



Heron Resources Limited

2019 AGM Presentation

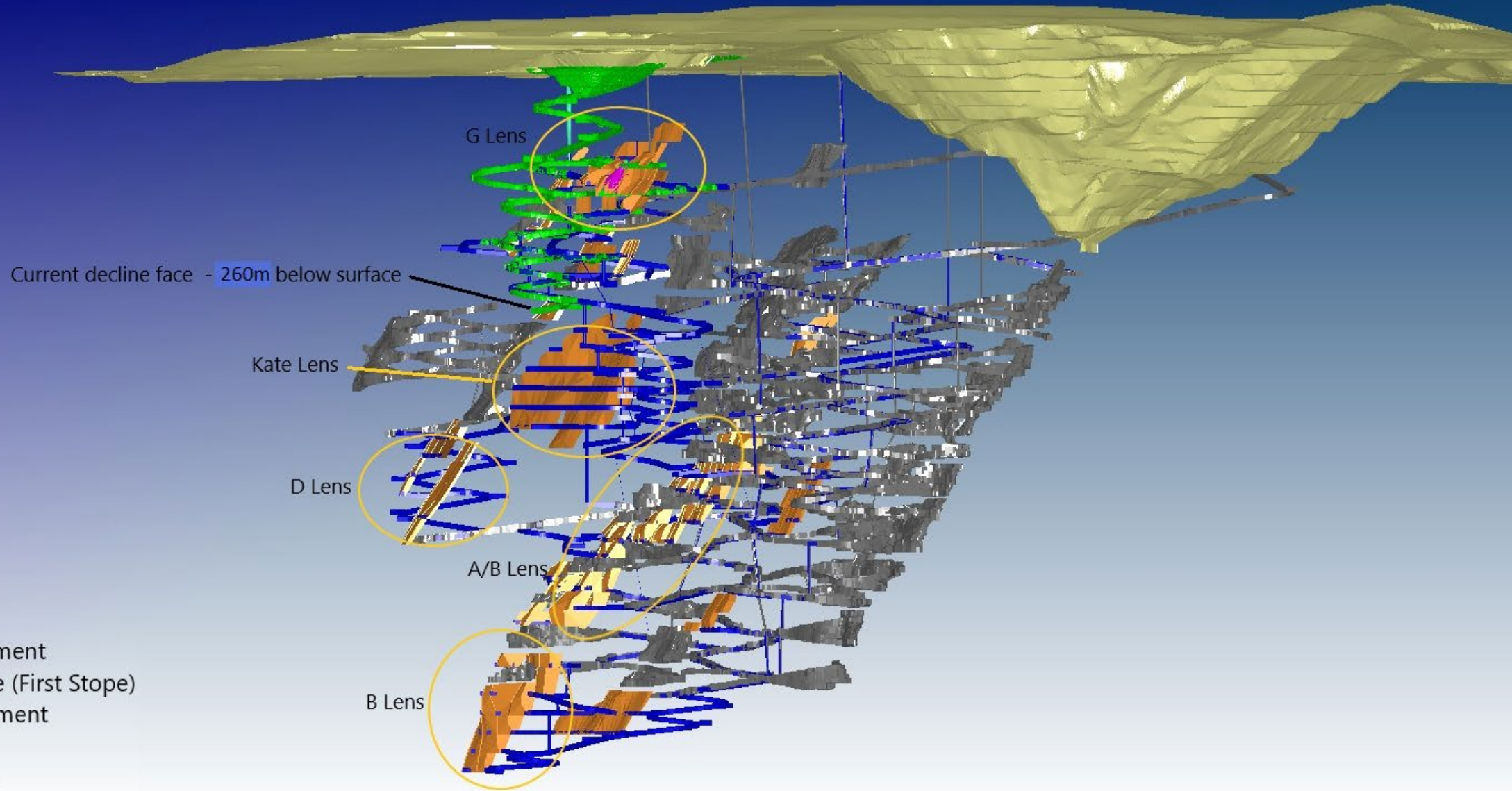


HIGHLIGHTS

- ▶ 0 LTIs FY2019/20
- ▶ Tails Reclaim Circuit fully commissioned and now running for significant periods at nameplate throughput of 190 tph.
- ▶ Underground Ore processing circuit, crusher and ball mill now commissioned and in most recent runs achieving 80% of nameplate throughput at target grind-size.
- ▶ Hydraulic Mining Process now well established with industry leading specialist Paragon, continuing with mine planning and training.
- ▶ 95% of roles in the ramp up organisation structure now recruited and filled.
- ▶ Flotation and Process Engineering expertise from DRA Global and Primero now delivering results.
- ▶ Underground mining development work well advanced with 3.9km of lateral development complete and decline development at 260M below surface and only 15M above highly prospective “Kate” lens. First stope ore now filling the ROM pad and being processed through crusher and ball mill
- ▶ Concentrate shipments underway with First Lead shipment loaded in September 2019, the first Zinc shipment in October and the second Lead shipment in December. The first Copper shipment is scheduled for January/February 2020

PRODUCTION MINING

- ▶ Metres advanced
 - Total UG Development to end of November ~3.9km
- ▶ Tonnes Ore to surface
 - Total Ore Delivered to ROM 40kt
- ▶ Decline is now at 2535 mRL (First Level for Kate Lens is 2520mRL)
- ▶ Diamond drilling program now in progress and delivering excellent resource definition ahead of mining advance.
- ▶ Ground control regime has been established in the underground workings with no issues



- New Development
- 2660 G1 Stope (First Stope)
- LOM Development
- LOM Stopes
- Old Workings



PROCESSING

- ▶ Commissioning process entailed commencing with Tails Reclaim May/June, then moving to Underground ore crushing and milling in recent months
- ▶ Hydro mining extracted and processed 481k tonnes as of end November 2109
- ▶ Underground ore processed 30,970 tonnes as of end November 2019
- ▶ Expertise now engaged in tuning for plant stability and reagent balancing



PROCESSING



- ▶ 4 panel operating crews in place with successful local recruiting campaign
- ▶ Maintenance team and modification squad in place for improved plant reliability
- ▶ EPC Contractor working with Heron to promptly resolve any defects as they arise
- ▶ Concentrates being produced and shipped
 - ▶ Lead Shipment #1 September 2019
 - ▶ Zinc Shipment #1 October 2019
 - ▶ Lead Shipment #2 December 2019
 - ▶ Copper shipment #1 TBA (Jan/Feb 2020)

COMMUNITY

- ▶ Community Consultative Committee now in regular session – well received
- ▶ Local Emergency Management Committee – working with Emergency Services Providers in Goulburn to coordinate Emergency Plans and exercises
- ▶ Joint rescue exercises with local Police Rescue Teams
- ▶ Employees based in Tarago, Goulburn, Bungendore and other local communities providing benefits to local economies.
- ▶ Local trades and suppliers engaged throughout construction and production.

FUTURE FOCUS

- ▶ Complete all commissioning activities especially at the crusher and ball mill
- ▶ Plant stability & reagent balancing for improved grades and recoveries.
- ▶ Operator and Supervisor training for improved skills and competence.
- ▶ Embedding best practice maintenance regimes for plant reliability
- ▶ Increased load out of concentrate cargos
- ▶ Ramp up of stope ore production from underground mining