

November 2017



2017 AGM Presentation
Building an Australian zinc producer

ASX:HRR TSX:HER

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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

Everything in place

MARKET

Zinc (& Copper)

- Strong supply / demand fundamentals

ASSET

Woodlawn Project (NSW, Australia)

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

FINANCED

Development Funding

- A\$240M full funding package secured
- Fully funded through construction and production ramp-up

FOCUS

Project Delivery

- Construction underway
- Resourcing for operations
- 1st product shipment – Q1 2019
- 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

Company snapshot



CAPITAL STRUCTURE

Dual listing:	ASX: HRR TSX: HER
Shares:	2,417 million (242 million post consolidation)
Options:	21 million (2 million post consolidation)
Share Price:	A\$0.072
Market Cap:	A\$174 million
Cash: (30 Sep 2017)	A\$124 million (unrestricted)
Investments:	A\$17 million* (Includes 10 million 25c ARL options & 3.33M 77c ARL Loyalty options)



BOARD

Chairman
Stephen Dennis

MD & CEO
Wayne Taylor

Non-Executive Director
Borden Putnam III

Non-Executive Director
Fiona Robertson

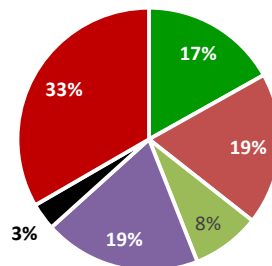
Non-Executive Director
Mark Sawyer

Non-Executive Director
Peter Rozenauers

Non-Executive Director
Ricardo De Armas



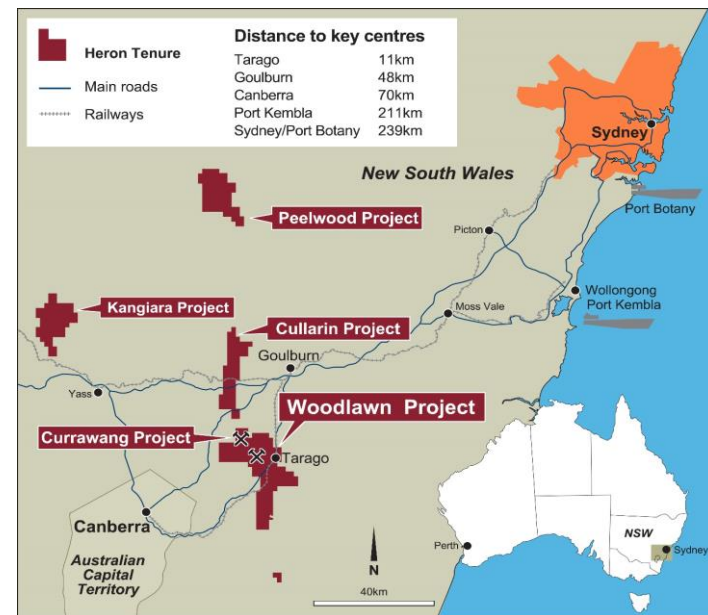
SHARE REGISTER



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

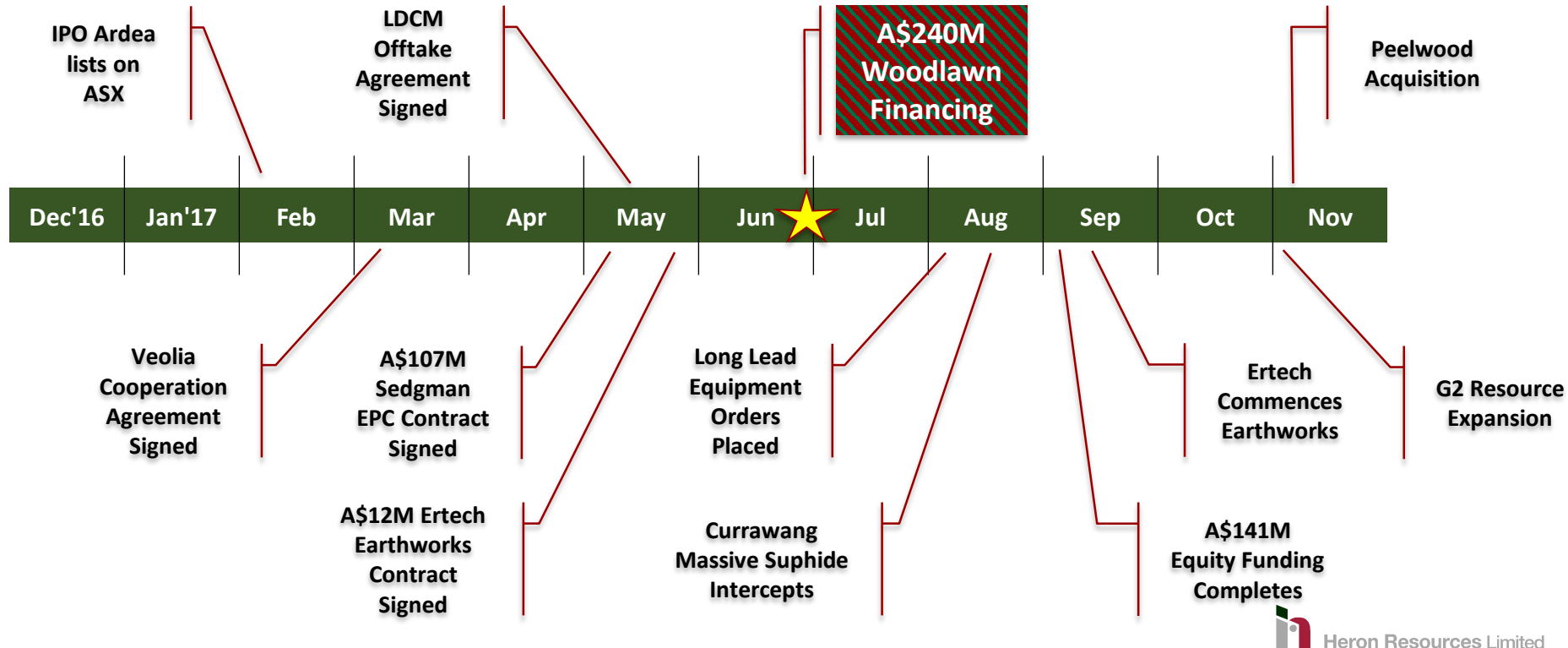


PROJECT PORTFOLIO



HERON RESOURCES 12 MONTH REVIEW

Locking in the pathway to production – major milestones



MARKET ZINC 12 MONTH REVIEW

Letting the numbers tell the story

		29 November 2016	15 November 2017		
Zinc Price		US\$2,872/t	US\$3,200/t	+US\$328/t	+11%
Zinc Stocks	TOTAL (LME + Shanghai)	594kt	316kt	-278kt	-47%

