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ASX Release

4 June 2018

Heron's Drilling of G2 & Lisa Lenses at Woodlawn Deliver High Grade Assays

- **Drilling of G2 and Lisa lenses provide additional shallow intercepts with high-grade assays**
- **G2 Lens Results**

Thickness (m)	ZnEq[1] (%)	Downhole start (m)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)	Drill hole WNDD
6.1	37.2	120.3	22.0	1.0	7.1	3.3	115	WNDD0138
2.0	4.2	130.0	1.8	0.1	1.2	0.3	22	WNDD0138
1.9	8.2	138.3	4.1	0.3	2.2	0.5	27	WNDD0138
8.3	15.6	128.7	8.2	0.3	4.8	0.6	62	WNDD0139
6.5	5.6	153.5	3.7	0.2	1.2	0.1	9	WNDD0140

- **Lisa Lens Results**

Thickness (m)	ZnEq (%)	Downhole start (m)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)	Drill hole WNDD
8.6	12.5	202.0	0.3	3.6	0.0	0.8	8	WNDD0135
3.8	6.9	228.3	2.0	0.2	1.4	1.9	47	WNDD0135

- **The drilling extends both the G2 and Lisa lenses. In particular, the intercepts at G2 extend the mineralised zone closer towards the mine portal providing potentially an additional shallow production source for the early stages of the mine. The Lisa Lens intercepts confirm the up-dip extension to the mineralisation.**
- **Ten core holes for 1,770m completed in current program with further drilling underway**

Heron Resources Limited (ASX:HRR "Heron" or the "Company") is pleased to report that it has received assays for the recently intersected base-metal mineralisation at its wholly-owned Woodlawn Zinc-Copper Project, located 250km south-west of Sydney, New South Wales, Australia. The intercepts at both the G2 and Lisa Lens positions extend the known limits of the mineralisation in these areas and is expected to provide additional early-stage production for the operation.

Commenting on the intercepts, Heron Resources Managing Director and CEO, Mr Wayne Taylor said: *"The current program continues to provide valuable information to assist with the earliest stages of the underground mine plan. These high-grade intercepts define the lens boundaries and will help underpin a further update for initial mine production. The high-grade copper intercept at Lisa Lens will also be very likely to extend the mining inventory in this area, all adding additional value to the early stages of the project."*

G2 Lens Drilling

The G2 Lens is located adjacent to the planned route of the decline at 120m to 150m below the surface and represents potentially the first underground production source that would be processed through the plant. Seven core holes for 1,050m have been completed recently on the southern extent of the G2 Lens to better delineate this position which was open to the south of WNDD0133 (see Figures 1-3).

[1] Refer to the end of this release for the ZnEq calculation.

As reported previously the initial DDH intersected significant sulphide mineralisation with the following assay results now being reported:

- 6.1m grading 37.2% ZnEq from 120.3m (22.0% Zn, 1.0% Cu, 7.1% Pb, 3.3g/t Au, 115g/t Ag) WNDD0138 G2HW
- 1.9m grading 8.2% ZnEq from 138.3m (4.1% Zn, 0.3% Cu, 2.2% Pb, 0.5g/t Au, 27g/t Ag) WNDD0138 G2 Main
- 8.3m grading 15.6% ZnEq from 128.7m (8.2%Zn, 0.3% Cu, 4.8% Pb, 0.6g/t Au, 62g/t Ag) WNDD0139 G2 Main
- 6.5m grading 5.6% ZnEq from 153.5m (3.7% Zn, 0.2% Cu, 1.2% Pb, 0.1g/t Au, 9g/t Ag) WNDD0140 G2 Main

These results are very encouraging and extend the G2 Lens approximately 40m to the south in this area. The very high-grade G2 Hanging Wall (G2HW) position has also been extended to the south beyond WNDD0116, although its continuity is expected to be variable. Follow-up DDH around the initial intercepts have now delineated the rhyolite contact in the area which defines the limits of mineralisation. Drilling is continuing at G2 to better define the up-dip extension of the zone.

