Heron Resources Limited
Level 7, 191 Clarence Street, Sydney NSW 2000
heron@heronresources.com.au
+61 2 9119 8111
ABN: 30 068 263 098

ASX/TSX Release

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Heron Drilling Intersects Significant Mineralisation at Currawang

- **Heron has completed two diamond drill holes, of a four hole program, for 1,166m at the Currawang Prospect, 10km north west of Woodlawn**
- **Hole CWDD0002, targeting below the known main lens, intersected 5.3m of semi-massive and stringer-style zinc and copper sulphide mineralization from 486m down-hole. This is interpreted to represent a new zone (lens?) of significant mineralisation directly to the east and below the main lens.**
- **A full 50% of direct drilling costs are funded by the New South Wales Government's Cooperative Drilling Program**

Heron Resources Limited (ASX:HRR TSX:HER, "Heron" or the "Company") is pleased to provide an update to the drilling program underway at its wholly owned Currawang prospect located 10 kilometres north west from the Company's Woodlawn Zinc-Copper Project in New South Wales, Australia.

Commenting on the drilling progress, Heron's Managing Director, Mr Wayne Taylor said: *"The sulphide intercept and interpreted geology is a very exciting development at Currawang as we are seeing direct evidence of a broader mineralised system than previously contemplated. In addition to the drilling results we anticipate receiving from the next two holes, the drilling campaign is designed to establish an expansive platform for down-hole electromagnetic modelling (DHEM), providing geophysical targeting well beyond the strike-length of the known mineralised occurrence. While still at early stages, we are looking forward to completing the program to establish the next phase of work at what could be the next chapter to Woodlawn's growth.*"

Currawang Prospect

As described in the release dated 31 July 2017, a program of four holes for 2,150m is underway at Currawang with two holes for 1,166m completed. The program is targeting potential extensions to, as well as possible new lenses, associated with high-grade volcanic massive sulphide (VMS) mineralisation that was previously mined (approximately 0.5Mt) in the mid-1990's; this is the first drilling program at Currawang since 1996.

The first hole (CWDD0001) targeted the along-strike extension to the north of the main Currawang Lens (Figure 1) in an area of limited historic drilling. This hole intersected a broad interval (38m, from 341m down-hole) of moderate to intense sericite, silica, pyrite, and chlorite alteration within a strongly foliated, and in-part, brecciated basalt (the Currawang Basalt). Within this interval is 16m of intense alteration and minor stringers of zinc sulphides with lesser lead and copper sulphides. These stringers sulphides are analogous to, and represent, the mine horizon; as well, the intensity of the alteration indicates potential proximity to high-grade mineralisation.

The second drill hole (CWDD0002) targeted the down-plunge extension to the main Currawang Lens (Figure 1) and intersected 5.3m of 5-10cm stringers and semi-massive zinc sulphide mineralization (Figures 2 and 3) from 485.7m within a broad zone of alteration hosted by the basalt sequence. Copper sulphides within this zone are probably responsible for the weak, historic DHEM anomaly measured in this area.

This hanging-wall zone of mineralisation represents a potential new zone, or lens, of mineralisation at Currawang and subject to receipt of assay results, will warrant follow-up drilling,. The hole (CWDD0002) continued to a depth of 640m and passed through a broad (50m+) zone of intense chlorite alteration with minor copper-sulphide stringers. Such chlorite zones are typically associated with the feeder zones which lead into, and feed, the main VMS lenses; these alteration zones therefore provide encouragement that stronger grades of mineralisation could be nearby.

Both drill holes are currently being sampled and assays are expected within a few weeks. The holes are being cased with PVC pipe and will be surveyed with DHEM at the completion of the program. The two remaining proposed holes are shown on the long section in Figure 1.

The program is part of the NSW Government's Cooperative Drilling Program with 50% of the direct drilling costs being reimbursable to Heron.

Figure 1: Currawang long section (looking east) showing area of deposit ~~existing~~ previously mined, and location of the four drill holes in this campaign.

