



# Heron Resources Limited

## ASX/TSX Release

19 March 2018

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### New Heron Drilling Program to Expand Shallow Resources at Woodlawn

- Lisa Lens definition drilling program at Woodlawn has commenced targeting expansion of shallow resources
- Lisa Lens represents a new discovery since historic operations ceased, and is a potentially significant early source of production in the mine schedule. Significant results reported previously include:
  - 12.4m @ 20% ZnEq<sup>1</sup> from 222m (12% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag), WNDD0104
    - Including 9.5m @ 26% ZnEq from 223m (16% Zn, 1.7% Cu, 2.7% Pb, 0.68g/t Au, 28g/t Ag)
  - 4.2m @ 28% ZnEq from 242m (17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag), WNDD0015

Heron Resources Limited (ASX:HRR TSX:HER, “Heron” or the “Company”) is pleased to advise that it has commenced the next phase of drilling targeting the Lisa Lens at its wholly-owned Woodlawn Zinc-Copper Project, located 250km south-west of Sydney, New South Wales, Australia. The initial discovery of Lisa Lens returned a number of significant drill intercepts and represents mineralisation which could potentially be accessed in the important first two-years of the underground mining operation. The drilling rig and crew have been mobilised, and it is expected that the program will be completed within two months’ time.

Commenting on this program, Heron Resources Managing Director and CEO, Mr Wayne Taylor, said: “The program represents an important component of the Woodlawn mine development with this area having the potential to be accessed early in the mine schedule. The Lisa Lens demonstrates that relatively shallow (200m depth), high value mineralisation could be brought forward into the mine plan, enhancing the project economics. The staged exploration approach that we have adopted will see some lens positions more optimally drilled from underground; other shallow positions such as Lisa Lens can be being drilled from surface, now. The mine plan is currently being updated with the new G2 mineralisation defined by drilling in 2017 and will be reviewed and further updated as the Lisa Lens results are received in the coming months. Subject to results, additional drilling will be planned to further extend Lisa Lens and other open positions. Lisa Lens is an obvious example of the strong in-mine exploration and discovery potential that remains at Woodlawn with multiple additional targets being identified by the Company’s geological team.”

#### Lisa Lens Drilling

The Lisa Lens is located adjacent to the I Lens in the upper-most ore horizon within the Woodlawn system (Figure 1). Discovered by Heron in 2015, the lens is typical of the high-grade polymetallic massive sulphide type found at Woodlawn, and is located 80 meters from the planned route of the decline, 200-250 m below the surface. A copper-dominated zone also occurs on the southern margin of the lens, which is typical for Woodlawn, and may provide additional economic value. Previous drilling by Heron targeting this area returned significant drill intercepts including:

- 12.4m @ 20% ZnEq from 222m (12% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag), WNDD0104
  - Including 9.5m @ 26% ZnEq from 223m (16% Zn, 1.7% Cu, 2.7% Pb, 0.68g/t Au, 28g/t Ag)
- 4.2m @ 28% ZnEq from 242m (17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag), WNDD0015

Earlier historical mineralised results from the southern portion of the lens include:

