

October 2017



Investor Presentation
The next Australian zinc producer

TSX:HER

ASX:HRR

DISCLAIMER & IMPORTANT NOTICE

This presentation contains forward-looking statements and forward-looking information within the meaning of applicable Australian and Canadian securities laws, which are based on expectations, estimates and projections as of the date of this presentation. Wherever possible, words such as "anticipate", "believe", "expect", "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. Prospective investors should not place undue reliance on any forward-looking information as actual outcomes may differ materially from 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 presentation. This presentation is not a prospectus, disclosure document or other offering document under Australian law, Canadian law or under any other law. It is for information purposes only and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take into account your individual investment objectives, including the merits and risks involved in an investment in shares in Heron, or your financial situation, taxation position or particular needs. This presentation is not a recommendation to acquire Heron shares. You must not act on the basis of any matter contained in this presentation, but must make your own independent assessment, investigations and analysis of Heron and the shares the subject of the Offer referred to herein and obtain any professional advice you require before making any investment decision based on your investment objectives.

The information in this presentation is in summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with the Company's periodic and continuous disclosure announcements to the ASX and TSX which are available on the ASX and SEDAR websites, respectively. This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

To the maximum extent permitted by law, Heron and its advisers and affiliates, directors, officers and employees: make no representation or warranty, express or implied, as to the accuracy, reliability or completeness of information in this presentation; and exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the proposed offering and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence of otherwise.

The information in this presentation remains subject to change without notice. Heron reserves the right to vary or withdraw the timetable for the proposed offering without notice.

Compliance Statement (JORC 2012 and NI 43-101)

This presentation incorporates by reference the complete ASX announcement relating to the Feasibility Study results which were released to the market on 29 June 2016 and is entitled "Heron Resources delivers robust Feasibility Study for Woodlawn Project" ("FS Announcement"). The FS Announcement is available from the Company's website at www.heronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Mineral Resources and Ore Reserves as well as the detailed technical and financial assumptions which underpin the FS results. These detail assumptions are included in the "Technical Report (NI 43-101) Feasibility Study for the Woodlawn Project" as released on SEDAR 25 July 2016.

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

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

HERON RESOURCES **CORPORATE SUMMARY**

Strong market with assets, people and funding in place

MARKET

Zinc (& Copper)

- Strong supply / demand fundamentals

ASSET

Woodlawn Project (NSW, Australia)

- High quality Zn+Cu+Pb+Ag+Au deposit
- Robust business case
- Unrivalled infrastructure & permitted
- Significant exploration upside

FINANCED

Development Funding

- A\$240M full funding package secured

FOCUS

Project Delivery

- Construction underway
- Resourcing for operations
- Growth through in-mine and regional discovery



150.6 - 151.6m: 55% ZnEq (23.0% Zn, 14.2% Pb, 6.0% Cu, 0.11g/t Au, 52g/t Ag) WNND0114

HERON OVERVIEW

Post settlement of Woodlawn financing – new Capital Structure, Board additions & revised Register



CAPITAL STRUCTURE

Dual listing:	ASX: HRR TSX: HER
Shares:	2,417 million
Options:	21 million
Share Price:	A\$0.075
Market Cap:	A\$181 million
Cash: (30 Sep 2017)	A\$124 million (unrestricted)
Investments:	A\$1.0 million* (Excludes 10 million 25c ARL options)