Price:-

- Prior 12 months (Nov '15 – Nov '16) 54% increase in zinc price

→ Sustained pricing supported by supply/demand fundamentals

Supply < Consumption:-

- 2017 Projected FY Deficit 398kt¹ → >700kt²
- 2018 Projected Deficit 223kt¹ → >500kt²

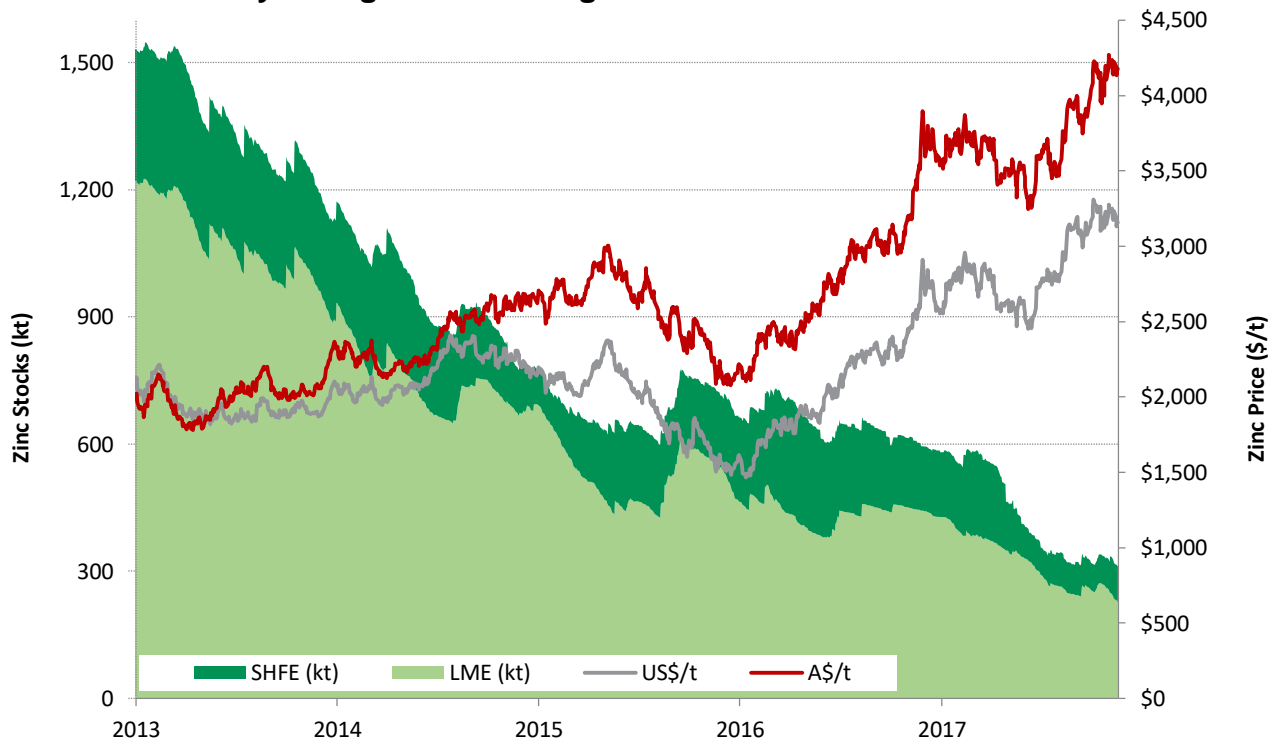
→ Sets the scene for an excellent entry to first product shipment Q1 '19

¹ ILZSG Oct '17

² Commodity forecaster/commentators

MARKET ZINC FUNDAMENTALS

Prices at 10-year highs with strong outlook



Source: LME, RBA, SHFE, Terra Studio

Teck¹ (Sep 2017) – 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

Speculated price induced reaction of increased Chinese mine zinc production has not occurred (down 6% YTD)

Zinc metal inventories approaching historical lows

Zinc’s expanding consumption base - Giga Steel, zinc thermal spray, continuous galvanised rebar and zinc micro-nutrient fertiliser

¹ Retrieved from http://www.teck.com/media/73_Zinc%20Market.pdf

ASSET WOODLAWN ZINC-COPPER PROJECT

Unrivalled infrastructure



Production Rate 1.5Mtpa

9.3yr LOM (Reserves only)

Reserves

UG 2.8Mt @ 14% ZnEq¹

Tailings 9.5Mt @ 6% ZnEq

Steady State Gross Production

40ktpa Zn (88Mlbs)

10ktpa Cu (20Mlbs)

12ktpa Pb (25Mlbs)

+ Ag / + Au

Infrastructure

Access – sealed B-double rated road

Power – NSW state grid sub-station

Population Centres – Tarago (11km),
Bungendore (30km), Goulburn
(48km), Canberra (70km)

Port – Port Kembla 211km

Water - Willaroo Bore Field

¹ Refer to Slide 2 for definition

FOCUS WOODLAWN CONSTRUCTION

State-of-the-art 1.5Mtpa process plant & infrastructure



Project Delivery

Earthworks: Ertech

EPC: Sedgman

Operational Readiness: Heron

The Physicals:-

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

FOCUS WOODLAWN EARTHWORKS

Progressing to schedule



Project Delivery

Contractor:	Ertech
Value:	A\$12M
Equipment Fleet:	40 units
Personnel:	50
Daily Movement:	10,000 bcm

Critical Path: On track to deliver process plant pad well before concrete works are scheduled to commence

FOCUS WOODLAWN EPC

Construction ready



Project Delivery

Contractor:	Sedgman
Value:	A\$107M (guaranteed max. price)
Personnel:	50-75 FTE (current) 250 (peak)
Current Activities:	Detailed Design Equip Purchase Site Facilities Package Tenders