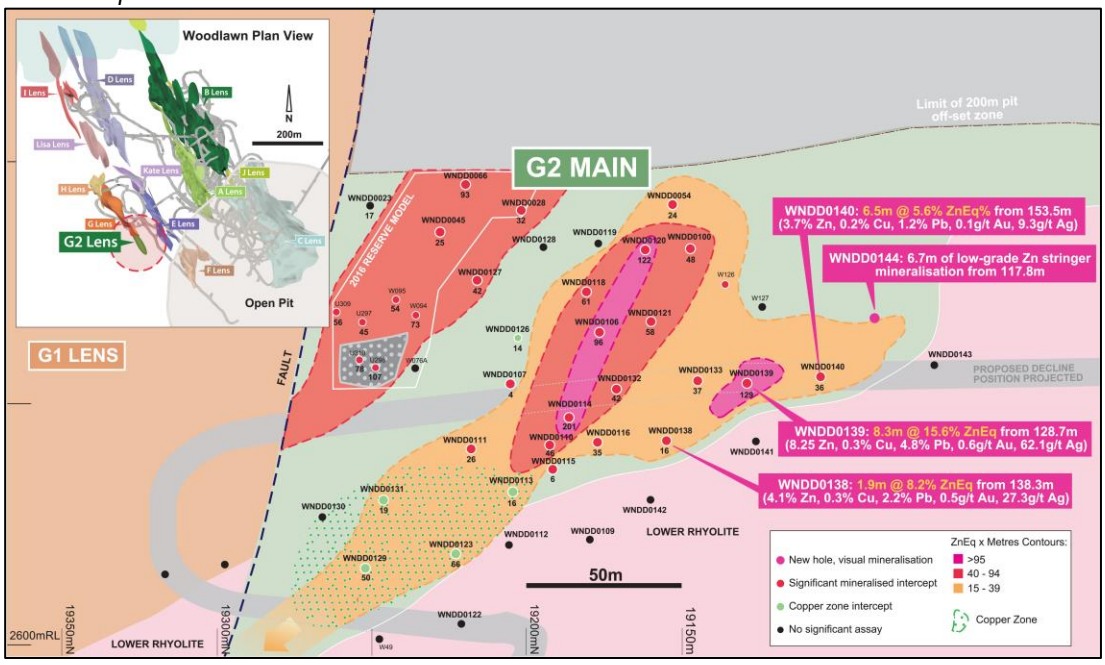
Lisa Lens Drilling

The Lisa Lens is located adjacent to the I Lens in the upper-most horizon within the Woodlawn mineral system (Figure 4) approximately 80m from the planned decline route at 200-250m below the surface. The current program is designed to better delineate the lens position here, where a significant Cu-dominated intercept was returned located approximately 40m up dip from previous drilling:

- 8.6m grading 3.6% Cu (12.5% ZnEq) from 202.0m (0.3% Zn, 3.6% Cu, 0.04% Pb, 0.8g/t Au, 8g/t Ag) WNDD0135
- 3.8m grading 6.9% ZnEq from 228.3m (2.0% Zn, 0.2% Cu, 1.4% Pb, 1.9g/t Au, 47g/t Ag) WNDD0135

These intercepts from WNDD0135, combined with results of an electromagnetic survey, suggests the lens has a strike length of about 35-40m and extends down dip approximately 120m. The copper-rich intercept aligns with the Cu-dominated intercept in historic hole W145 (8.0m @ 1.9% Cu). Such copper zones typically occur on the southern edge of the Woodlawn lenses and it is likely polymetallic mineralisation occurs along strike to the north as noted in WNDD0104 (12.4m @ 20% ZnEq) and WNDD0015 (4.2m @ 28.5% ZnEq)[2].

Figure 1: Long-section of the G2 Main Lens showing interpreted lens shape, previous drill piercements and the two recent drill intercepts. View to northeast.



[2] WNDD0104: 12.4m @ 20% ZnEq (12.0% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag); WNDD0015: 4.2m @ 28.5% ZnEq (17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag)

Figure 2: Long-section of the G2 Hanging Wall Lens, located approximately 25m stratigraphically above the G2 Main Lens, showing interpreted lens shape, previous drill piercements and the recent drill intercept in WNDD0138. View to northeast.