BOARD

Chairman
Stephen Dennis

MD & CEO
Wayne Taylor

Non-Executive Director
Borden Putnam III

Non-Executive Director
Fiona Robertson

Non-Executive Director
Mark Sawyer

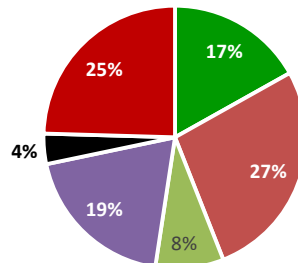
Non-Executive Director
Peter Rozenauers

Non-Executive Director
Ricardo De Armas

Supported by strong and experienced management team



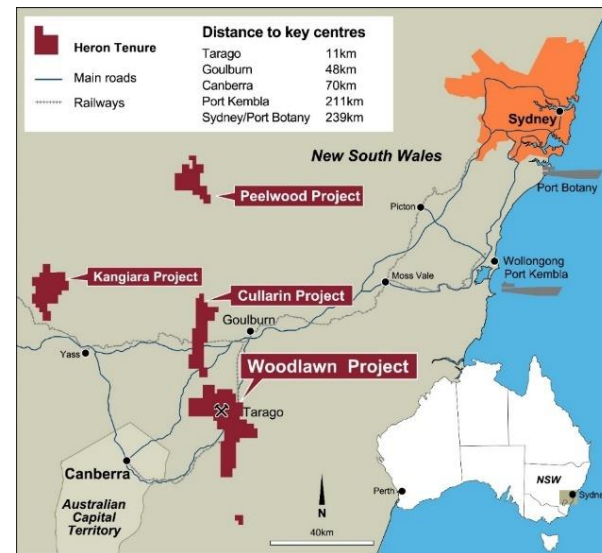
SHARE REGISTER



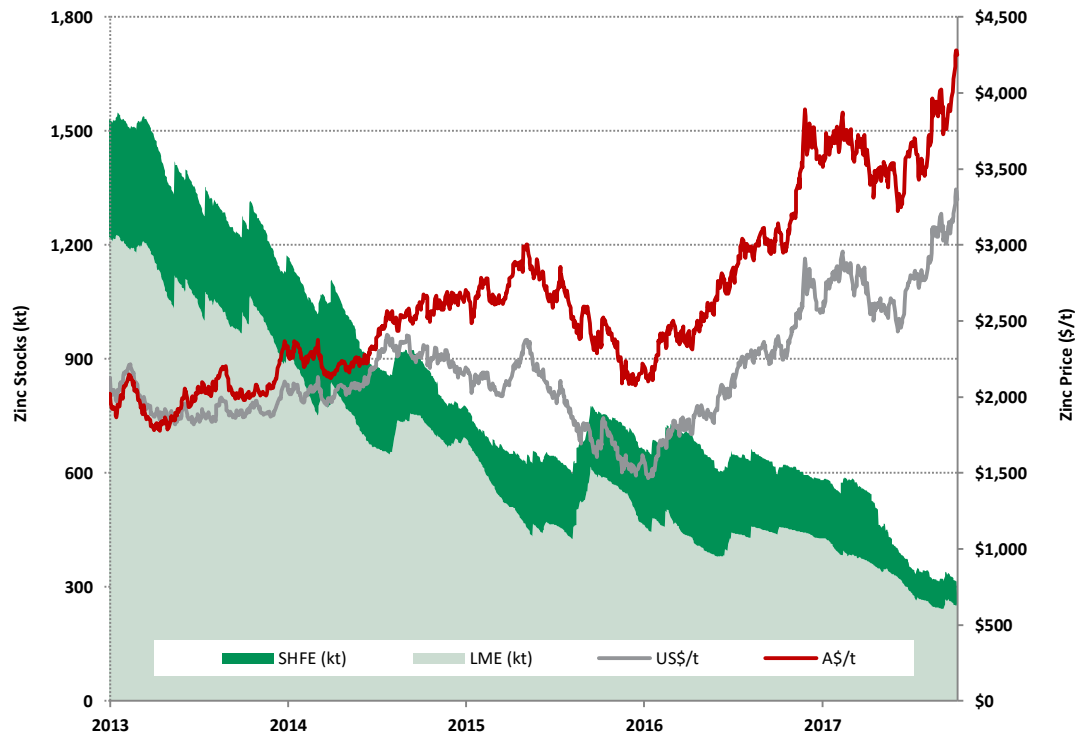
- Orion
- Greenstone
- Greenstone Aff
- Castlelake
- Canadian Register
- Australian Register



PROJECT PORTFOLIO



MARKET ZINC FUNDAMENTALS



Source: LME, RBA, SHFE, Terra Studio

Zinc market attributes:

- Supply < Consumption
- Recent rapid stock draw and corresponding price increase – currently at 10 year highs
- Chinese reaction has been subdued - reported environmental controls limiting supply response
- Global project pipeline underdeveloped
- Limited project financing to support new meaningful scale developments
- Forecasters tipping strong price activity when stocks reach 10 days consumption level – currently at 10.5 days¹

¹ Scotiabank 10 October 2017

MARKET ZINC & COPPER FUNDAMENTALS

Zinc

Teck¹, Sep '17 – Zinc Market Observations from 'World's Largest Net Zinc Miner'

- Mine production growth for zinc - insufficient to meet demand (projection to 2020)
- 4.3Mtpa of additional zinc production required to satisfy demand to 2025
- Uncommitted projects are insufficient to meet this
- Speculated price induced reaction of increased Chinese mine zinc production has not occurred (down 6% YTD)
- Zinc metal inventories approaching historical lows
- Zinc used in Giga Steel, zinc thermal spray, continuous galvanised rebar and zinc micro-nutrient fertiliser – expanding the consumption base

Sydney South Eastern Light Rail under construction (Randwick Racecourse Station) – 100% of exposed steelwork is galvanised

>50% of global zinc consumption is used in galvanising



Copper

Scotia Bank², Oct 2017 - Copper Supply Comments

- Material deceleration in supply growth starting 2019
- Essentially zero growth by 2021
- 'Anaemic' 5 yr average growth 0.9% pa
- Typical 4-5 yr project development lead time.....too late to plug the gap
- Currently not at project incentivised pricing

¹ Retrieved from <http://www.teck.com/media/P3-Zinc%20Market.pdf>
² Scotia Daily Mining Scoop, 5 October 2017

ASSET WOODLAWN ZINC-COPPER PROJECT

Unrivalled infrastructure – road & rail access, power, water, labour and port



Woodlawn Project Metrics

1.5Mtpa

9.3yr LOM (Reserves only)

