



Heron Resources Limited

Quarterly Report

June 2015

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31 July 2015

HIGHLIGHTS

1. Woodlawn Zinc-Copper Project

- Preliminary Economic Assessment (PEA) study document released.
- A\$11M Feasibility Study commenced for Woodlawn Zinc-Copper Project.
- Kate Lens expanded by significant new intercepts:
 - 7.1m @ 16.1% Zn, 0.9% Cu, 11.3% Pb, 3.5g/t Au, 254g/t Ag (40.6% ZnEq¹) from 340m, WNDD0029
 - 20.5m @ 8.1% Zn, 2.4% Cu, 2.9% Pb, 0.8g/t Au, 68g/t Ag (20.7% ZnEq) from 383m, WNDD0031
 - 12.0m @ 4.7% Zn, 2.2% Cu, 0.8% Pb, 0.8g/t Au, 22g/t Ag (13.7% ZnEq) from 405m, WNDD0032
- G Lens high grade intercept:
 - 3.0m @ 8.5% Zn, 3.5% Cu, 5.2% Pb, 6.3g/t Au & 161g/t Ag (33.9% ZnEq) from 30m, WNDD0024
- H Lens very high grade intercepts:
 - 1.7m @ 3.5% Zn, 6.8% Cu, 4.9% Pb, 3.9g/t Au, 213g/t Ag (39.8% ZnEq) from 109m, WNDD0026
 - 0.75m @ 5.6% Zn, 8.1% Cu, 6.8% Pb, 3.6g/t Au, 398g/t Ag (51.5% ZnEq) from 104m, WNDD0027
- Kate Lens – thick massive sulphide intercepts continue as the margins of the lens are delineated (assays pending):
 - 25m of mostly massive polymetallic sulphides in two zones from 326m, WNDD0033
 - 9.9m of copper sulphides in two zones from 390m, WNDD0035
 - 20.5m of polymetallic sulphides in four zones from 347m, WNDD0037
 - 19.4m of mostly copper/iron sulphide from 379m, WNDD0038

ASX:HRR / TSX:HER

Issued Shares	361M
Share Price	\$0.115
Market Cap	\$42M
Cash (30 June 15)	\$24.0M
Investments	\$ 2.3M
Total C+I	\$26.3M

• Corporate

- Subsequent to the Quarter (24 July 2015) Heron entered into an equity funding package of up to A\$20M with **Greenstone Resources LP**.
- Debt funding options for the development of Woodlawn under evaluation. Decision pending on staged development.
- **Mr Andrew Lawry**, appointed as **Chief Operating Officer** and responsible for the development and operation of the Woodlawn Project in New South Wales.
- **Cash A\$24.0M** and listed investments A\$2.3M at 30 June 2015. Upon completion of the recently announced equity placement with Greenstone, Heron's cash position will increase by A\$6.8M.

¹ Zn equivalents (ZnEq) in this release are based on the formula: $Zn(\%) + 0.81 \times Pb(\%) + 3.12 \times Cu(\%) + 0.86 \times Au(g/t) + 0.03 \times Ag(g/t)$. All these metals are expected to be recoverable. Refer to the announcement of 22 April 2015 entitled "Preliminary Economic Assessment Delivers Strong Business Case for the Woodlawn Zinc-Copper Project" for further information



Heron Resources Limited

Quarterly Report

June 2015

Heron Resources (“Heron” or the “Company”) is pleased to provide the report for the June 2015 Quarter. During this reporting period the Company has principally been focused on advancing the Woodlawn Project through the completion of the Preliminary Economic Assessment (PEA) covering an initial underground ‘Starter Case’ along with the co-treatment of the tailings resource.

WOODLAWN ZINC-COPPER PROJECT

Heron holds a direct 100% ownership of the mineral rights at the Woodlawn Mine site situated 40km south of Goulburn and 200km south-west of Sydney, in southern NSW, Australia (Figure 1). It is Heron’s aim to create a profitable, long life and low cost mineral processing operation at Woodlawn that produces base and precious metal concentrates. Heron also holds a portfolio of advanced stage exploration tenements adjacent to the Woodlawn site covering the prospective felsic volcanic units that host the Woodlawn Volcanogenic Massive Sulphide (VMS) deposit.

