Heron Resources Limited

Level 7, 191 Clarence Street, Sydney NSW 2000
heron@heronresources.com.au
+61 2 9119 8111
ABN: 30 068 263 098

ASX Release

10 December 2018

Heron Commences New Exploration Program Near Woodlawn

- **Near-mine exploration program at Woodlawn underway**
- **Historic electromagnetic (EM) surveys identified a number of drill targets, refined with modern EM techniques**
- **Deep IP survey to explore at depth directly north of Woodlawn**
- **Drilling program underway to follow-up on targets identified from geophysical work**
- **Exploration area in close proximity to the new processing plant and facilities at Woodlawn**

Heron Resources Limited (ASX:HRR "Heron" or the "Company") is pleased to report that a new regional exploration program targeting base-metals has commenced at its wholly-owned Woodlawn Zinc-Copper Project, located 250km south-west of Sydney, New South Wales, Australia. The program combines the latest geophysical techniques with drilling to look for significant large-scale volcanogenic massive sulphide (VMS) lenses close to the Woodlawn processing plant and facilities.

Commenting on the new program, Heron Resources Managing Director and CEO, Mr. Wayne Taylor said: *"Our regional exploration program is focused on the area around the Woodlawn Mine that has excellent potential to host additional base metals deposits. We have started with modern geophysical techniques that can see deeper and with higher resolution that historical methods, to look at a number of areas of interest which were identified from historic data. A drilling crew has arrived to follow-up these initial targets."*

Electromagnetic Targets

Surface Electromagnetic (EM) surveys were conducted in the late 1990s and early 2000s and covered the area between the Woodlawn Mine and the Montrose prospect, 6km to the WNW. A systematic review of this data using modern processing software has identified several anomalies which warrant closer inspection. In particular, the Montrose area (Figure 2) has been highlighted as having a complex array of multiple conductors which have never been drilled. In some cases, the early surveys identified anomalies near the end of survey lines. These anomalies warrant additional surveying to confirm the historic responses. The first phase of Heron's latest work program has been to conduct a series of moving loop EM surveys over the prospect areas to confirm and better define the existing anomalies.

Figure 1: RC rig ready to commence drilling at Montrose (9/12/18)

Initial results of the EM surveying have been encouraging with a relatively shallow anomaly confirmed at Montrose West where a drill hole has been designed (Figure 3). The anomaly has been modelled as relatively low conductivity (35 Siemens) which is indicative of the responses obtained from lead/zinc sulphides. However, with all such anomalies, the only way to test this further is with drilling. As shown in Figure 3, a 200m a reverse circulation (RC) drill hole has been designed to intersect this anomaly.