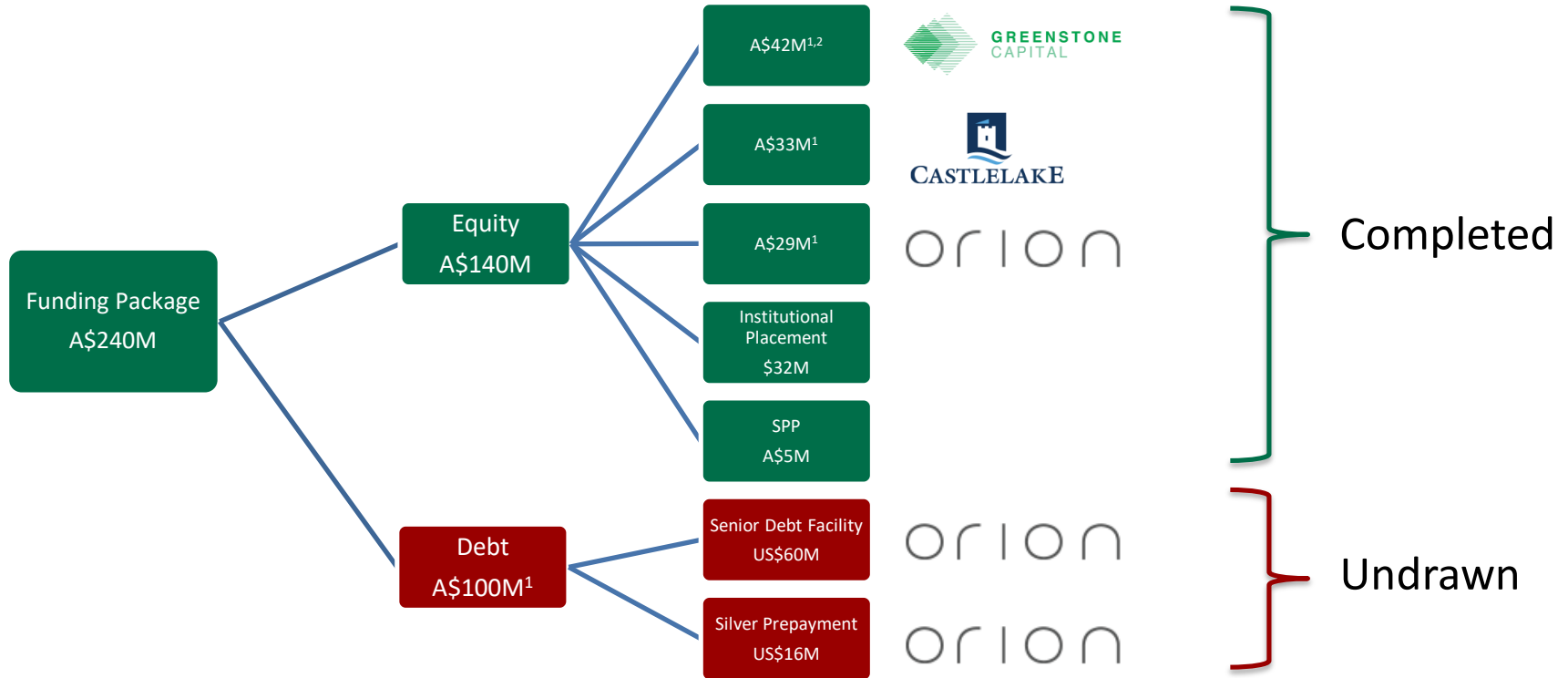
Steady State gross production

- 40ktpa Zn (88Mlbs)
- 10ktpa Cu (20Mlbs)
- 12ktpa Pb (25Mlbs)

156 Personnel

FINANCE WOODLAWN DEVELOPMENT FUNDING

Full funding package to production



¹ Based on an exchange rate of 0.76 AUDUSD
² Includes Greenstone Co-investors

FOCUS WOODLAWN'S STATE OF THE ART PROCESSING FACILITY

Construction of 1.5Mtpa process plant & infrastructure underway



EPC – Sedgman

Earthworks – Ertech

The Physicals:-

- 2M m3 earthworks
- 3,600 m3 concrete
- 995t steel
- 34km piping
- 1,300 valves
- 58km electric cable
- 233 items of mechanical equip
- 110 items electrical equip
- 208,000 person hours

FOCUS WOODLAWN SITE ACTIVITIES



1. Haul Road



2. ROM Pad



3. Plant Site



4. Construction Offices

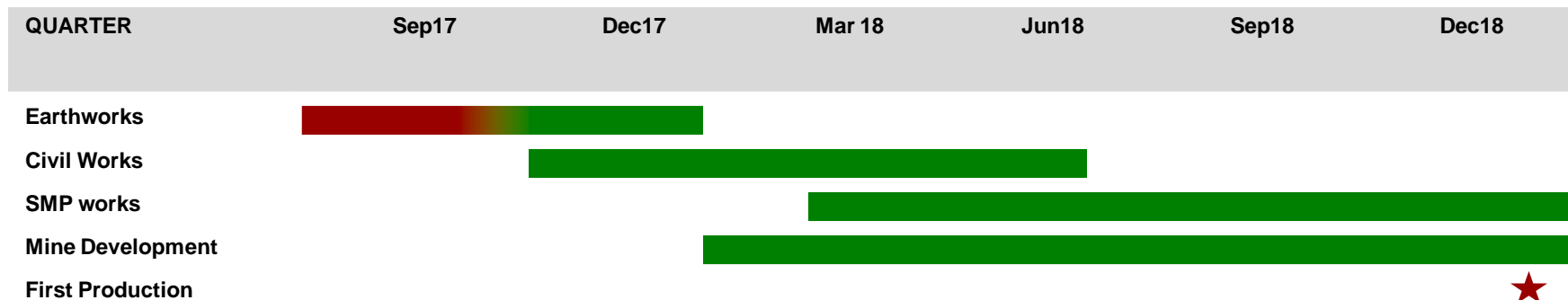


5. Site Access Road



6. Box Cut

FOCUS WOODLAWN DELIVERY SCHEDULE



Early orders for critical path equipment in place:

- IsaMill M10000 fine grinding mill (value US\$4.4M)
- Outotec flotation cells (value A\$4.9M)
- Outotec thickeners (value A\$1.2M)
- A\$25M in equipment orders placed for project total of A\$30M

Targeting first production end 2018 / early 2019

GROWTH WOODLAWN EXPLORATION STRATEGY

Building the business beyond the Feasibility Case

Prioritised Organic Growth

1

In Mine Exploration

- Shallow extensions – G, G2, Lisa, D lenses
- Adjacent trends & step out targets
- Deeper extensions – All 12 known lenses