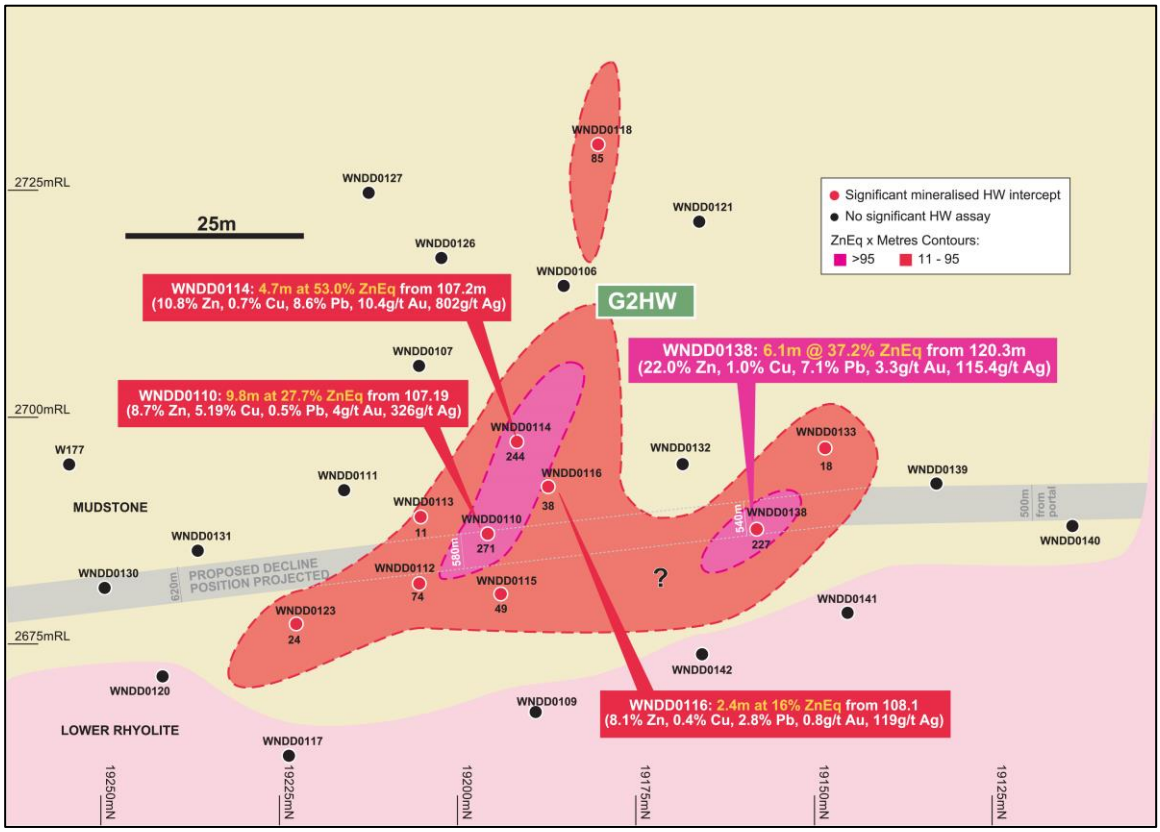
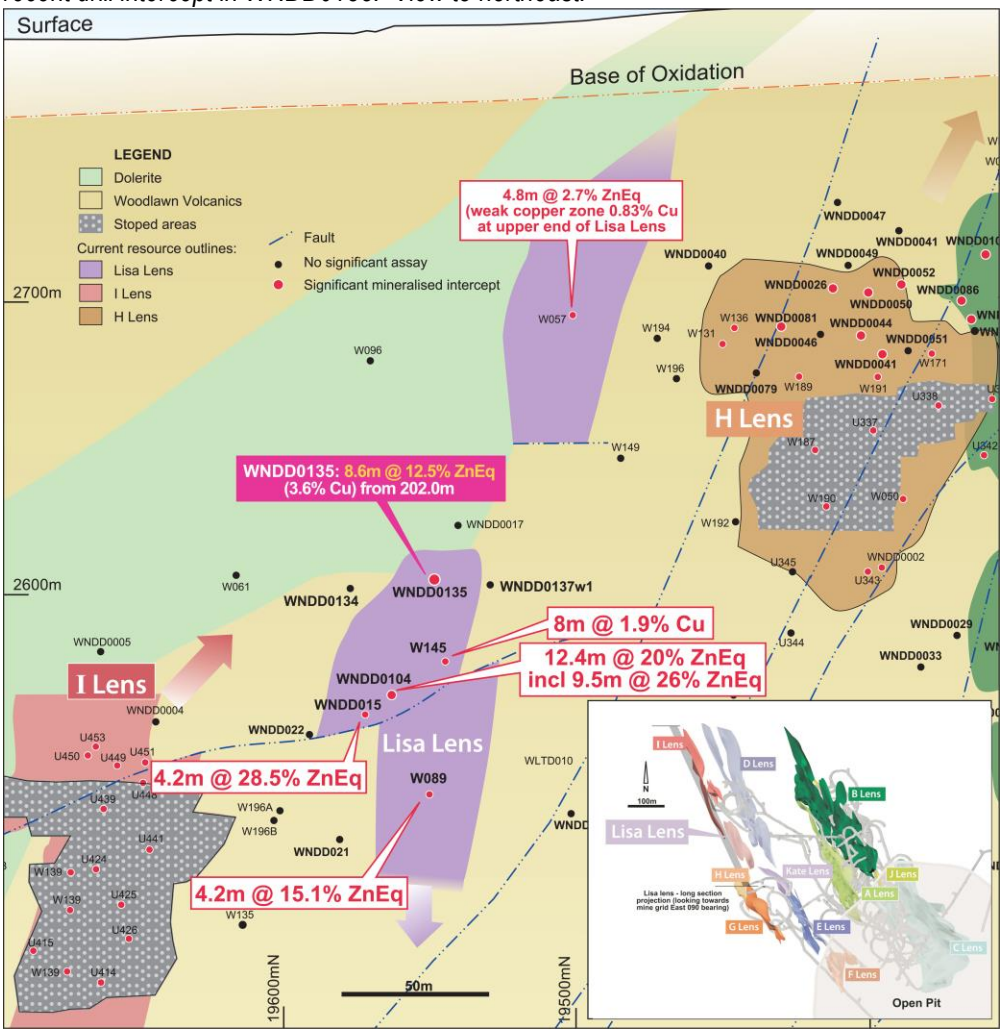