Figure 2: Location of Key Prospects for follow-up EM Surveys and Drilling

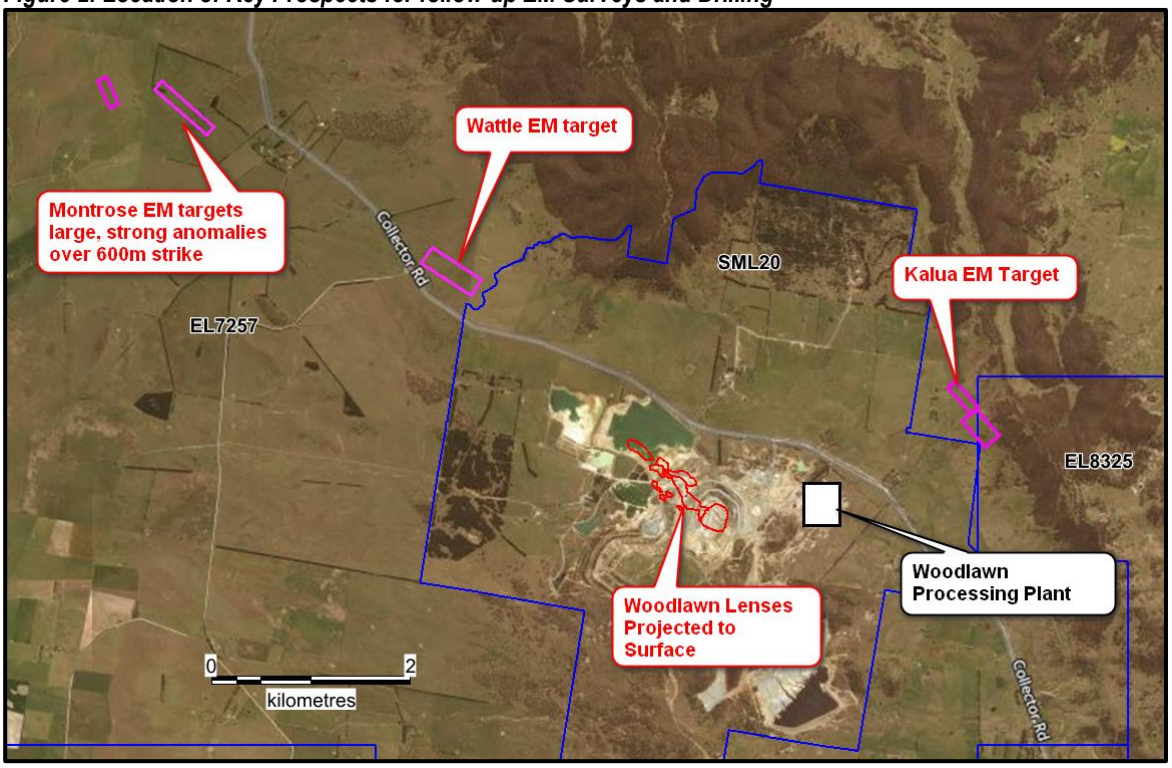
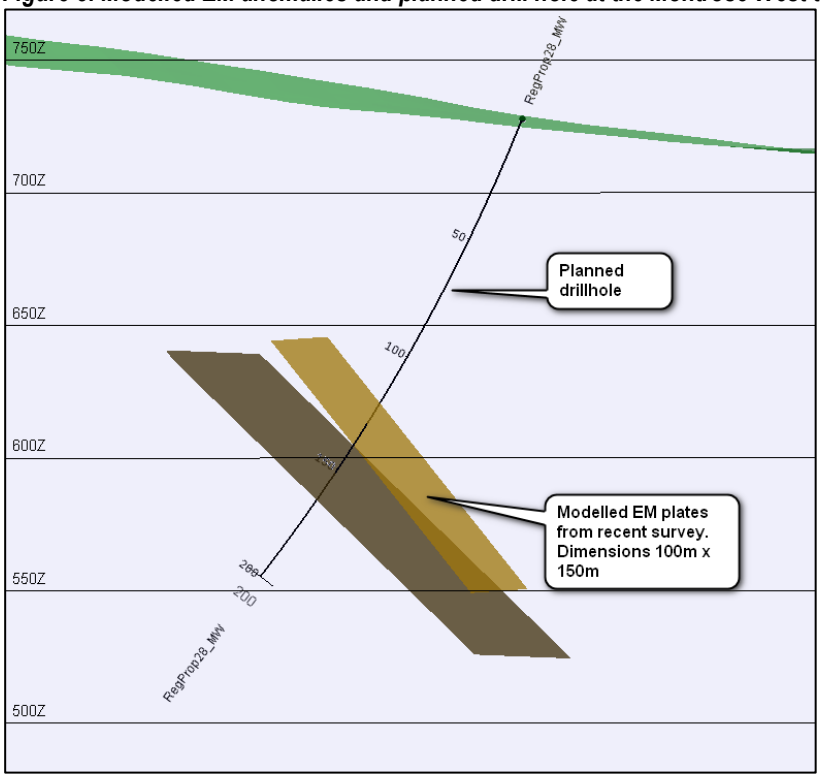


Figure 3: Modelled EM anomalies and planned drill hole at the Montrose West target.



Further drilling is being planned as the results of the EM survey come through. All approvals have been received to conduct these programs.

Induced Polarisation Surveys

Induced Polarisation (IP) geophysical surveys were successful in identifying the original Woodlawn deposit in the early 1970s and have been responsible for many metallic mineral discoveries; however modern surveys, which have much greater depth of penetration to 400-500m below surface, have not yet been carried out. Where EM surveys can directly identify massive sulphide lenses, IP surveys have greater depth penetration with good resolution and will map out the broader halo of mineralisation.

