



Heron Resources Limited
ASX/TSX Release

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Level 7, 191 Clarence St, Sydney, NSW, 2000

heron@heronresources.com.au

+61 2 9119 8111

ABN: 30 068 263 098

Heron Resources Limited 2016 Annual General Meeting – Chairman's Address

Heron is pleased to attach a copy of the address to be made at the 2016 Annual General Meeting by the Chairman, Mr. Stephen Dennis at 2:00pm on 29 November 2016.

Yours sincerely

Simon Smith
Company Secretary

HERON RESOURCES LIMITED

29 November 2016

Annual General Meeting

1. Good afternoon Ladies and Gentlemen, it is now 2.00pm, and as a quorum is present I will now declare open the 2016 Annual General Meeting of Heron Resources Limited.
2. My name is Stephen Dennis, and I am the Chairman of Heron Resources. I would like to welcome shareholders and visitors and to thank you all for taking the time to attend this year's Meeting.
3. Let me introduce to you the other members of the Board :

Wayne Taylor, who of course is our MD
Ian Buchhorn,
Borden Putnam, and
Fiona Robertson

Mr Mark Sawyer, our sixth Director, is unable to attend the AGM today and sends his apologies. Mark resides in the UK and was recently in Australia for a Board meeting in late October, and he recently has undergone a medical procedure which prevents him from travelling at the present time.

Let me also introduce some of the senior management team who are here today:

Dave von Perger – GM of Exploration

Simon Smith - GM of Finance and Company Secretary

Andrew Lawry – COO

Charlie Kempson – GM of Strategy and Business development

I would also like to introduce our newly appointed GM of Woodlawn, Mr Brian Hearne. Brian worked at Woodlawn for many years when it was owned by Denehurst so I invite Shareholders to have a chat with Brian after the meeting. We are delighted that he has joined Heron as Woodlawn GM to take Woodlawn into its next incarnation as a profitable working mine.

4. I also wish to acknowledge the presence of Scott Jarrett from Ernst & Young the auditor of the Company who is here in attendance today.
5. Before we begin the formalities, I would like to make a few comments, and Wayne will later make a detailed presentation on the company's activities.

2016 has been a year of considerable achievement for Heron. During the year the Company completed the Woodlawn Feasibility Study, which is the culmination of over 12 months of dedicated work. Pleasingly, the results of the Study were positive, and this gave us the confidence to enter into project financing negotiations with various banks and other interested parties . These negotiations are very active right now, and we are looking to complete the financing of Woodlawn over the coming term months. It is a large capital funding requirement that we face for a company Heron's size, some \$163 million , however we are confident we will be able to get this done . A pre- requisite to funding is a final cooperation agreement with

Veolia who operate the in-pit landfill operations at Woodlawn, and both parties have committed to finalise this by December 24.

The other positive outcome during the year has been the spin out of Ardea Resources from Heron. We have made the point on several occasions that Heron's non- Woodlawn assets need a better home to advance them to the next stage. Heron simply does not have the funds to allocate to this strong portfolio of exploration projects, hence we made the decision to undertake an in-specie distribution to existing Heron shareholders, alongside a capital raising. The public offer to raise funds for Ardea is now open , and I encourage all shareholders to read the prospectus and if they see fit, "top up" their shareholding with new Ardea shares. Heron ultimately will not have any direct interest in Ardea, and the company will have a separate board and management . All being well , we expect to see Ardea list on the ASX in early January next year. The process of spinning out a new listed entity is not an easy or straightforward process, so I would like to thank the Heron staff who have been involved with the preparatory work .

Before we begin the formal part of the proceedings, there are also a couple of acknowledgements I would like to make. Firstly, I would like to personally thank the other members of the Board for their contribution throughout the year. I value your inputs to Board discussion and your concerted efforts in guiding management during the past year.

Second, I would also like to thank our Managing Director, Wayne Taylor, and his team for their considerable efforts throughout the last year, particularly in completing the Feasibility Study for Woodlawn, and getting the Woodlawn project ready for construction, including the

all important financing negotiations. We have continued to add to our team with some recent key appointments, and I look forward to their contribution as we ready Woodlawn for development .

