty	Live	
P31/01788	136km NE of Kalgoorlie	Royalty	Live		P31/01793	141km NE of	Royalty	Live	
P31/01789	136km NE of Kalgoorlie	Royalty	Live		P31/01794	141km NE of	Royalty	Live	
P31/01790	136km NE of Kalgoorlie	Royalty	Live						
SOUTHEN GOLD LTD: HERON RETAINS 20% FREE CARRIED TO BFS									
E25/00250	32km ESE of Kalgoorlie	20.0	Live		E25/00361	30km E of Kalgoorlie	20.0	Live	
E25/00321	25km ESE of Kalgoorlie	20.0	Live						
KCGM: HERON RETAINS A ROYALTY ON GOLD PRODUCTION									
E26/00124	14km N of Kalgoorlie	Royalty	Live		P26/03493	6km NNE of	Royalty	Live	

P26/03481	14km N of Kalgoorlie	Royalty	Live		P26/03494	6km NNE of	Royalty	Live	
P26/03360	6km NNE of Kalgoorlie	Royalty	Live		P26/03495	6km NNE of	Royalty	Live	
P26/03361	6km NNE of Kalgoorlie	Royalty	Live		P26/03496	6km NNE of	Royalty	Live	
P26/03362	6km NNE of Kalgoorlie	Royalty	Live						
CLIFF ASIA PACIFIC: HERON RETAINS A ROYALTY ON IRON ORE PRODUCTION									
E29/00710	104km WNW of Menzies	Royalty	live		E29/00736	104km WNW of	Royalty	Live	
E30/00368	130km N of Southern	Royalty	live		M27/00272	20km NW of	100% to Ni	Live	

Notes:	
1.	Britannia Gold Ltd retained precious metal rights.
2.	Impress Ventures Ltd has a 10% equity free-carried interest to a decision to mine.
3.	Swan Gold Limited holds the tenement, Heron retains nickel rights.
4.	Placer Dome Australia Limited (Norton Goldfields) retains certain gold rights.
5.	Heron previously entered a binding framework agreement with Ningbo Shanshan Co Ltd, Shanshan had the right to earn a 70% interest in the Yerilla Nickel-Cobalt Project. The JV ended in May 2011.
6.	Subject to Farm In agreement with Southern Gold Ltd (who have earned an 80% interest). Heron retains 100% of nickel laterite.
7.	Metalliko holds the tenement, Heron retains nickel rights.

Appendix 1 – JORC Table 1

As per JORC Code, 2012 Edition:

Section 1 Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Samples from the diamond-core holes are being taken from mostly NQ sized core, and sampled on a nominal 1 metre basis. The core is cut in half along the core orientation line (where available) and then one portion is quartered for assaying, the half core is preserved for metallurgical testing and the remaining quarter is retained as reference material in the core trays. • Samples from the RC holes are being produced from a 4.5 inch sized bit and sampled on an initial 4 metre down-hole composite basis, with zones of mineralisation being samples over 1 metre intervals. The 4 metre composites are taken via a spear method into the plastic sample bags, while the 1 metre samples are split via a riffle splitter. • These sampling methods are standard industry methods and are believed to provide acceptably representative samples for the type of mineralisation likely to be encountered.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details.*	• Diamond-core drilling is being undertaken by a McCulloch DR800 rig with HQ sized core being drilled to approximately between 80-200m before switching to NQ size. Various techniques are employed to ensure the hole is kept within limits of the planned position. The core is laid out in standard cores trays. • The RC drilling has been undertaken by a Schramm T450WSI rig that is drilling a 4.5 inch hole with face sampling hammer. A booster and auxiliary compressor is used to increase the volume and pressure of air. The 1 metre samples are fed through a cyclone and riffle splitter before passing into green plastic bags which are laid out in rows on the ground. A dust suppression system is in use.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• The core is transported to an enclosed core logging area and recoveries are recorded. Recoveries to date have been better than 95%. The core is orientated and marked with 1 metre downhole intervals for sampling. • The recoveries for the RC drilling are also recorded and have mostly been 100% with no recovery issues being recorded.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Both diamond core and RC holes are fully geologically logged by geologists. Geotechnical logging is also being undertaken on selected sections of the core. Samples for metallurgical testing are being kept in a freezer to reduce oxidation prior to