Critical Path: Expected early delivery of the IsaMill removes it from the CP

FOCUS WOODLAWN OPERATIONAL READINESS

Building strong foundations

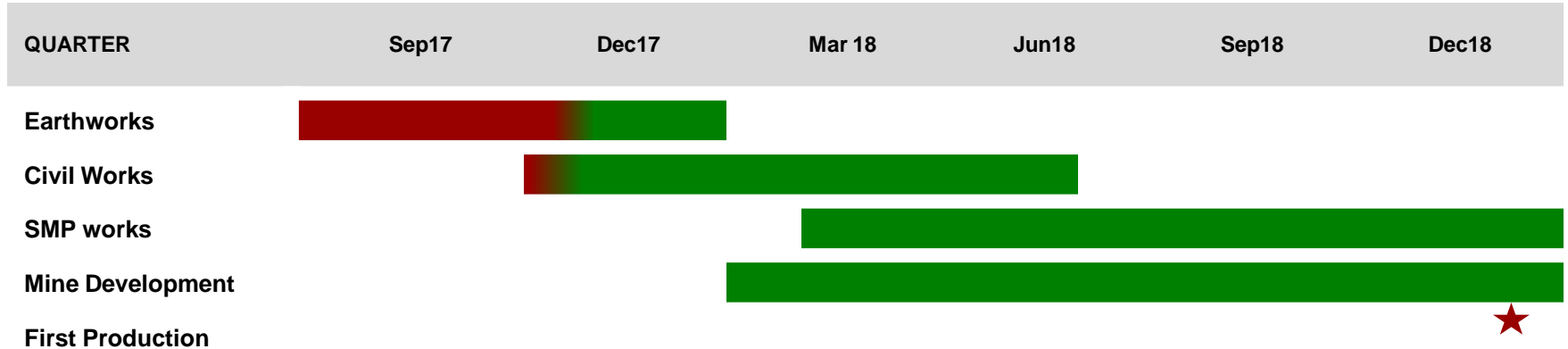


Current Activities

Mine Planning	Adding G2
UG Mining Contract	Tendered
Tails Mining Contract	Tendered
Port Contract	Tendered
Port Logistics	Pre-tender
Power Contract	Pre-tender
Compliance	Env Monitoring
	Statutory Reporting
	Mgmt Plan Devel
Ops Team	Recruitment Plan
	Expanding the Team