Figure 3: Massive sphalerite rich drill core from WNDD0138 in the G2 Hanging Wall position. Handheld Niton XRF analysis of these sphalerite rich massive sulphide zones returned an average of approximately 30% Zn (some 25 readings were taken) over the interval 120.4 to 126.4m. The highest assay in this zone was 34.6% Zn over a 1m sample interval.

Figure 4: Long-section of the Lisa Lens showing interpreted lens shape, the location of previous drill intercepts and the recent drill intercept in WNDD0135. View to northeast.



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.

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

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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%*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. 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 test work undertaken during the 2015-16 feasibility study.

Appendix 1

Drill hole details for diamond drill holes completed as part of the Phase V drill campaign.

Hole No.	WMG East (m)	WMG North (m)	WMG RL (m)	Surface Dip	WMG Surface Azimuth	EOH Depth (m)	Target
WNDD0134	9074.3	19544.1	2795	-74	65	239.7	Lisa Lens
WNDD0135	9074.3	19544.1	2795	-73	92	242.3	Lisa Lens
WNDD0137W1	9074.3	19544.1	2795	-70	110	242.8	Lisa Lens
WNDD0138	9157.8	19165.8	2794	-68	99	170.9	G2HW and G2 Lenses
WNDD0139	9157.8	19165.8	2794	-59	125	170.8	G2HW and G2 Lenses
WNDD0140	9157.8	19165.8	2794	-55	138	179.4	G2 Lens
WNDD0141	9157.8	19165.8	2794	-68	125	167.8	G2HW and G2 Lenses
WNDD0142	9157.8	19165.8	2794	-76	100	161.8	G2HW and G2 Lenses
WNDD0143	9169.7	19113.3	2794	-60	135	148.3	G2 Lens
WNDD0144	9169.7	19113.3	2794	-62	95	50.4	G2 Lens

Notes: WMG = Woodlawn Mine Grid

Assays results to date for diamond drill holes completed as part of the Phase V drill campaign.