2

Near Mine (Regional) Exploration

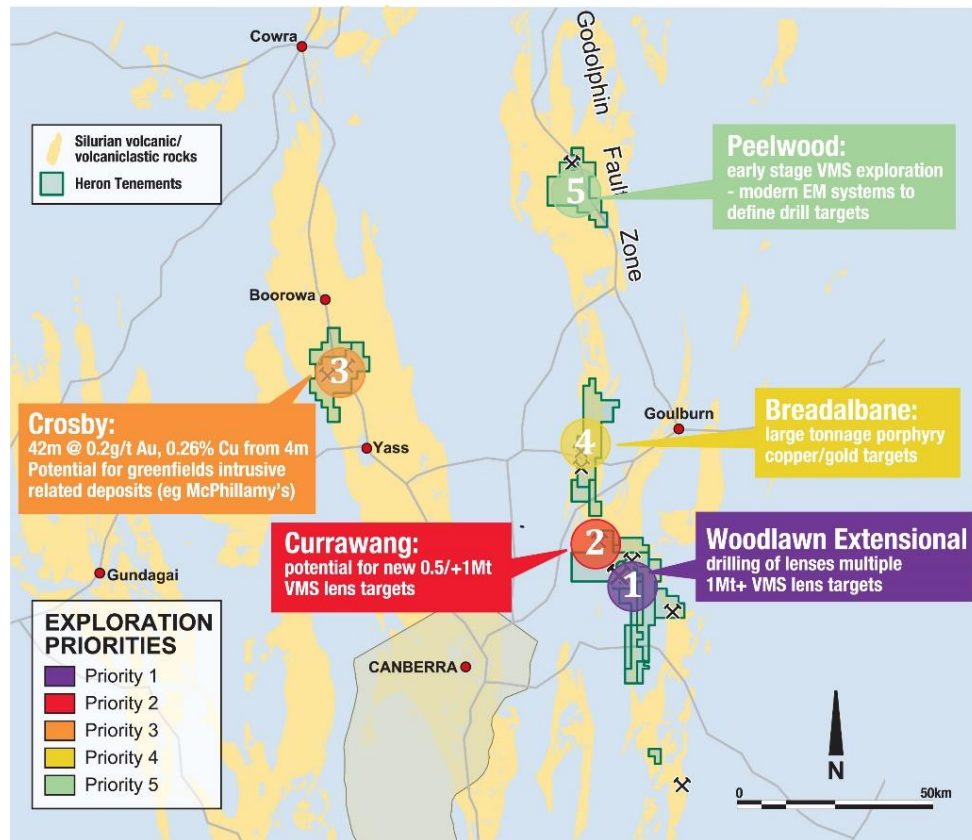
3

- Regional prospects

4

- Commanding land tenure position

5

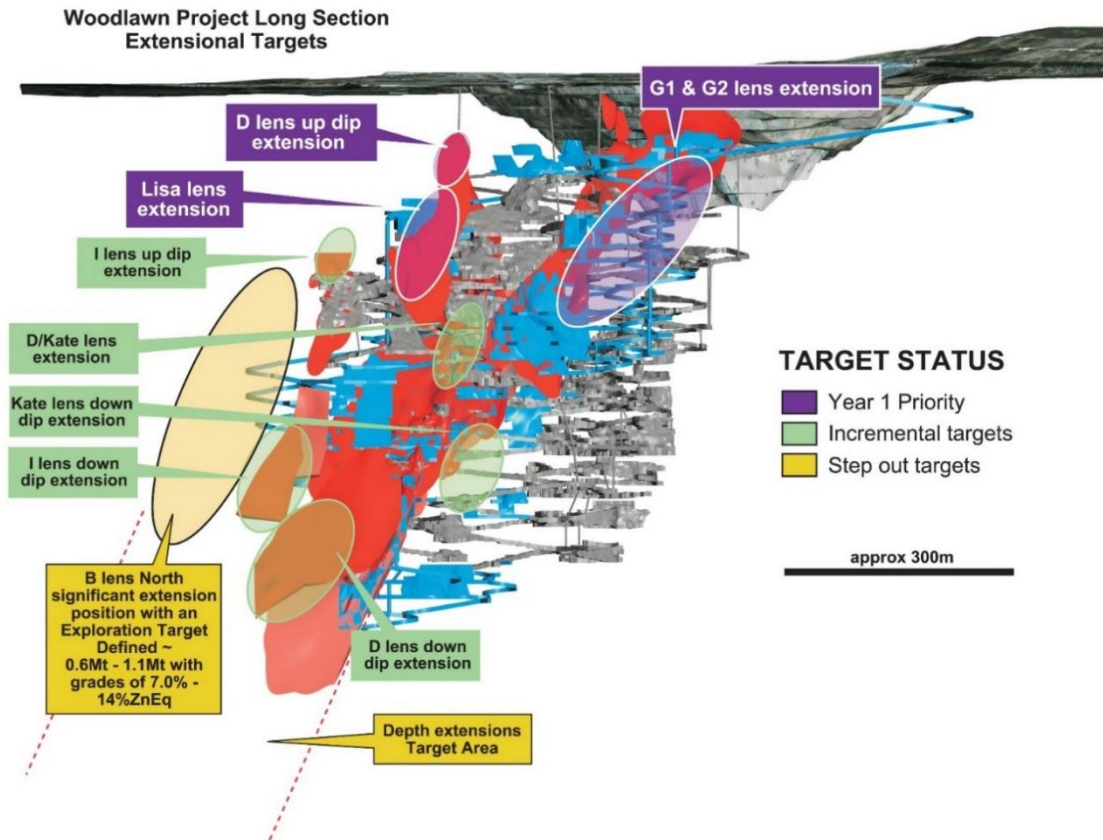


GROWTH WOODLAWN IN-MINE EXPLORATION