FOCUS WOODLAWN DELIVERY SCHEDULE

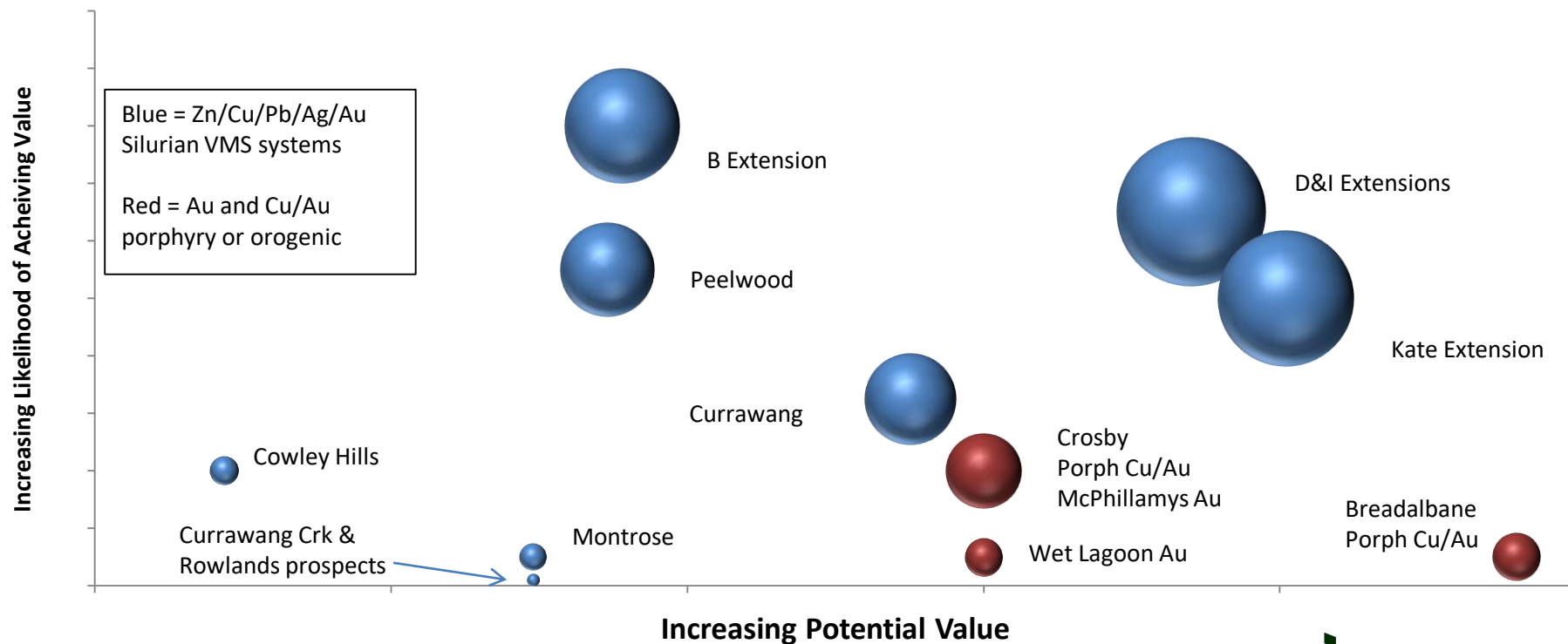
Expedited project schedule



Targeting first production end 2018 / early 2019

GROWTH WOODLAWN EXPLORATION

Building the growth pipeline



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

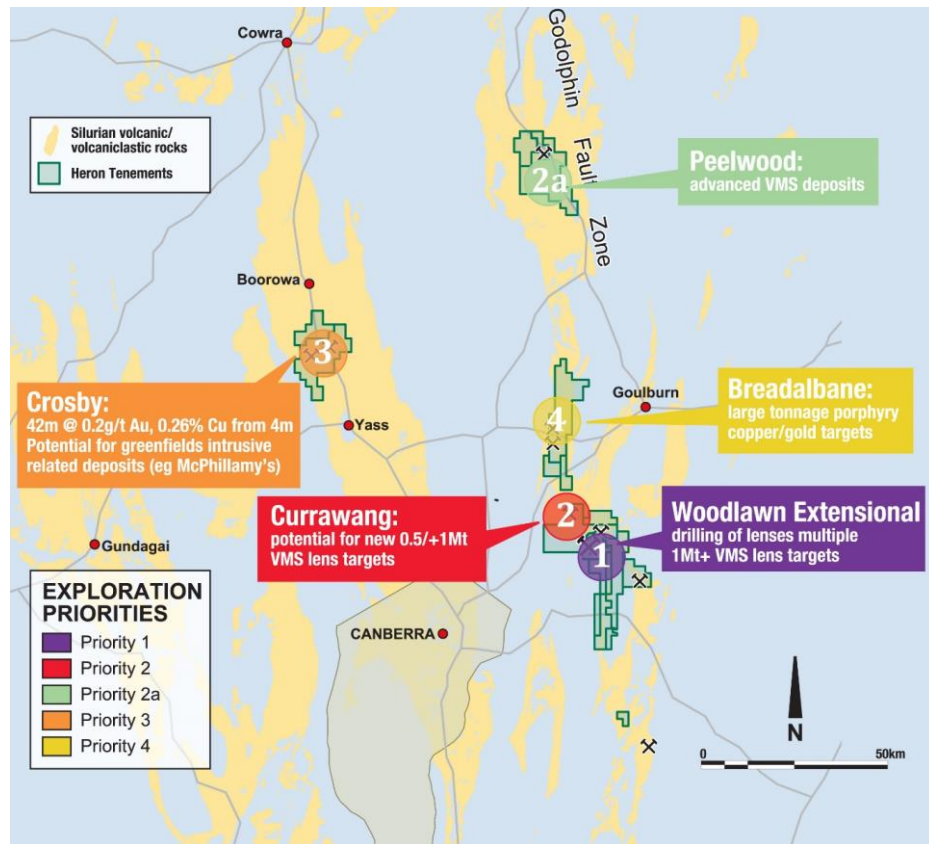
Near Mine (Regional) Exploration

- Regional prospects
- Commanding land tenure position

2a

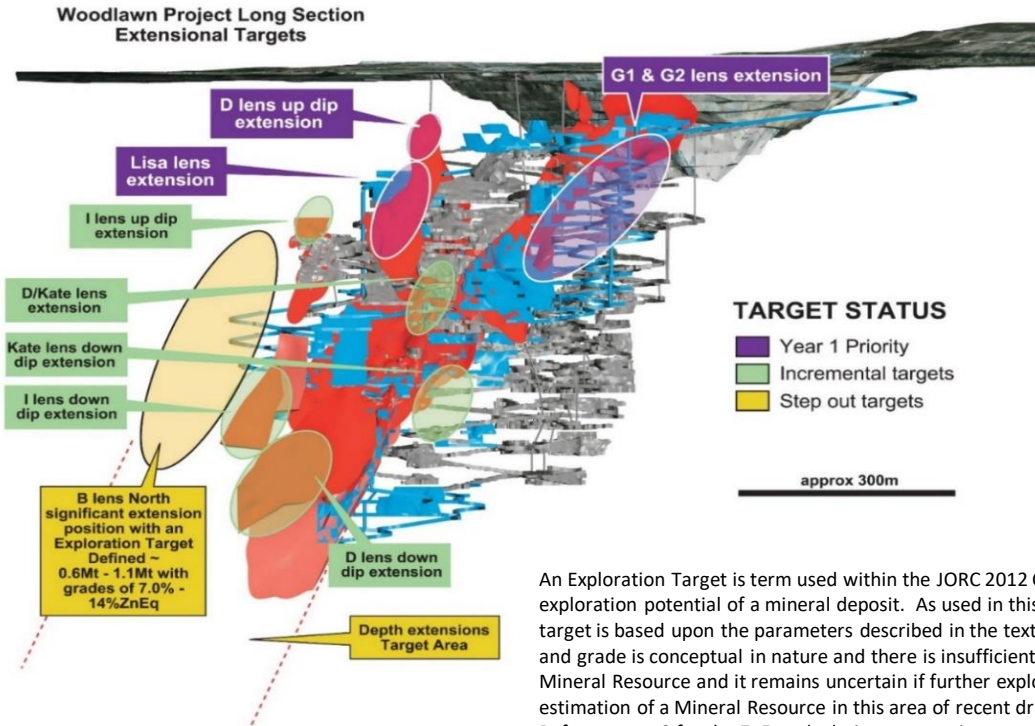
3

4



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

Immediate Value-Add

Numerous extensional positions

Majority supported by existing planned capital development

Initial step - G2 Lens resource addition

Short term – Focus turning to the next shallow positions:-

D Lens

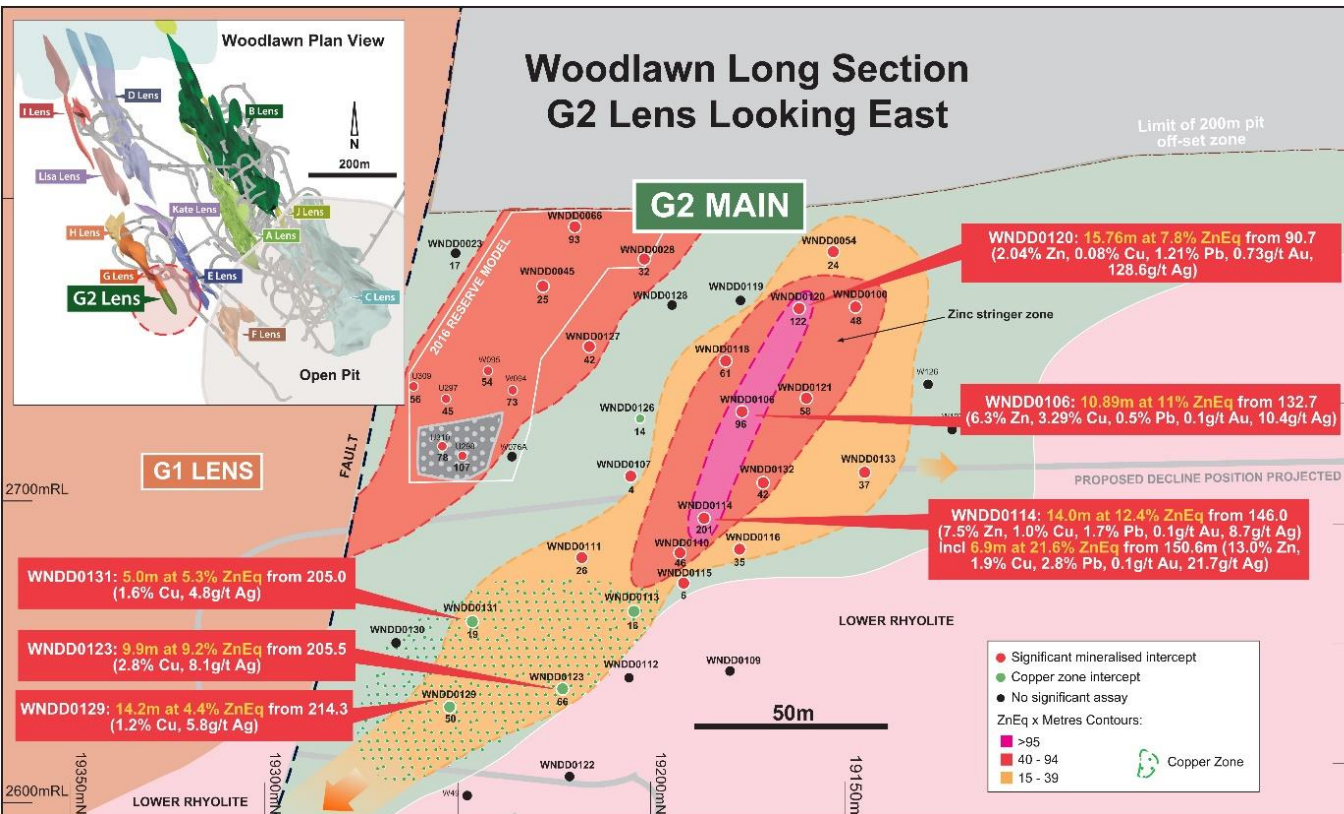
Lisa Lens

Progressively targeting to optimise mine development

Significant untapped potential remains 'in-mine'