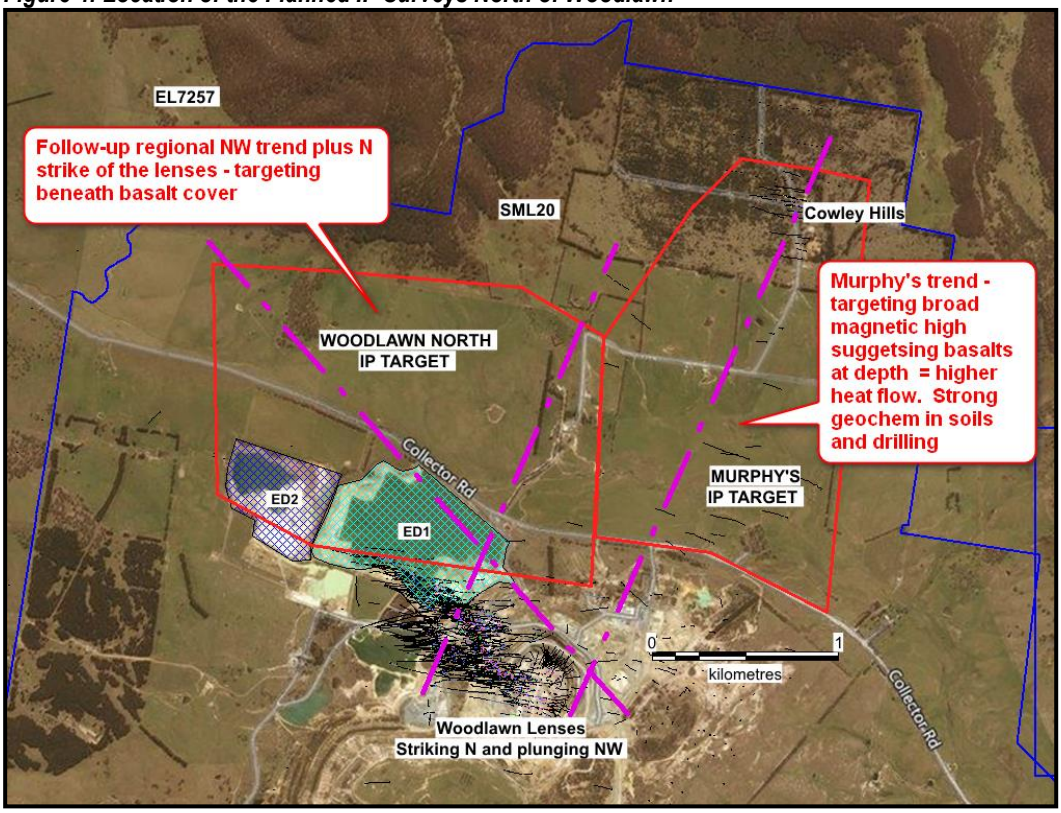
As part of this latest exploration program Heron will therefore undertake IP testing over an area in a 2.5km arc to the NW and NE of the Woodlawn Mine (Figure 3). This area is considered highly prospective due to:

- The extension of the Woodlawn volcanics partially obscured by overlying Currawang Basalt units (which host the historic high-grade Currawang deposit);
- Favourable structures extending N and NW from the known mineralisation at Woodlawn;
- Evidence of mineralisation – including anomalous surface geochemistry and drill results;
- Partially under cover – both alluvial/colluvial cover associated with Crisps Creek and also partial covering of the Woodlawn Volcanics by Currawang Basalts;
- In the case of the Murphy–Cowley Hills trend there is an extensive magnetic anomaly at depth suggesting basaltic rocks – which in turn are favourable for mineralisation in this setting; and
- Close proximity to the Woodlawn Mine (within mining lease SML20) where Heron has ready drill access under existing agreements.

Follow-up of any targets generated through analysis of the IP results will be tested through drilling and down-hole EM surveying.

The use of these modern geophysical techniques is an important step in advancing the regional exploration immediately around the Woodlawn Mine and has the potential to assist in defining new and significant base metals lenses within easy reach of the new processing plant.

Figure 4: Location of the Planned IP Surveys North of Woodlawn



About Heron Resources Limited (ASX:HRR)

Heron Resources Limited (ASX:HRR) is engaged in the exploration and development of base and precious metal deposits in Australia. Heron's primary focus is on its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia – one of the few new zinc projects that is fully-funded to production. With production due in early 2019, this places the Company on track to participate in the pricing environment supported by a strong zinc physical market. In addition, the Company holds a number of significant high quality, base and precious metal tenements regional to the Woodlawn Project.

To learn more, please visit: www.heronresources.com.au or contact

Mr. Wayne Taylor
Managing Director and Chief Executive Officer
Tel: +61 2 9119 8111 or +61 8 6500 9200
Email: heron@heronresources.com.au

Follow us on Twitter **@Heron_Resources**

Compliance Statement (JORC 2012)

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. Mr. von Perger has approved the technical disclosure in the news release.