

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Heron Resources Limited (HRR)

ACN/ARSN 068 263 098

1. Details of substantial holder (1)

Name Pala Investments Limited (**Pala Investments**) and its associates named below (collectively **PALA**)
ACN/ARSN (if applicable) N/A

The holder ceased to be a
substantial holder on 14/08/2018
The previous notice was given to the company on 08/03/2018
The previous notice was dated 07/03/2018

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
14/08/2018	Pala Investments and its associates, Pala Group Holdings Limited, VFI Holdings AG and Vladimir Iorich	Sale of 7,250,007 ordinary shares in HRR by Pala Investments to CL V Investment Solutions LLC pursuant to the agreement set out in Annexure A.	\$4,350,004.20	7,250,007 ordinary shares	7,250,007

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Pala Investments	12 Castle St, St Helier Jersey JE2 3RT, Channel Islands
Pala Group Holdings Limited	12 Castle St, St Helier Jersey JE2 3RT, Channel Islands
VFI Holdings AG	Gotthardstrasse 26, 6300 Zug, Switzerland
Vladimir Iorich	Gotthardstrasse 26, 6300 Zug, Switzerland

Signature

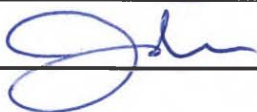
print name

John Nagulendran

capacity

Director

sign here



date

15/08/2018

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

ANNEXURE "A" TO FORM 605

THIS IS ANNEXURE "A" OF 5 PAGES REFERRED TO IN THE FORM 605 PREPARED BY PALA IN RESPECT OF HERON RESOURCES LIMITED ACN 068 263 098 SIGNED BY ME AND DATED 15 AUGUST 2018.


Signature

print name

John Nagulundun

capacity Director

sign here



date 15/08/2018

This is a true copy of the original document.

Date:

14 August 2018

Signed:



Name:

John Nagulindan

 NORTON ROSE FULBRIGHT

Share Sale Agreement dated 14th August, 2018

Parties

Pala Investments Limited

of 12 Castle Street, Jersey JE2 3RT, Channel Islands
(Seller)

CL V Investment Solutions LLC

of The Corporation Trust Company Corporation Trust Center, 1209 Orange Street,
Wilmington, Delaware 19801, United States of America
(Buyer)

Introduction

- A The Seller is the beneficial owner of shares in Heron Resources Limited ACN 068 263 098 (**Heron**), a company listed on the Australian Securities Exchange. The Buyer is also the owner of shares in Heron.
- B The Seller has agreed to sell, and the Buyer has agreed to purchase, 7,250,007 fully paid ordinary shares in Heron (**Shares**) on the terms and conditions of this agreement.

It is agreed

1 Definitions

In this agreement:

- (1) **Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;
- (2) **Completion** means completion of the sale and purchase of the Shares in accordance with clause 5.2;
- (3) **Heron** has the meaning given in paragraph A of the Introduction.
- (4) **Purchase Price** means \$4,350,004.20, at a purchase price per Share of \$0.60; and
- (5) **Shares** has the meaning given in paragraph B of the Introduction.

2 Interpretation

- (1) Reference to:
 - (a) the singular includes the plural and the plural includes the singular;
 - (b) time is to time in Perth, Western Australia; and
 - (c) money is to Australian dollars, unless otherwise stated.

- (2) A provision of this agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the agreement or the inclusion of the provision in the agreement.
- (3) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.

3 Sale and purchase

Seller agrees to sell the Shares to the Buyer and the Buyer agrees to purchase the Shares from the Seller on and subject to and on the terms and conditions of this agreement.

4 Purchase Price

The consideration payable by the Buyer to the Seller for the Shares is the Purchase Price.

5 Completion

- 5.1 Completion shall take place three (3) Business Days after the date of this agreement (or such other later date as may be agreed by the parties).
- 5.2 At Completion:
 - (1) subject to the Buyer first complying with its obligations under clause 5.2(2), the Seller must procure the transfer of the Shares to Buyer and arrange for the Shares to be transferred (at Completion) within the CHESS system to the account of the Buyer (provided that the Buyer has, prior to Completion, provided the Seller with all relevant details, including details of its CHESS sponsor, and any other documentation reasonably required by the Seller to arrange for the transfer); and
 - (2) the Buyer must pay to Seller the Purchase Price in full by electronic funds transfer to the Seller (or as the Seller may otherwise direct) provided that the Seller has, prior to Completion, provided the Buyer with details of the account into which the Purchase Price is to be paid.
- 5.3 All actions at Completion will be taken to take place simultaneously and a delivery or payment will not be regarded as having been made until all deliveries and payments to be made at Completion have been made.

6 Buyer warranties

- 6.1 The Buyer warrants that, as at the date of this agreement and the date of Completion:
 - (1) the execution of this agreement and the implementation of the transactions contemplated by it does not contravene any law or order binding upon the Buyer; and
 - (2) it is not wound up, no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose.
- 6.2 The Buyer indemnifies the Seller against all damage, loss, cost, liability or expense incurred by the Seller arising from or connected with a breach of any of the warranties in clause 6.1.

7 Seller warranties

- 7.1 The Seller warrants that, as at the date of this agreement and the date of Completion:
- (1) the execution of this agreement and the implementation of the transactions contemplated by it does not contravene any law or order binding upon the Seller;
 - (2) It is not, and at no time has been, a holder of 10% or more of the issued shares in Heron;
 - (3) it is not wound up, no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose; and
 - (4) the Shares are free from any security interest (as defined under the *Personal Property Securities Act 2009* (Cth)) or any other form of encumbrance and no person has claimed an interest of that kind in respect of the Shares.
- 7.2 The Seller indemnifies the Buyer against all damage, loss, cost, liability or expense incurred by the Buyer arising from or connected with a breach of any of the warranties in clause 7.1.

8 General provisions

- 8.1 The law of Western Australia governs this agreement.
- 8.2 The parties submit to the non-exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.
- 8.3 This agreement may be executed in any number of counterparts. Each counterpart is an original but the counterparts together are one and the same agreement.
- 8.4 This agreement constitutes the entire agreement between the parties as to its subject matter. An amendment or variation to this agreement is not effective unless it is in writing and signed by the parties.
- 8.5 No party may assign or otherwise deal with its rights under this agreement without the prior consent of the other.
- 8.6 Each party must pay its own costs and outlays connected with the negotiation, preparation and execution of this agreement. Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this agreement or any transaction contemplated by this agreement, must be paid by the Buyer.

[Signing page follows]

Executed as an agreement.

Signed by Pala Investments Limited:

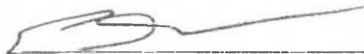


Signature of Director

EUGENE JORICH

Print Name of Director

Signed for and on behalf of **CL V Investment Solutions LLC** by its authorised representative in the presence of:




Signature of witness

ERIC ROEDEL

Name of witness
(BLOCK LETTERS)

Address of witness



Signature of authorised representative
Karlien De Clercq
Vice President

Name of authorised representative
(BLOCK LETTERS)