GROWTH WOODLAWN IN-MINE EXPLORATION

G2 Lens – Adding to the plan



Immediate Value-Add

First mineralisation to be accessed underground

Returned high grade results from G2 & G2 H/W

New Resource model:-

Indicated Category 139kt @ 10.1% ZnEq¹
(4.5% Zn, 0.8% Cu, 2.3% Pb, 0.4g/t Au, 33g/t Ag)

Inferred Category 58kt @ 13.3% ZnEq
(4.0% Zn, 1.0% Cu, 2.2% Pb, 1.2g/t Au, 117 g/t Ag)

Mine planning and Reserves in progress

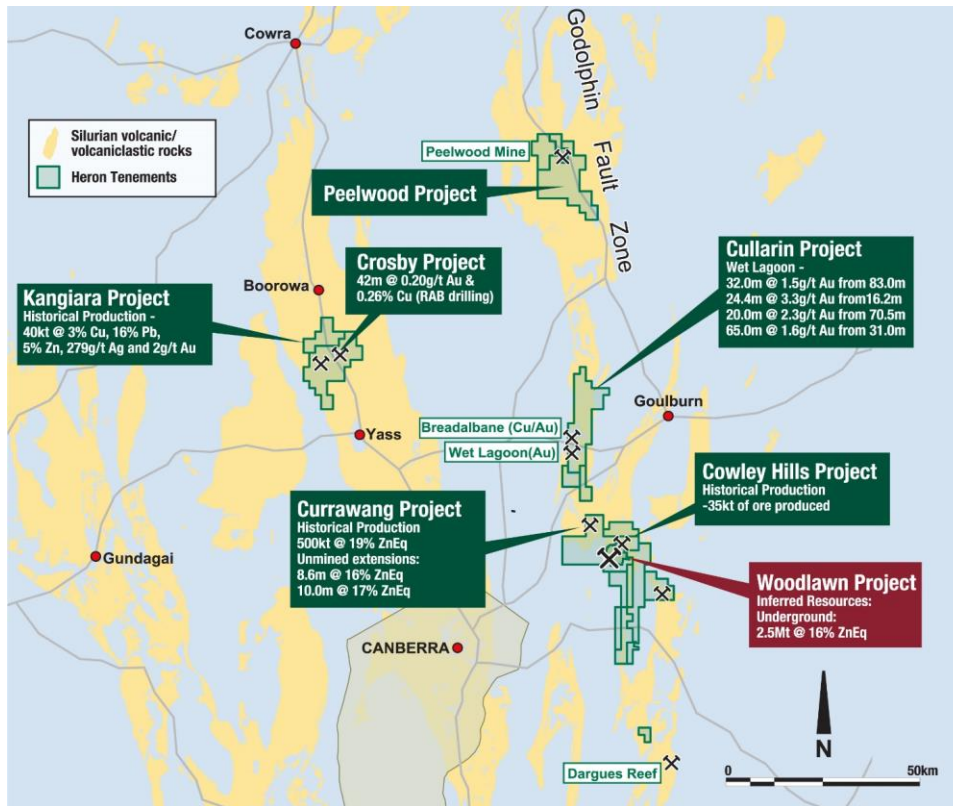
Metallurgical test work program

Processing recent DHEM survey

Extension potential (not closed off)