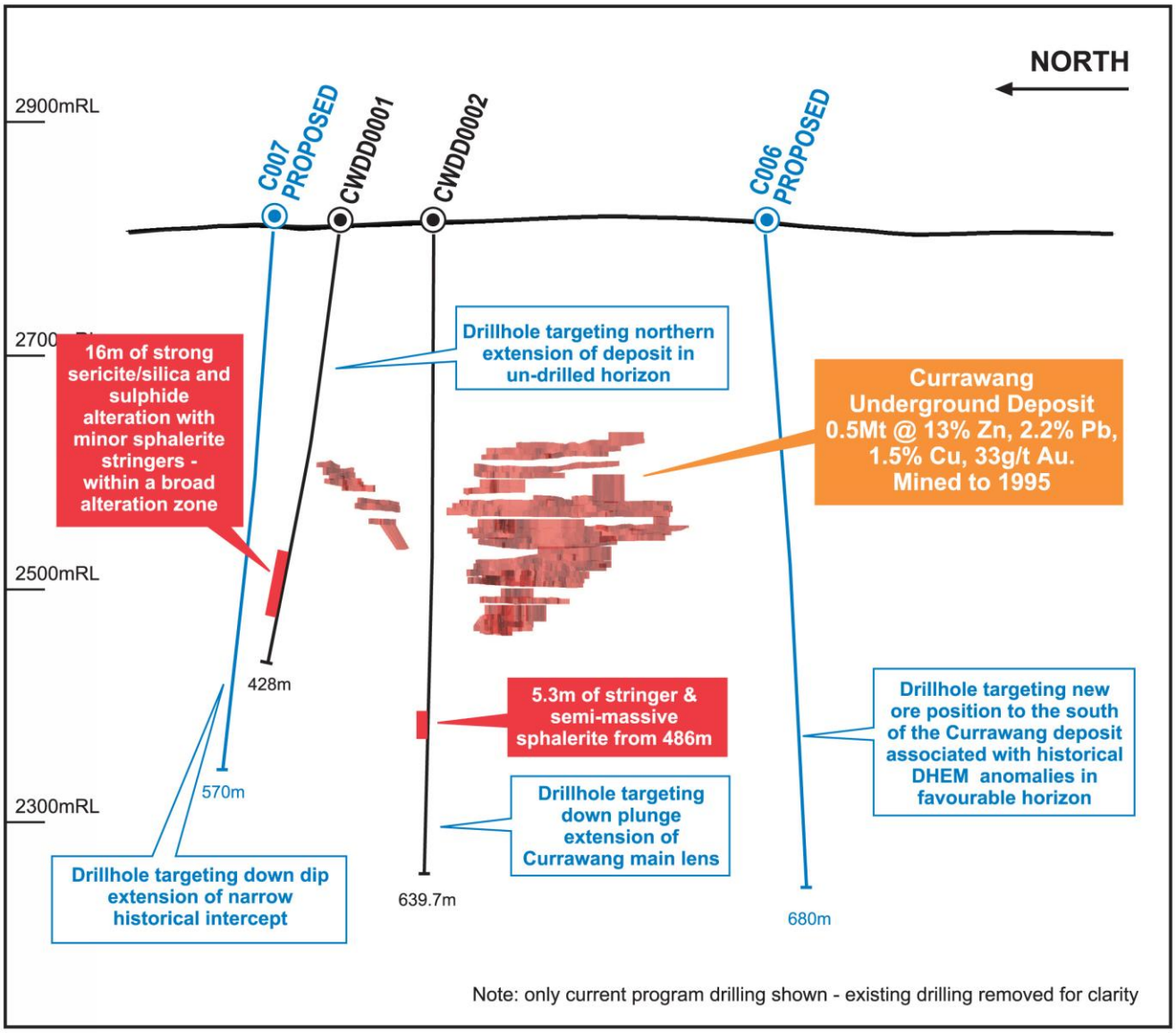


Figure 2: Photo of the zinc sulphide (sphalerite stringers) in CWDD0001 from 486m. NQ2 (46.7mm) core within the core tray with each length approximately 1m long.