Criteria	JORC Code explanation	Commentary
		being transported to the metallurgical laboratory.
Sub-sampling techniques and sample preparation	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• All core samples are crushed then pulverised in a ring pulveriser (LM5) to a nominal 90% passing 75 micron. An approximately 250g pulp sub-sample is taken from the large sample and residual material stored. • A quartz flush is put through the LM5 pulveriser prior to each new batch of samples. A quartz flush is also put through the pulveriser after each massive sulphide sample and this material is then analysed and reported by the lab to ensure there is no contamination after high grade samples are put through. • The RC samples are pulverised directly in the LM5 ring pulveriser with the same quartz flush procedure as above.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Sample preparation and assaying was conducted through ALS Laboratories, Orange, NSW. • Gold is determined by 30g fire assay fusion with ICP-AES analysis to 1ppb LLD. • Other elements by mixed acid digestion followed by ICP-AES analysis. • Laboratory quality control standards (blanks, standards and duplicates) are inserted at a rate of 5 per 35 samples for ICP work.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• An internal review of results was undertaken by company personnel. No independent verification was undertaken at this stage. • All field and laboratory data has been entered into an industry standard database using a contract database administrator (DBA) in the Company's Perth office. Validation of both the field and laboratory data is undertaken prior to final acceptance and reporting of the data. • Quality control samples from both the Company and the Laboratory are assessed by the DBA and reported to the Company geologists for verification. All assay data must pass this data verification and quality control process before being reported.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• The drill collars were initially located with a combination of handheld GPS and licenced surveyor using a DGPS system, with accuracy of about 1m. The final drill collars are "picked up" by a licenced surveyor.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The diamond drilling is mostly following-up in various directions from previous intercepts with a nominal intercept spacing of no less than 40m. This drill hole spacing will be sufficient to provide Mineral Resource estimates in the future.
Orientation of data in relation	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and*	• The drilling orientation is designed to intersect the mineralised lenses at a close to perpendicular angle.

Criteria	JORC Code explanation	Commentary
to geological structure	*the extent to which this is known, considering the deposit type.*	The mineralised lenses are dipping at approximately 50-70 degrees to the west and the drilling is approximately at 60 degrees to the east. This will vary from hole to hole.
Sample security	• *The measures taken to ensure sample security.*	• Samples are being secured in green plastic bags and will be transported to the laboratory in Orange, NSW via a courier service or with Company personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review and assessment of the laboratory procedures was under taken by company personnel resulting in some changes to their sample pulverising procedure.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Woodlawn project is located 250km south-west of Sydney in the state of New South Wales. The area is near the top of the Great Australian Dividing range and has an elevation around 800m above sea-level. The mineral and mining rights to the project are owned 100% by the Company through the granted, special mining lease 20 (SML20). The lease is completing its second 21 year term on the 16 November 2014 and the Company has applied for an extension of this term for a further 21 years. The Company is not aware of any reason why SML20 will not be renewed. • The project area is on private land owned by Veolia who operate a waste disposal facility that utilises the historical open-pit void. An agreement is in place with Veolia for the Company to purchase certain sections of this private land to facilitate future mining and processing activities. A cooperation agreement is also in place between Veolia and the Company that covers drilling and other exploration activities in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Woodlawn deposit was discovered by the Jododex JV in 1970 and open-pit mining began in 1978 and continued through to 1987. The project was bought outright by Rio Tinto (CRA) in 1984 who completed the open-pit mining. Underground operations commenced in 1986 and the project was sold to Denehurst Ltd in 1987 who continued underground mining up until 1998. The mineral rights to the project were then acquired by TriAusMin Ltd in 1999 who conducted further studies on a tailings re-treatment and revived underground operation. Heron took 100% ownership of the project in August 2014 following the merger of the two companies. Some 980 surface and underground drillholes have been completed on the project to date and several studies undertaken.
Geology	• *Deposit type, geological setting and style of*	• The Woodlawn deposit comprises volcanogenic

Criteria	JORC Code explanation	Commentary
	mineralization.	massive sulphide mineralisation consisting of stratabound lenses of pyrite, sphalerite, galena and chalcopyrite. The mineralisation is hosted in the Silurian aged Woodlawn Felsic Volcanic package of the Goulburn sub-basin on the eastern side of the Lachlan Fold Belt.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• A table detailing the drill hole information is given in the body of the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Assays are currently pending for the mineralised intercepts and so no data aggregation methods are reported here.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The massive sulphide zone intercepted in the drilling to date is at an angle to the drill axis and therefore the true width is estimated to be some 0.75 of down-hole width. That is, a down-hole intercept of 16m equates to a true width of 12m. This is only an approximation at this stage and will be better estimated as the orientation of the lenses is better defined.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A long-section showing the hole positions relevant for current phase of exploration is included in the release. Other maps and diagrams showing the location of the Woodlawn Project are included in other recent Company releases.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reporting is considered to be balanced and all relevant results have been disclosed for this current phase of exploration.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or*	• There is no other substantive exploration data that has been generated for inclusion in this report. The drillholes are being cased with 40 millimetre PVC for down-hole EM surveying.

Criteria	JORC Code explanation	Commentary
	contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The drilling program has only recently commenced at the Woodlawn Project and a systematic program is planned to test the up-dip and down-dip extensions to the known ore lenses.