GROWTH WOODLAWN REGIONAL POTENTIAL

Multiple regional prospects



High Quality VMS District

Dominant Regional Position

Tenure of 1,067 km²

Coverage of VMS host rocks

Acquiring 'forgotten' projects

Confirmed Prospectivity – Historical Satellite Production

Currawang Mine

Cowley Hills Mine

Prospect & Target Generation

New and historic remote sensing datasets

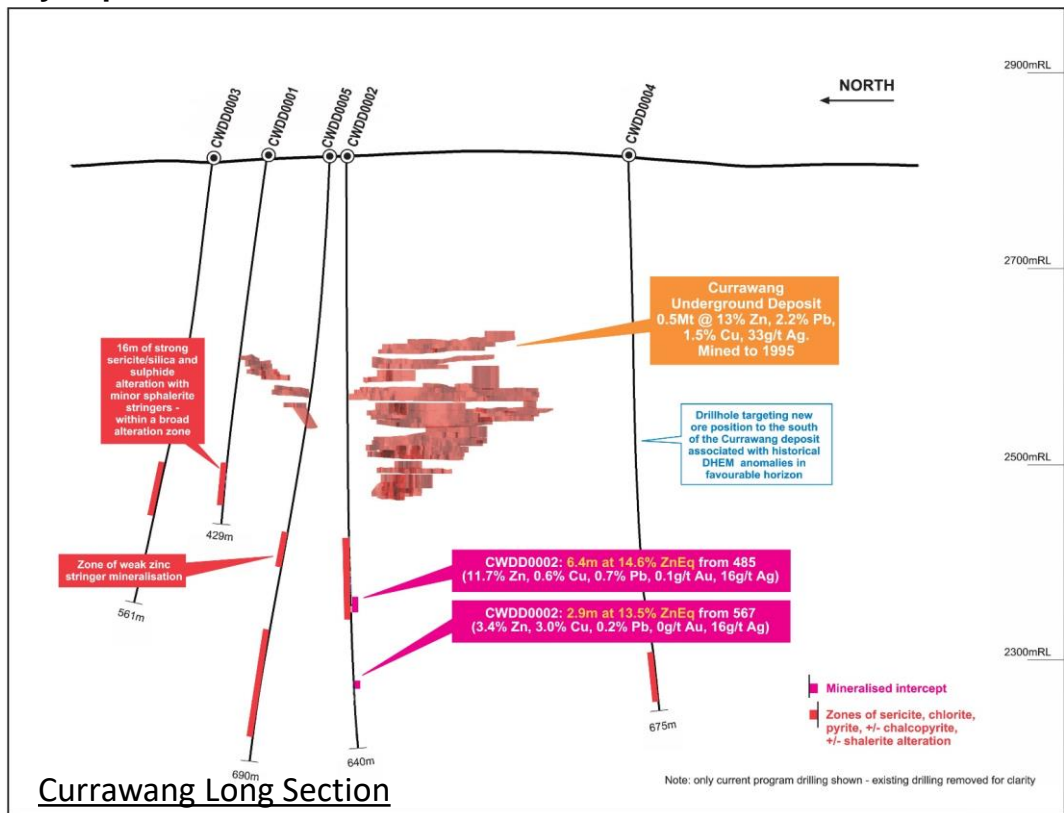
Geochem anomalies

Extensive areas under cover

Limited systematic exploration for >30 yrs

GROWTH CURRAWANG

Early exploration success



Regional Priority

10km NW of Woodlawn

Mined 1992-1996:-

0.5Mt @ 13% Zn, 1.5% Cu, 2.2% Pb, 33g/t Ag

No drilling since 1996

Completed 5 hole drilling program

Intercepted semi-massive zinc and copper sulphides:-

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

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

Co-funded by NSW Government's
Cooperative Drilling Program

GROWTH PEELWOOD

Advanced VMS deposits

Regional Priority

105km N of Woodlawn

New ELA5583 & ELA5586 – extending coverage of a VMS camp

John Fardy & Peelwood Mines - a 'forgotten' asset

Numerous historical high grade workings

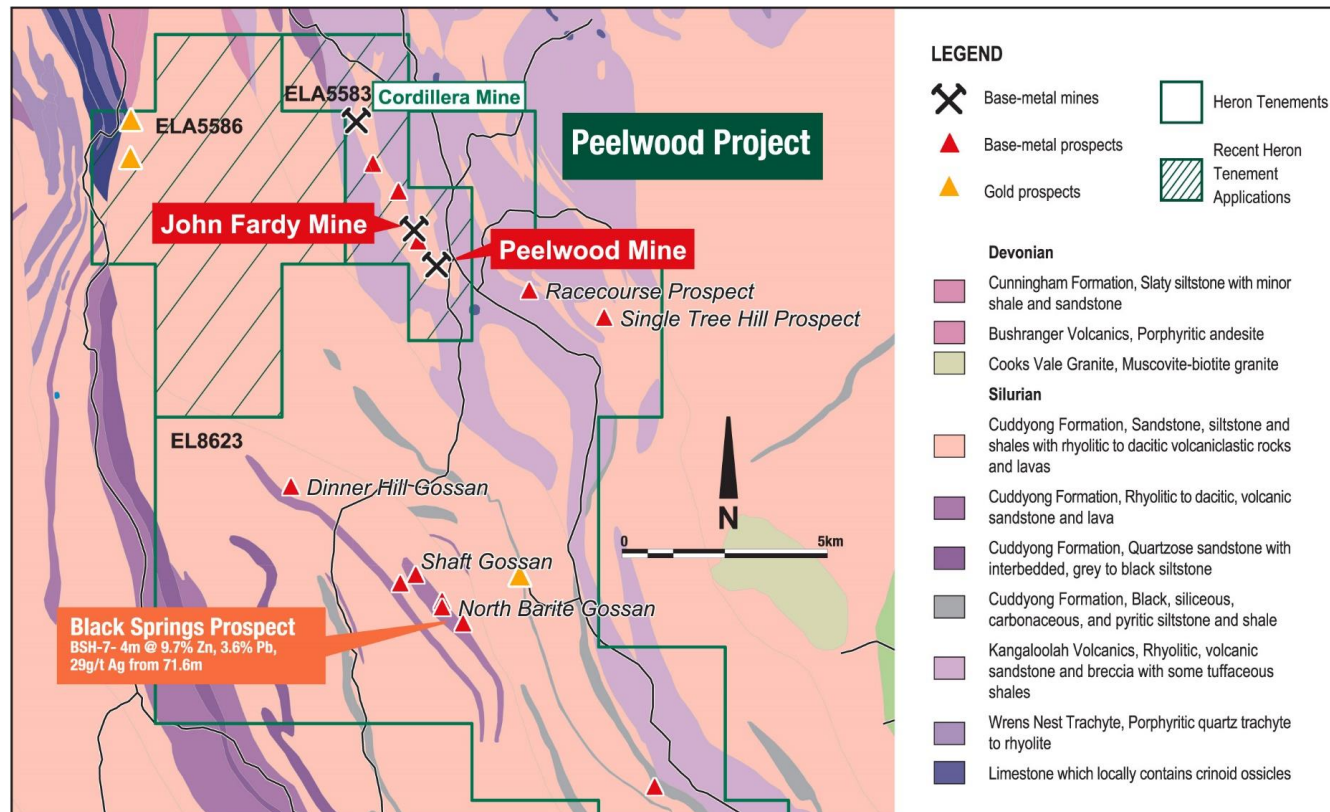
High grade VMS drill results:-

8.4m @ from 36m (JF16)
(23.5% Zn, 2.6% Cu, 0.6% Pb, 41g/t Ag)

6.1m @ from 45m (JF38)
(22.7% Zn, 1.2% Cu, 1.5% Pb, 23g/t Ag)