Targeted additions to the Mine Plan

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

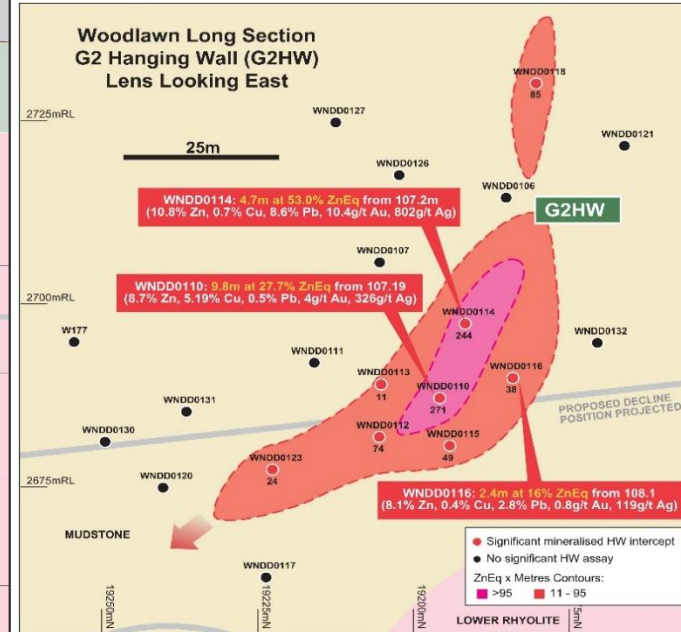
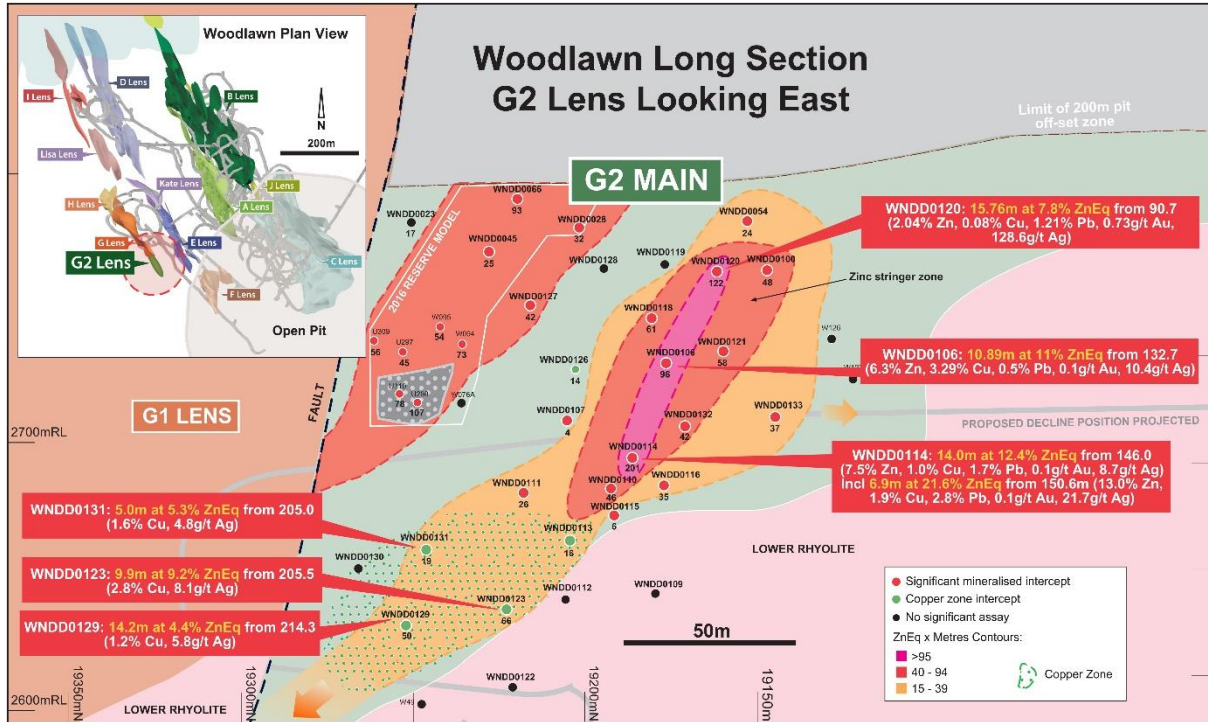
Refer to page 2 for the ZnEq calculation assumptions