Hole No	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	ZnEq%	Zn (%)	Cu (%)	Pb (%	Au (g/t)	Ag (g/t)
WNDD0135	202.0	210.6	8.6	6.9	12.5	0.3	3.6	0.0	0.8	7.70
WNDD0135	228.3	232.0	3.8	3.0	6.9	2.0	0.2	1.4	1.9	47.4
WNDD0138	120.3	126.4	6.1	4.9	37.2	22.0	1.0	7.1	3.3	115.4
WNDD0138	130.0	132.0	2.0	1.6	4.2	1.8	0.1	1.2	0.3	22.4
WNDD0138	138.3	140.2	1.9	1.5	8.2	4.1	0.3	2.2	0.5	27.3
WNDD0139	128.7	137.0	8.3	6.6	15.6	8.2	0.3	4.8	0.6	62.1
WNDD0140	153.5	160.0	6.5	5.2	5.6	3.7	0.2	1.2	0.1	9.30

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 HQ3 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. • A hand held XRF (Thermo Scientific Niton XL3t XRF Analyser) device is used routinely to provide first pass Zn, Cu and Pb (plus other elements) analyses of the core. This instrument is regularly serviced and calibrated by qualified technicians and the Company conducts its own QAQC on the results to confirm they are reasonable. The results from this device are not considered properly representative of the core intervals, however, they do provide a broad indication of the likely grade of mineralised zones.
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 HQ3 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 downhole 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,

Criteria	JORC Code explanation	Commentary
		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.
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, downhole surveys are conducted using a downhole survey tool that records the magnetic azimuth and dip of the hole. These recordings are taken approximately every 30 metres downhole. 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*	• 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

Criteria	JORC Code explanation	Commentary
	and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	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 a close to perpendicular angle. The mineralised lenses are dipping at approximately 50-70 degrees to the west and the drilling is approximately at 60 degrees to the east. This will vary from hole to hole.
Sample security	• *The measures taken to ensure sample security.*	• The cut core samples are secured in green plastic bags 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 Woodlawn 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, special (Crown and Private Land) mining lease 20 (SML20). The lease has been renewed to the 16 November 2029. • The project area is on private land owned by Veolia who operate a waste disposal facility that utilises the historical open-pit void. An agreement is in place with Veolia for the Company to purchase certain sections of this private land to facilitate future mining and processing activities. A cooperation agreement is also in place between Veolia and the Company that covers drilling and other exploration activities in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 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

Criteria	JORC Code explanation	Commentary
		process and further underground operations. Heron took 100% ownership of the project in August 2014 following the merger of the two companies. Some 980 surface and underground drill holes have been completed on the project to date and various studies undertaken.
Geology	• *Deposit type, geological setting and style of mineralization.*	• The Woodlawn deposit comprises volcanogenic massive sulphide mineralisation consisting of stratabound lenses of pyrite, sphalerite, galena and chalcopyrite. The mineralisation is hosted in the Silurian aged Woodlawn Felsic Volcanic package 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.
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*	• Selected drill holes are being cased with 50 millimetre PVC tubing for potential down-hole DHEM surveying which is undertaken on the majority of the holes drilled. • Geotechnical logging is undertaken nominally 25m either side of the massive sulphide lenses. • Archimedes method SG measurements are determined for

Criteria	JORC Code explanation	Commentary
	characteristics; potential deleterious or contaminating substances.	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 fifth phase of drilling at Woodlawn commenced in March 2018 with some 2,000m to be drilled. The program was primarily designed to infill and expand the Lisa and G2 Lens positions. A number of geotechnical holes were also planned as part of this program. • With the positive results of the initial holes at the G2 Lens, an extra 1,200m was added to program to better delineate the mineralisation around the planned route of the decline. This extended program is still underway at the time of writing. • The results of the program are being assessed as they come to hand and adjustments to the program made as is warranted.