Finally , thank you to all shareholders for your continued patience and support. Metal prices are doing their bit for Woodlawn , as we have consistently predicted they would, particularly for zinc, and we are now on the cusp of seeing Heron successfully transition to becoming a true mining company. This time next year , I look forward to reporting again to shareholders at a time when construction of Woodlawn is well advanced .

6. Now for the formal part of the proceedings. The Company's Notice of Meeting has been sent to all shareholders and lodged with ASX. If there is no objection from the meeting I will take the Notice of Meeting as having been read.
7. I remind you that only shareholders, proxy holders or other authorised representatives are entitled to speak and matters raised must be relevant to the business being considered by the meeting. There will also be the opportunity at the end of the meeting to ask general questions or make comments.
8. I would appreciate if you would clearly state your name before addressing the meeting.
9. I advise that all valid proxies that have been received within the prescribed time limits have been admitted.

10. The total number of proxy votes and details of them for each item of business will be recorded in the minutes and advised to the Australian Securities Exchange.
11. There are 3 Resolutions to be put to this meeting and details of each Resolution will be shown on the screen at the time the relevant Resolution is being considered by the meeting, together with the details of the proxy votes cast in respect of that Resolution.
12. I will ask that the Resolutions be determined by a show of hands. However if a poll is called for on any particular Resolution I will wait until all of the remaining resolutions have been considered before asking our share registry, Security Transfer Registrars to conduct the poll.
13. I will now move to the matters to be considered at this meeting.

FINANCIAL STATEMENTS AND REPORTS

1. I now table the Financial Statements, Directors' Report, and the Auditor's Report of the Company for the year ended 30 June 2016.
2. This is not a resolution and the financial statements and associated documents do not need to be approved by the meeting.
3. Does anyone have any comments or questions on the financial statements and associated documents?

<<At this point also note, and provide opportunity for discussion about, written questions (if any have been received) from Shareholders to the Company's auditor about:

- o *the preparation and content of the Auditor's report;*

- *the conduct of the audit;*
- *accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and*
- *the independence of the auditor in relation to the conduct of the audit.>>*

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

1. I direct the meeting's attention to the screen to view the resolution and the proxies received in respect of the resolution.

I would just like to say that even though on the proxies we will manage to avoid a 'first strike' this year, it is disappointing to again see a 'no' vote come through from certain quarters. I commented last year that unfortunately there are a couple of shareholders who continue to use the vote on the remuneration report as some sort of general protest on the company, which is not what this voting procedure is meant to be about. Once again, you are welcome to put any genuine concerns you might have about remuneration issues to the company, however it would be great if you could refrain from using this mechanism to express concerns you might have on other non-related matters

So, do we have someone to move the resolution?

2. I now request questions about this resolution.
3. If there are no questions, I now put the resolution to a vote.
4. All those in favour, please raise your hand.
5. All those against, please raise your hand.
6. I declare the resolution carried/not carried.

RESOLUTION 2 – RE-ELECTION OF IAN BUCHHORN AS A DIRECTOR

1. I direct the meeting's attention to the screen to view the resolution and the proxies received in respect of the resolution.
2. Do we have someone to move the resolution?
3. I now request questions about this resolution, if any.
4. If there are no questions, I now put the resolution to a vote.
5. All those in favour, please raise your hand.
6. All those against, please raise your hand.
7. I declare the resolution carried/not carried.

RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

1. I direct the meeting's attention to the screen to view the resolution and the proxies received in respect of the resolution. I note that this resolution is a special resolution.
2. Do we have someone to move the resolution?
3. I now request questions about this resolution, if any.
4. If there are no questions, I now put the resolution to a vote.
5. All those in favour, please raise your hand.
6. All those against, please raise your hand.
7. I declare the resolution carried/not carried.

CLOSING OF GENERAL MEETING

1. Thank you ladies and gentlemen, as there are no other matters that can be properly considered in the formal part of this Annual General Meeting, I now declare the meeting closed.
2. Our Managing Director, Wayne Taylor, will now provide you with an update on the activities of the Company, and following his presentation you will have the opportunity to ask questions to any of the Board.

Presentation

Thanks Wayne for your presentation. I now invite members to ask any questions or make comments.

If that is all the questions, I would like to invite all of you to join us for afternoon tea