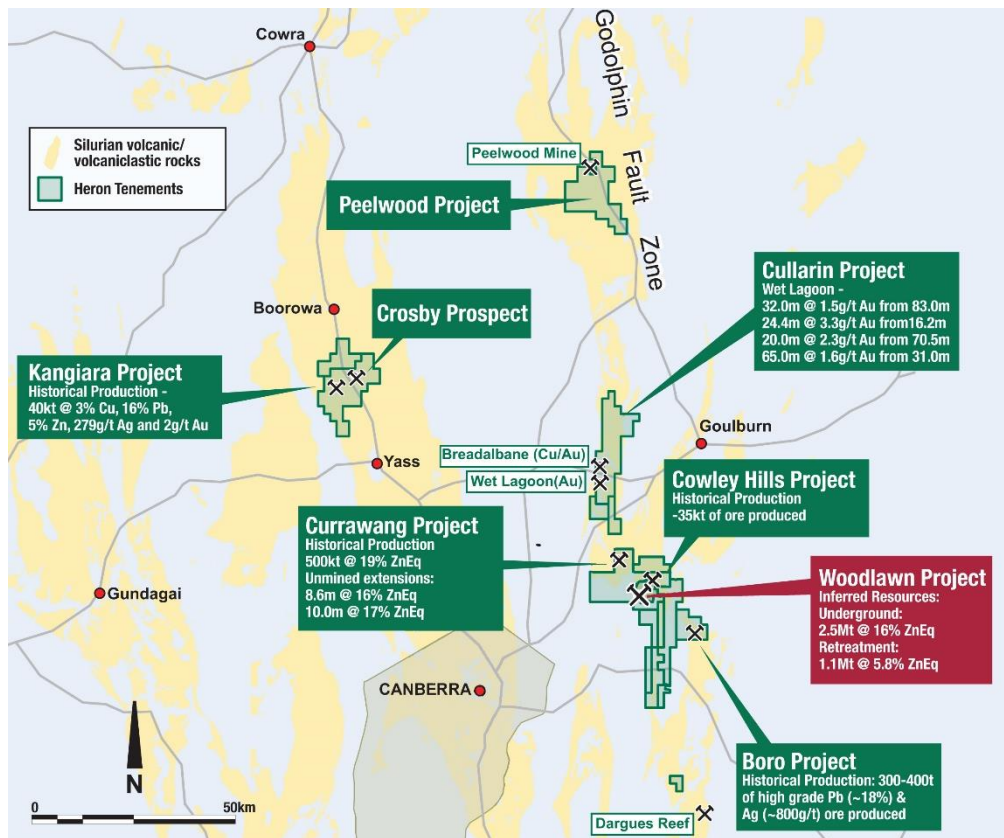
GROWTH WOODLAWN IN-MINE EXPLORATION

G2 Lens – Next Steps

- First mineralisation to be accessed underground
- Not yet in Reserves or Feasibility Study
- Returned high grade results (G2 & G2 H/W)
- Resource modelling being finalised
- Mine planning and Reserves in November
- Extension potential (not closed off)



GROWTH WOODLAWN REGIONAL POTENTIAL



A High Quality VMS District

Dominant Regional Position

- Tenure of 974 km²
- Coverage of VMS host rocks

Confirmed Prospectivity - Satellite Production

- Currawang Mine
- Cowley Hills Mine

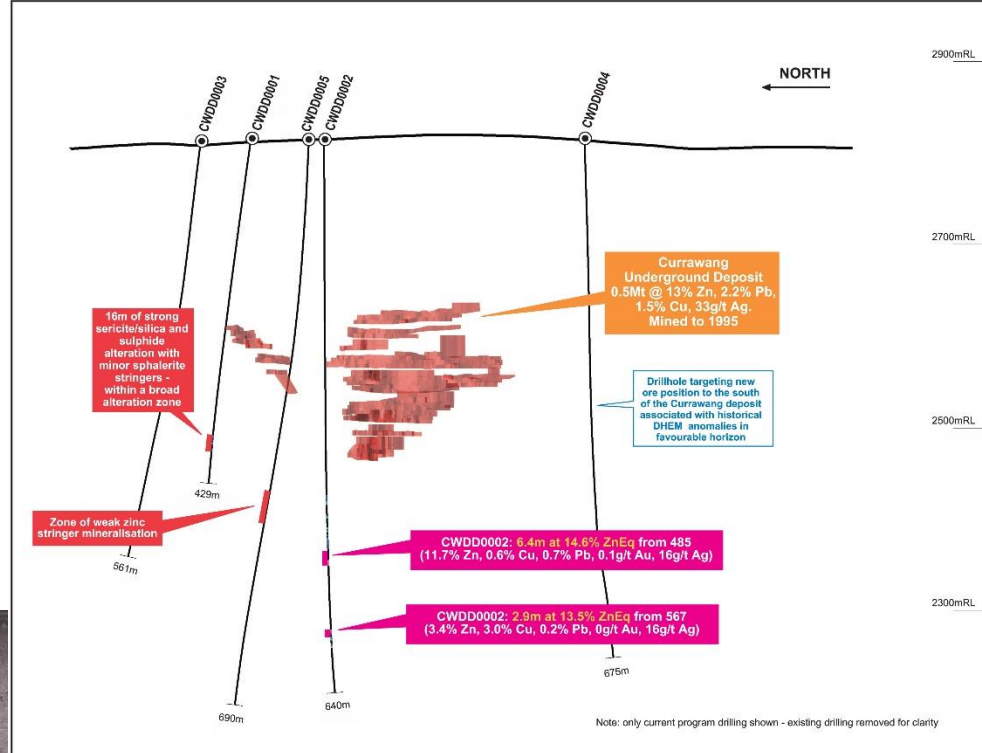
Prospect & Target Generation

- New and historic remote sensing datasets
- Geochem anomalies
- Extensive areas under cover
- Limited systematic exploration for >30 yrs

GROWTH CURRAWANG

10km NW Woodlawn – Mined 1992-1996

- No drilling since 1996
- Current 5 hole drilling program - completed
- Second hole intercepted semi-massive zinc and copper sulphides
- Co-funded by NSW Government's Cooperative Drilling Program
- Targeting 500-600m strike for down hole EM survey platform of mineralised structural trend



6.4m @ 14.6% ZnEq from 485m (11.7% Zn, 0.6% Cu, 0.7% Pb, 0.1g/t Au, 16g/t Ag) (CWDD0002)

2.9m @ 13.5% ZnEq from 567m (3.4% Zn, 3.0% Cu, 0.2% Pb, 16g/t Ag) (CWDD0002)