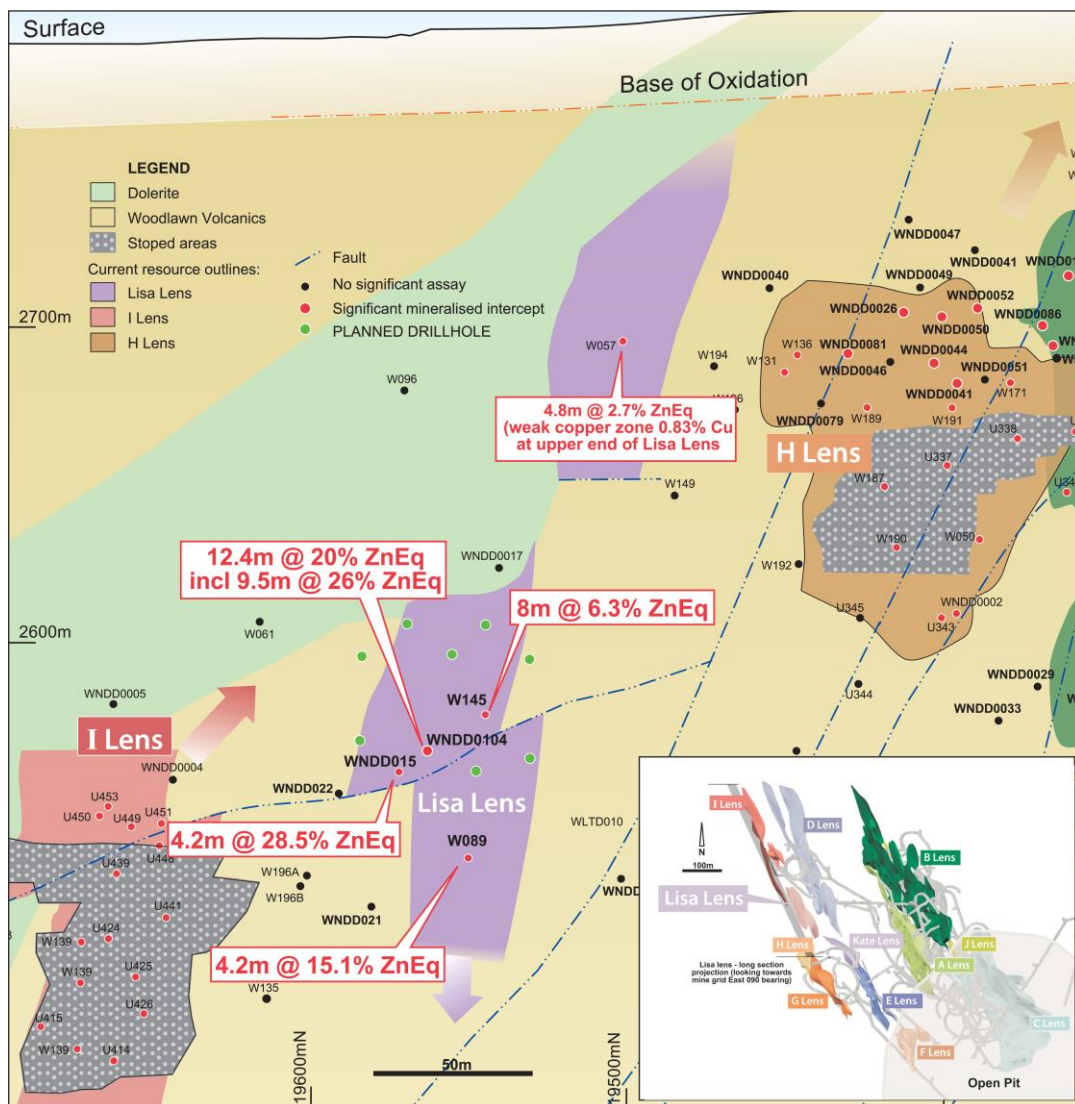
- 4.2m @ 15.1% ZnEq from 266m depth (4.9% Zn, 2.8% Cu, 2.3% Pb, 0.8g/t Au and 25g/t Ag), W089
- 8.0m @ 6.3% ZnEq from 234m depth (1.9% Cu, 8.3g/t Ag), W145

<sup>1</sup> ZnEq % used in this release refers to the calculated Zn equivalent grade based on the Zn, Cu, Pb, Au and Ag grades, the formula for which is provided at the end of this report.



The planned program will consist of approximately 2,000 m of diamond drilling.

Figure 1: Long section of the Woodlawn Lisa Lens showing interpreted lens shape, the location of previous drill intercepts and this program's proposed infill holes.



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.

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### **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.

### **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.  $ZnEq = Zn\% + Cu\% \times 3.12 + Pb\% \times 0.81 + Au\text{ g/t} \times 0.86 + Ag\text{ g/t} \times 0.03$ . 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.

### **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.**