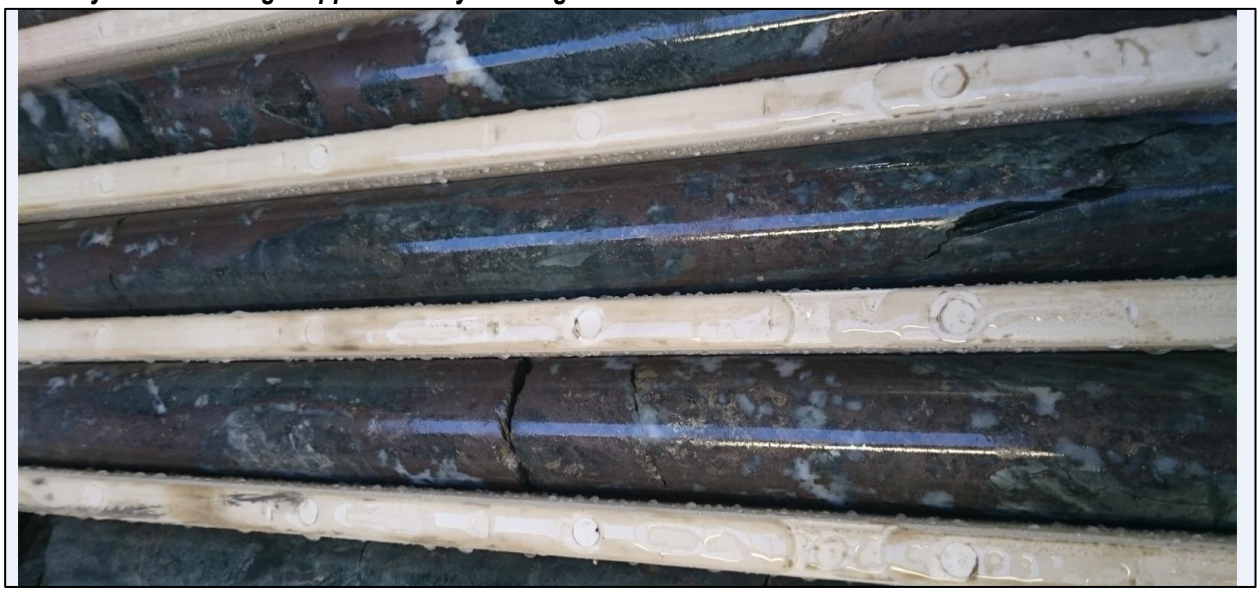
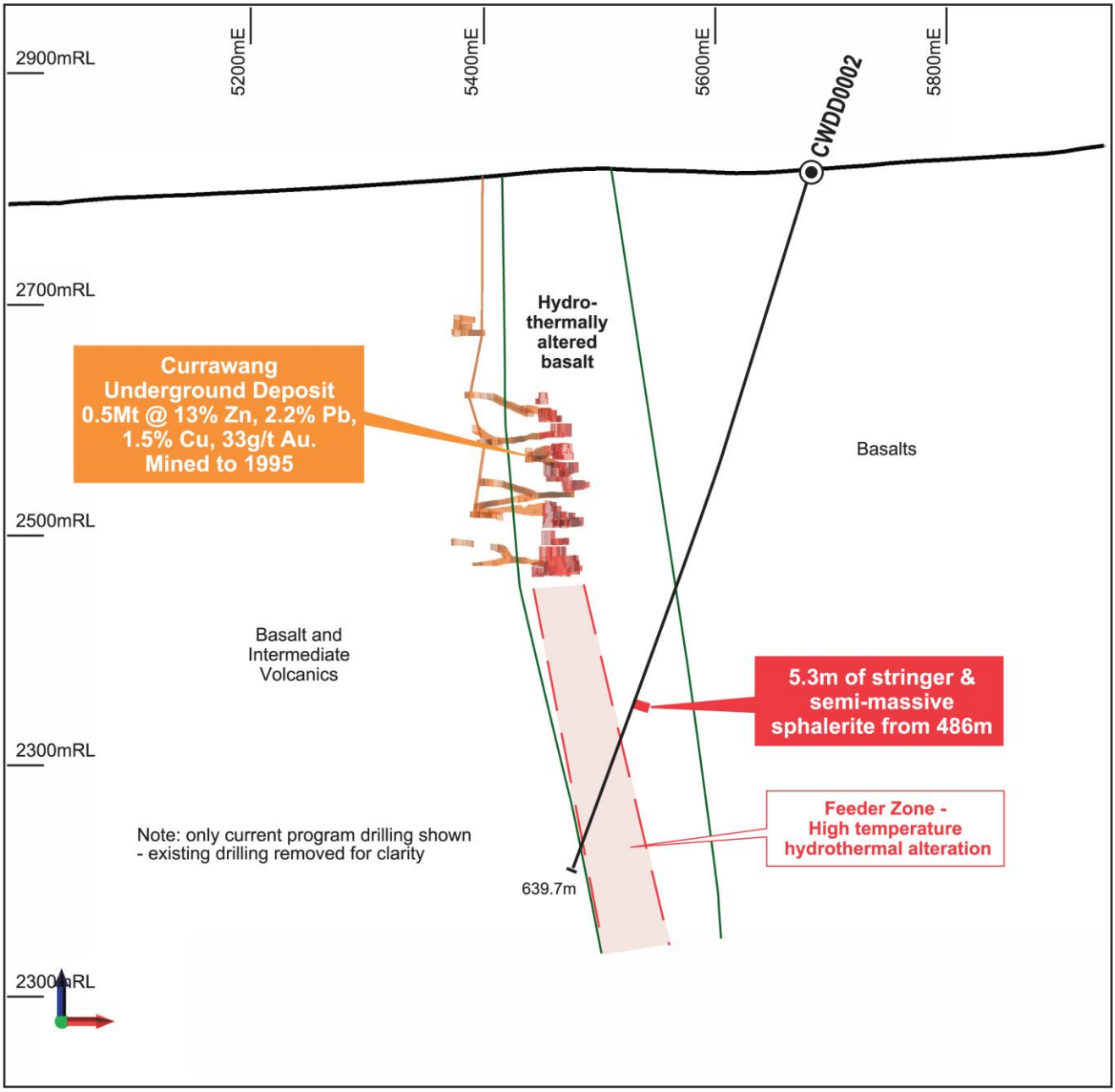