HERON RESOURCES THE IMMEDIATE PLAN



In parallel and integrated with EPC schedule –



Finalise mining contractor



Build the site operating team (from 7 to 156 in 12 months)



Finalise product logistics



Develop the growth opportunities in-mine and regionally



Finalise port facilities

HERON RESOURCES INVESTMENT PROPOSITION

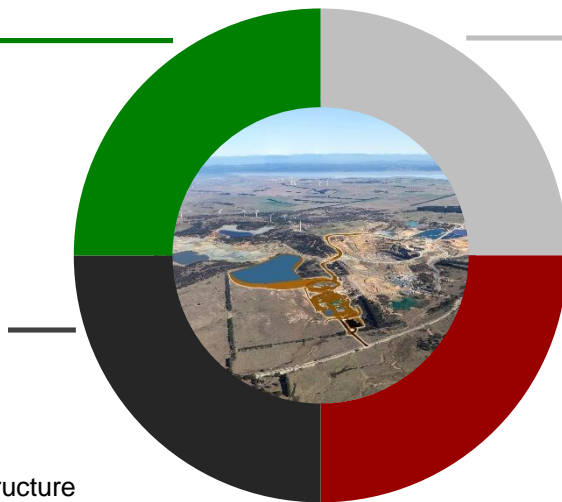
TSX: HER ASX:HRR

MARKET - ZINC

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

ASSET - WOODLAWN PROJECT

- High quality deposit
- Compelling business case
- Favourable jurisdiction & excellent infrastructure
- Path to production set
- Longevity through discovery upside



FOCUS - EXCLUSIVELY WOODLAWN

- 100% focus - Woodlawn production
- Construction underway
- Expanding in-mine position
- Growth through strong regional position

FINANCED - FOR DEVELOPMENT

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

Woodlawn remains one of the few new zinc projects fully funded to production and, with construction now underway, places Heron on track to participate in a pricing environment supported by the strong zinc physical market

Contact us:



Suite 702/191 Clarence Street
Sydney NSW 2000



+61 2 9119 8111



heron@heronresources.com.au



Canadian contact:
+1 647 862 1157



www.heronresources.com



Follow us @Heron_Resources

APPENDIX: OTHER INFORMATION



HERON RESOURCES CORPORATE OBJECTIVE 2014 – 2017+

2014



Heron Resources
Limited

+



Setting the Course

Corporate Objective

To Develop Woodlawn into a
LONG TERM, PROFITABLE, BASE METAL PRODUCER

2015 Preliminary Economic Assessment (PEA)

2016 Woodlawn Feasibility Study

2017 Financing Process

2017 Zinc Market



Confirmed Corporate Objective

2016 WOODLAWN MINERAL RESOURCES

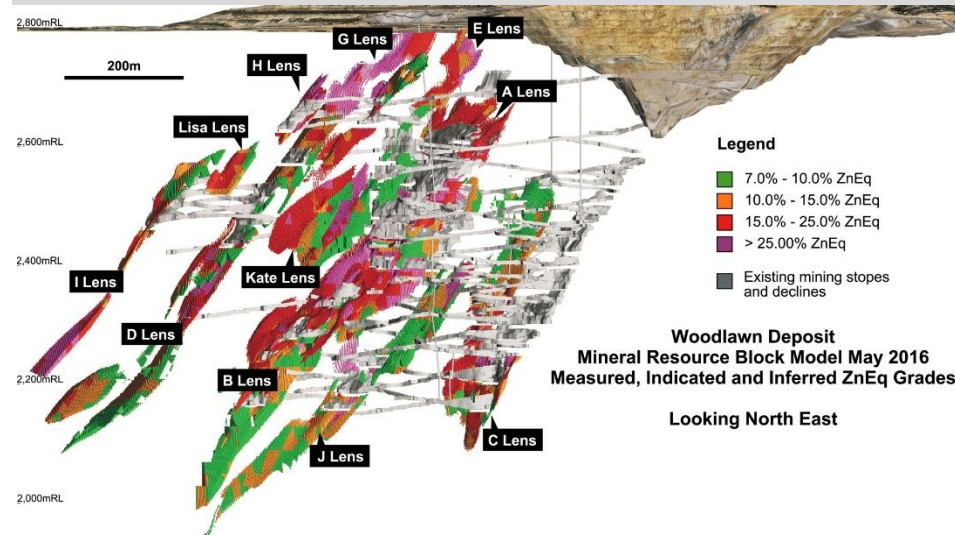
Retreatment



Woodlawn Reclaimed Tailings Mineral Resource – All Dams

Resource Category	Tonnes (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Mea+Ind	9.8	6.2	2.3	0.51	1.3	0.31	32
Inferred	1.1	5.8	2.3	0.47	1.2	0.25	27

Underground



Reported at a 7% ZnEq lower cut-off grade

Type	Resource Category	Quantity (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Poly-metallic	Mea+Ind	2.6	21	10	1.5	4.0	0.69	79
	Indicated	1.5	10	0.8	2.8	0.2	0.23	15
All Total	Mea+Ind	4.1	18	7.2	2.0	2.6	0.52	55
All Total	Inferred	2.5	15	5.9	1.8	2.3	0.61	47

Notes: Refer to Slide 2 for ZnEq (%) calculation. Mineral Resources are inclusive of Mineral Reserves.