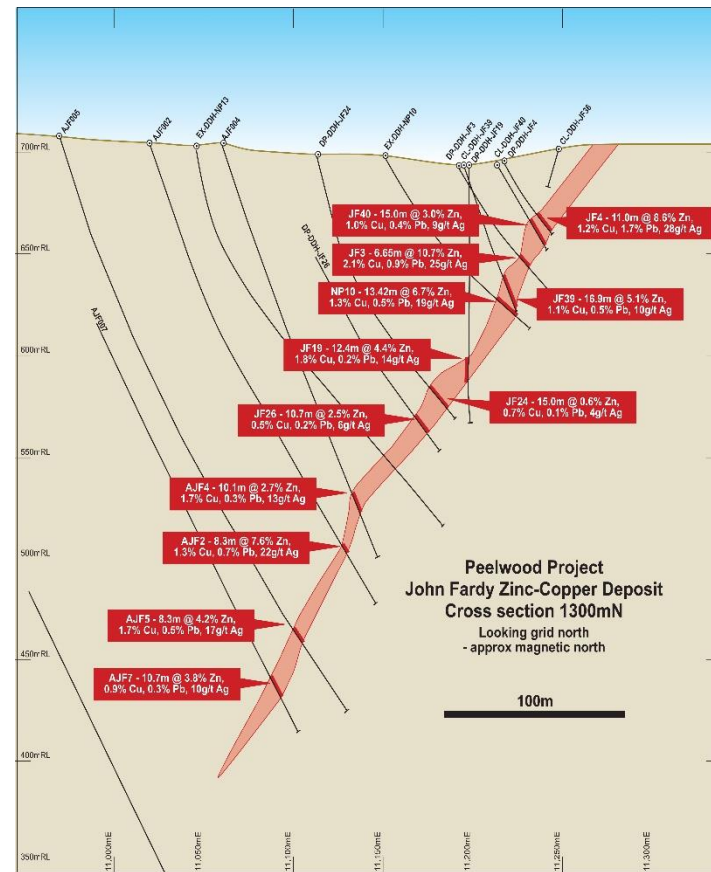
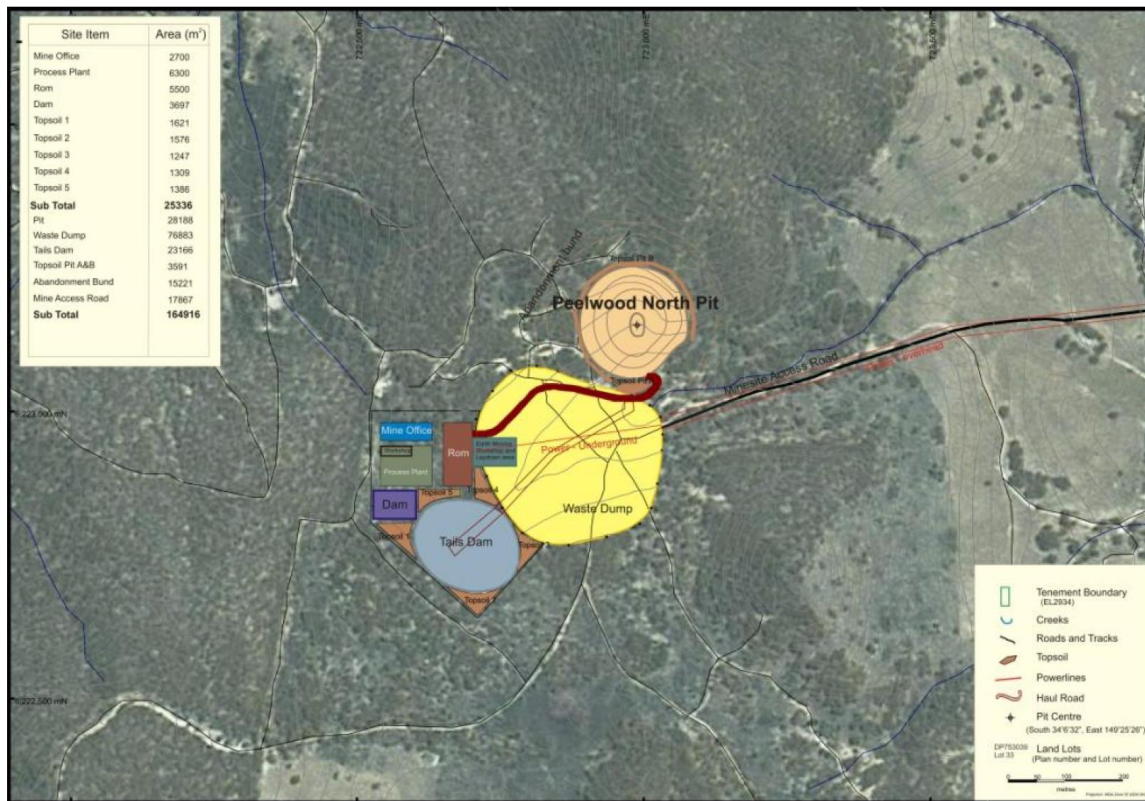
Previously defined resources, reserves and project studies – Balamara 2009

Moving rapidly up the priority list



GROWTH PEELWOOD

Accelerated start position – leveraging previous work



Balamara Resources Ltd – Peelwood Mine Design (2 Jan 2014)

HERON RESOURCES INVESTMENT PROPOSITION

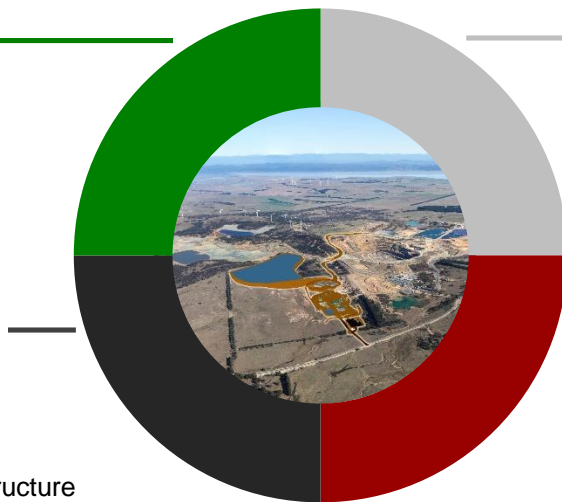
TSX: HER ASX:HRR

MARKET - ZINC

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

ASSET - WOODLAWN PROJECT

- High quality deposit
- Compelling 'starter' business case
- Favourable jurisdiction & excellent infrastructure
- Longevity through discovery upside



FOCUS - EXCLUSIVELY WOODLAWN

- 100% focus - Woodlawn production
- Construction underway
- 1st product shipment – Q1 2019
- 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