Figure 3: Drill core detail showing massive zinc sulphides. The red-brown mineral is sphalerite (zinc sulphide) and shows a hydrothermal, replacement style of formation with clots of dark green chlorite being original basalt fragments entrained within the sphalerite. The white mineral is quartz and indicates the vein-style of formation of this zone.

Figure 4: Cross Section (looking north) through the plane of CWDD002 showing the location the area historically mined-out, and the location of the new hanging wall stringer-style sphalerite mineralization, and the deeper chlorite alteration zone



Further updates on drilling progress at Currawang will be provided as results become available.

About Heron Resources Limited:

Heron's primary focus is the development of its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia. In addition, the Company holds a significant high quality, gold and base metal tenement holding regional to the Woodlawn Project.

For further information, please visit www.heronresources.com.au or contact:

Australia:
Mr Wayne Taylor
Managing Director and Chief Executive Officer
Tel: +61 2 9119 8111 or +61 8 6500 9200
Email: heron@heronresources.com.au

Jon Snowball
FTI Consulting
+61 2 8298 6100
jon.snowball@fticonsulting.com

Canada:
Tel: +1 647-862-1157
(Toronto)

Compliance Statement (JORC 2012 and NI43-101)

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This report 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 report. 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 report 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 report.***

Appendix 1

Details for diamond drill holes completed

Hole No.	CMG East (m)	CMG North (m)	CMG RL (m)	Surface Dip	CMG Surface Azimuth	EOH Depth (m)	Target
CWDD0001	5675.0	15613.6	2816.1	-62	274.19	428.6	Testing northern extent of mineralisation, down dip of stopes and also DHEM plates at around 400m
CWDD0002	5685.5	15533.1	2815.4	-72	266.19	639.7	Testing down plunge and down dip extent of mineralisation, below old stopes in central part of the deposit

Notes: CMG = Currawang Mine Grid

Assay results are currently pending

Zinc equivalent calculation

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for Au, Ag, Cu, Pb and Zn. ZnEq = Zn%+Cu%*3.12+Pb%*0.81+*Au g/t*0.86+Ag g/t*0.03. Metal prices used in the calculation are: Zn US$2,300/t, Pb US$ 2,050/t, Cu US$6,600/t, Au US$1,250/oz and Ag US$18/oz. It is Heron's view that all the metals within this formula are expected to be recovered and sold.