WOODLAWN MINERAL RESERVES & MINE PLANNING

A new high grade underground mine



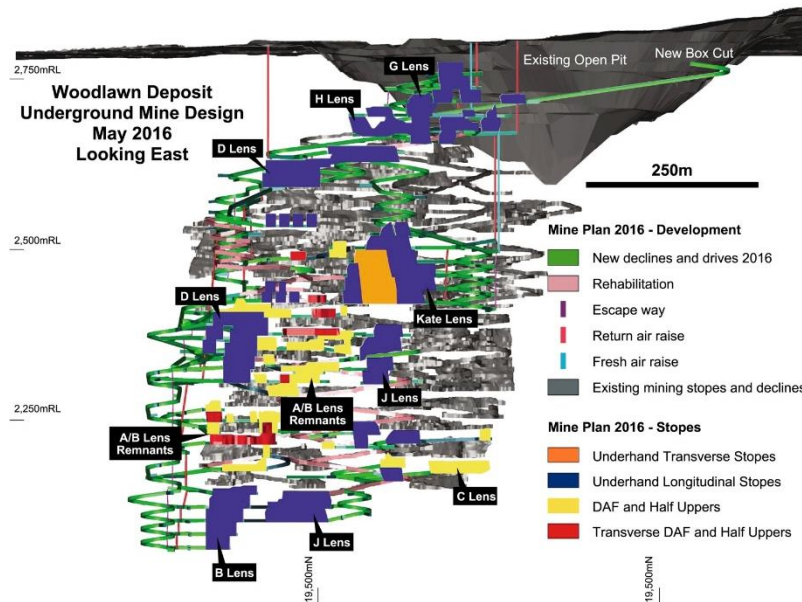
Reclaimed Tailings Mineral Reserves - 9.5Mt

9.5Mt @ 6% ZnEq
(2.2% Zn, 0.5% Cu, 1.3% Pb, 0.31g/t Au, 31g/t Ag)



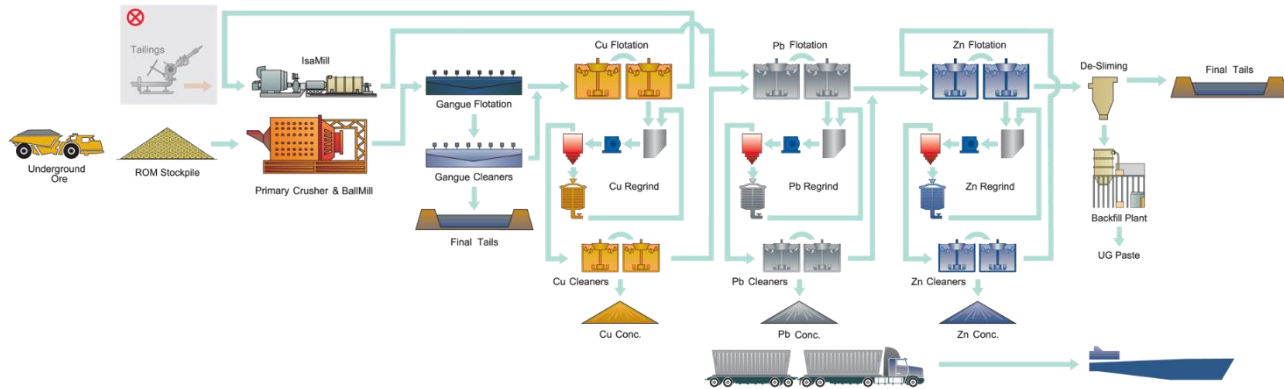
Underground Mineral Reserves - 2.8Mt

Polymetallic: **1.8Mt @ 16% ZnEq** (8.1% Zn, 1.2% Cu, 2.9% Pb, 0.56g/t Au, 57g/t Ag)
Copper: **1.0 Mt @ 9% ZnEq** (0.6% Zn, 2.4% Cu, 0.1% Pb, 0.23g/t Au, 14g/t Ag)
TOTAL: 2.8Mt @ 14% ZnEq (5.5% Zn, 1.6% Cu, 1.9% Pb, 0.45g/t Au, 42g/t Ag)

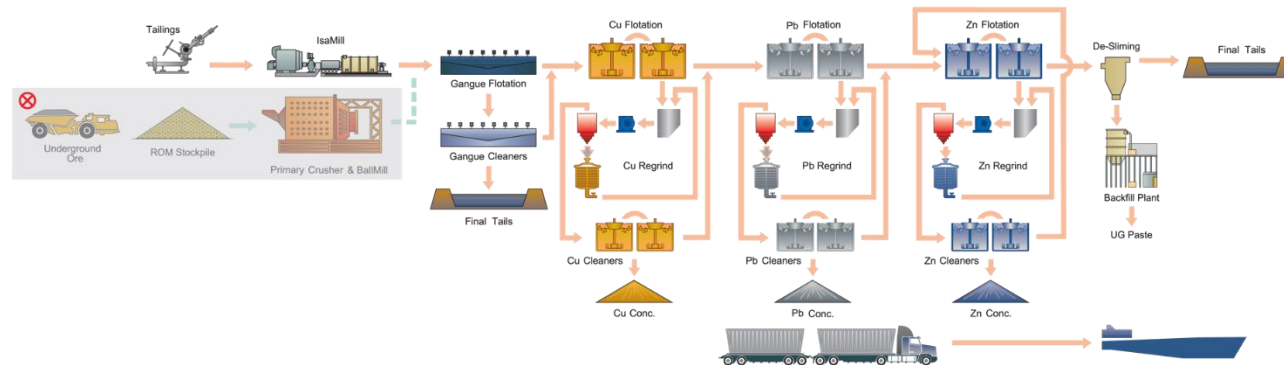


WOODLAWN PROCESS PLANT

Campaign treatment from two de-coupled ore sources



Underground
Ore Configuration
←



Reclaimed Tailings
Ore Configuration
←