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APPENDIX: OTHER INFORMATION



2016 WOODLAWN MINERAL RESOURCES

Retreatment

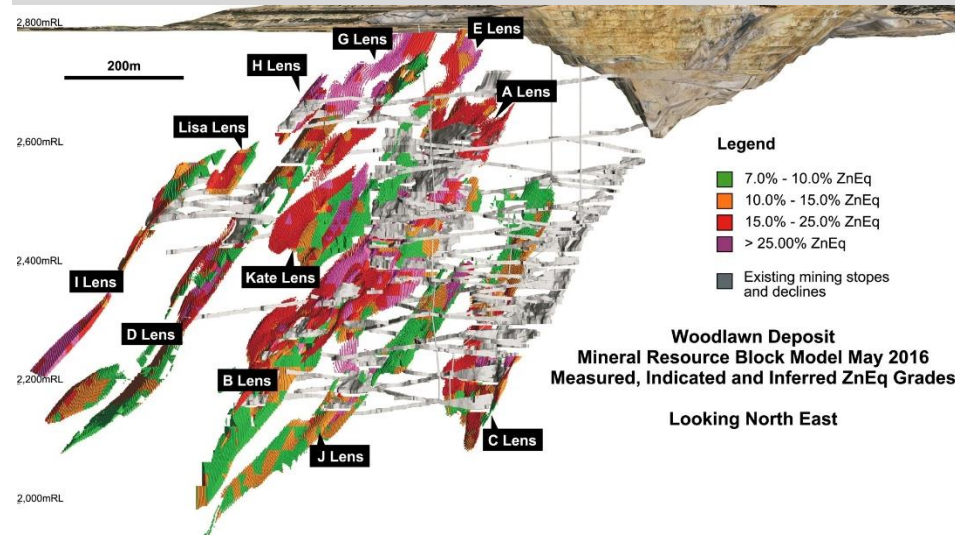


Woodlawn Reclaimed Tailings Mineral Resource – All Dams

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

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

Underground



7% ZnEq cog for Polymetallic & 1% Cu cog for Copper

Type	Resource Category	Quantity (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Poly-metallic	Mea+Ind	2.7	22	11	1.5	4.0	0.7	79
	Indicated	1.9	10	0.7	2.6	0.1	0.2	14
Copper	Mea+Ind	4.6	17	6.7	1.9	2.4	0.5	52
	Inferred	2.6	15	5.6	1.8	2.2	0.6	48

WOODLAWN MINERAL RESERVES & MINE PLANNING

A new high grade underground mine



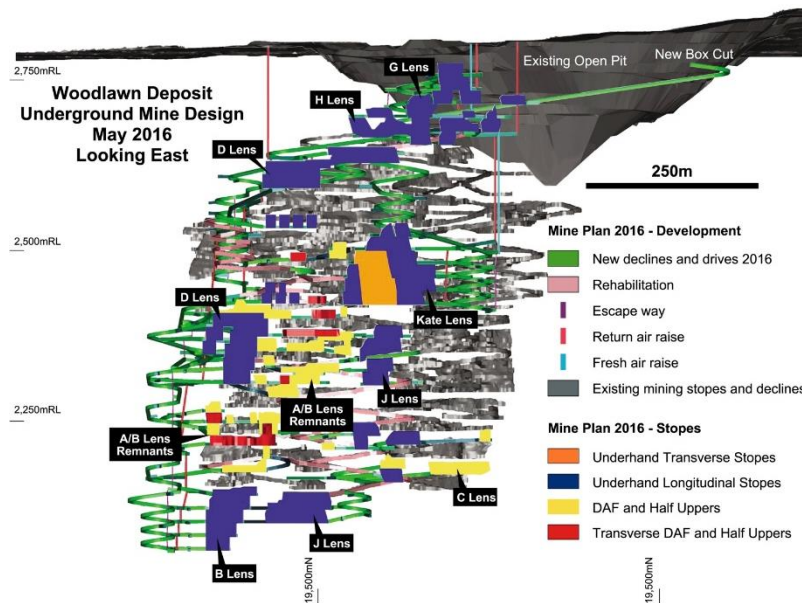
Reclaimed Tailings Mineral Reserves - 9.5Mt

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



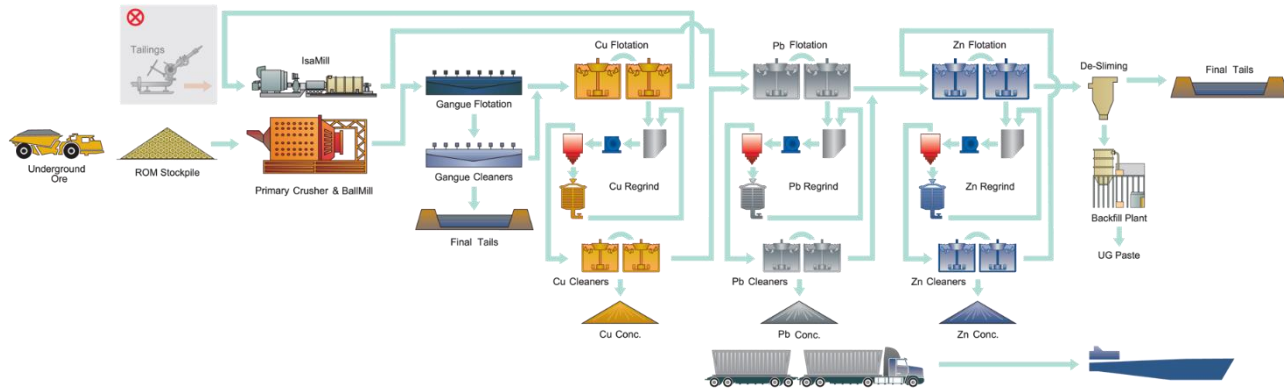
Underground Mineral Reserves - 2.8Mt

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)

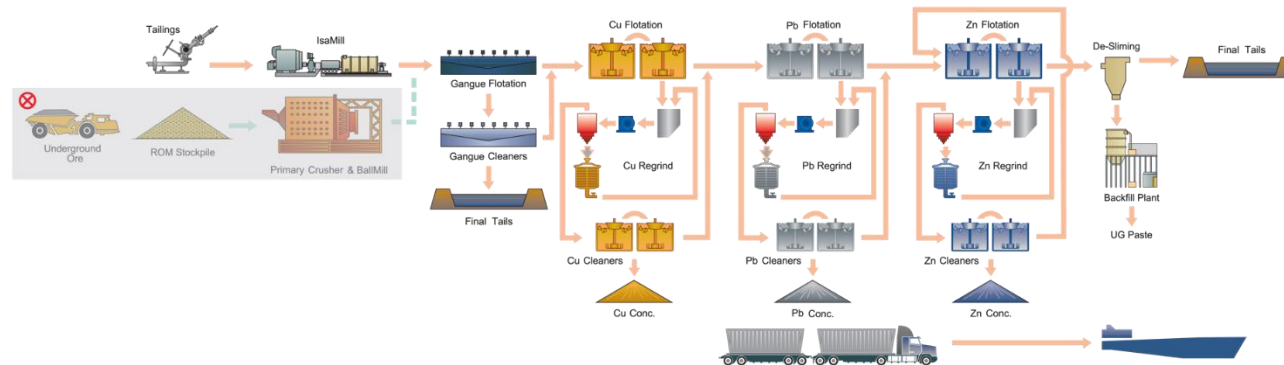


WOODLAWN PROCESS PLANT

Campaign treatment from two de-coupled ore sources



Underground
Ore Configuration
←



Reclaimed Tailings
Ore Configuration
←