JORC 2012 Table 1

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 NQ2 sized core and sampled on a nominal 1 metre basis taking into account smaller sample intervals up to geological contacts. The core is cut in along the core orientation line (where available). Generally in massive sulphide zones one portion is quartered for assaying, half the core is preserved for metallurgical testing and the remaining quarter is retained as reference material in the core trays. In non-massive sulphide material half core is sampled. • These sampling methods are standard industry methods and are believed to provide acceptably representative samples for the type of mineralisation 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 Sandvik DE710 rigs with mostly NQ2 sized core being drilled. Various techniques are employed to ensure the hole is kept within limits of the planned position. The core is laid out in standard plastic cores trays.
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 where possible and marked with 1 metre down hole intervals for logging and sampling.
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.*	• The diamond core is geologically logged by qualified 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 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 (approximately 0.5 kilogram of white, medium-grained sand) is put through the LM5 pulveriser prior to each new batch of samples. A number of quartz flushes are also put through the pulveriser after each massive sulphide sample to ensure the bowl is clean prior to the next sample being processed. A selection of this pulverised quartz flush material is then analysed and reported by the lab to gauge the potential level of contamination that may be carried through from one sample to the next.

Criteria	JORC Code explanation	Commentary
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 is being conducted through ALS Laboratories, Orange, NSW with certain final analysis of pulps being undertaken at the ALS Laboratory in Brisbane QLD. • 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 (DataShed) 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 with accuracy to 1 centimetre. • While drilling is being undertaken, down hole surveys are conducted using a down hole survey tool that records the magnetic azimuth and dip of the hole. These recordings are taken approximately every 30 metres down hole. As a check, certain holes are also being surveyed with gyroscopic methods, with some 10 percent of holes drilled in the current program also surveyed by this method after drilling has been completed.
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 spacing in the range 20-40m. This drill hole spacing will be sufficient to provide Mineral Resource estimates in the future.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The drilling orientation is designed to intersect the mineralised lenses at as close to a perpendicular angle as possible. The mineralised lenses are dipping approximately vertically or steeply to the east.
Sample security	• *The measures taken to ensure sample*	• The cut core samples are secured in green plastic bags

Criteria	JORC Code explanation	Commentary
	security.	and are being transported to the ALS laboratory in Orange, NSW via a courier service or with Company personnel/contractors.
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 in late 2014 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 Currawang project is located 250km south-west of Sydney in the state of New South Wales. The area is on 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 EL 7257. • The project area is on private land and an agreement is in place with the owners to access the land.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Currawang deposit is a satellite deposit to Woodlawn and was discovered by the Jododex JV in the early 1970's through soil geochemistry programs. It was mined in the early 1990's with the ore being trucked to Woodlawn for processing. • 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 Ltd (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 studies on a tailings re-treatment process and further underground operations. • Heron took 100% ownership of the project (Woodlawn and Currawang) in August 2014 following the merger of the two companies.
Geology	• *Deposit type, geological setting and style of mineralization.*	• The Currawang deposit comprises volcanogenic massive sulphide mineralisation consisting of replacement style lenses of pyrite, sphalerite, galena and chalcopyrite within a hydrothermal breccia system. The mineralisation is hosted in the Silurian aged Currawang Basalt rocks 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:*	• A table detailing the drill hole information is given in the body of the report.

Criteria	JORC Code explanation	Commentary
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.*	• The reported assays are weighted for their assay interval width. The majority of the assay interval widths are 1 metre, but this weighting does take into account the non 1 metre intervals and weights the average assay results accordingly. • For the results reported here no weighting was included for specific gravity (SG) measurements that have been taken for all sample intervals as the samples within the intervals are of a similar SG.
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 0.8 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.*	• Where relevant, a diagram 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 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 contaminating substances.*	• Selected drill holes are being cased with 40 millimetre PVC tubing for potential down-hole DHEM surveying which is undertaken on the majority of the holes drilled. • Geotechnical logging, if required, is undertaken nominally 25m either side of the massive sulphide lenses. • Archimedes method SG measurements are determined for all sampled intervals.
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 program of drilling at Currawang is continuing. Future work will be dependent on the results of the current program. • A program of DHEM will be conducted on the 4 holes when they are completed.