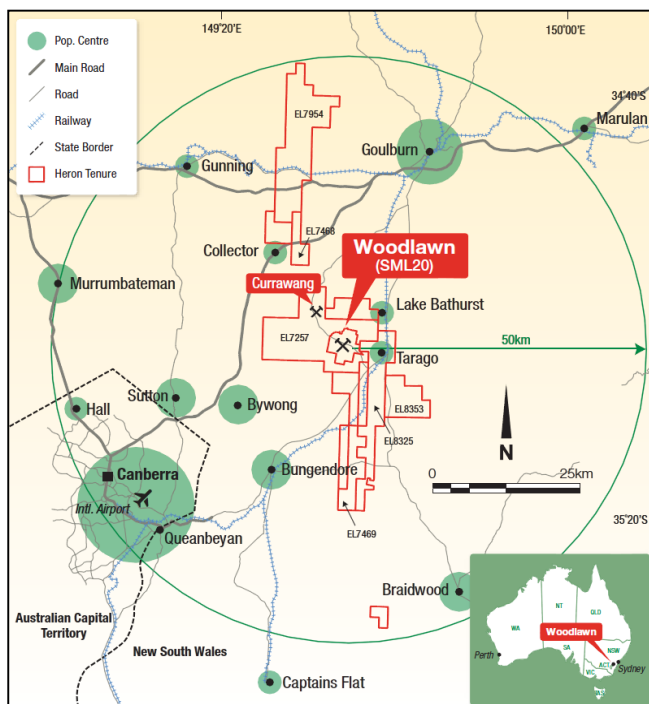
Historically, the Woodlawn Mine operated from 1978 to 1998 and processed 13.8 million tonnes of ore from the Woodlawn open pit, underground and satellite deposits grading 9.1% zinc, 1.6% copper; 3.6% lead, 0.5g/t gold and 74g/t silver.

The mine was closed in March 1998 due to prevailing low metal prices and external corporate issues. Post mine closure the mineral rights contained within the Woodlawn Mining Licence SML20 were purchased by TriAusMin Ltd. Since that time, work has focused on evaluating the potential to re-process tailings from previous mining operations (termed the **Woodlawn Retreatment Project – WRP**), and to re-develop the underground mine (the **Woodlawn Underground Project – WUP**). Regional exploration has also been undertaken in the vicinity of Woodlawn with the objective of discovering new, high grade satellite deposits (**Woodlawn Exploration Project – WEP**).

The brownfields drilling and down-hole Electro-Magnetic (DHEM) exploration undertaken by Heron at the Woodlawn site continues to generate new and extended VMS style systems, precisely as would be expected in Australia’s second largest historic VMS system (second only to Rosebery, Tasmania).

Drilling outcomes during the Quarter have been very encouraging, particularly as the drilling was originally designed to close off mineralised positions for mine design, but has instead lead to several positions being significantly extended.

Figure 1 Woodlawn Project Location Plan





Heron Resources Limited

Quarterly Report

June 2015

Release of Preliminary Economic Assessment

On 1 June, Heron announced the lodgement of the full Woodlawn Preliminary Economic Assessment (PEA) study on the System for Electronic Document Analysis and Retrieval (SEDAR). SEDAR is the document filing and retrieval system for Canadian public (and listed) companies and can be accessed at 'www.sedar.com'.

The Company announced the PEA summary results in the release of the 22nd April 2015 titled 'Preliminary Economic Assessment Delivers Strong Business Case for the Woodlawn Zinc-Copper Project'. The full study has been lodged on SEDAR and is available on the Company's web site.

The project continues to demonstrate strong base case economics and we continue to evaluate and adjust variables as new information comes to hand. The current base case results include:

Combined Underground plus Tailings "UG Starter Case"	Post-tax NPV _{8.3} *	A\$291 million
	Post-tax IRR	46%
	Initial Capital	A\$140 million
	Payback Period	2.0 years from commissioning
	Net Cash Flow Post-tax	A\$577 million
	C1 cost (Zn primary)	US\$0.0/lb
	C3 cost (Zn primary)	US\$0.30/lb

*Results reported using an 8.3% post tax real discount rate (approx. 10% post-tax nominal). All material assumptions as per the release of 22 April 2015 and in the PEA document which may be downloaded from SEDAR, apart from the following adjustments:

- AUD/USD FX trending from 0.73 to 0.69 by 2021;
- Flat real commodity prices for Cu amended to US\$2.90/lb and Pb to US\$0.93/lb (others unchanged);
- Amended modelled treatment of recoverability of tax losses and updated opening tax loss assumptions (opening tax losses increased to \$77M, opening capitalised exploration increased to \$32.3M); and
- Various adjustments to operation cost modelling (no changes to the underlying assumptions).

Commencement of the Feasibility Study

During the Quarter work commenced on the Feasibility Study for Woodlawn, with a budget of approximately \$11 million, that is fully funded from the Company's existing cash reserves, and which is expected to be completed within the first half of 2016.

In addition to the Phase II drill program (described in the following section) which has commenced, additional work planned involves updating of the Woodlawn Retreatment Project FEED study that was completed in 2012 and a DFS level study for the Woodlawn Underground Project component. GR Engineering Services were appointed to undertake this work and commenced work during the Quarter. This work is forecast for completion within approximately 12 months.

Further work has commenced in finalising statutory requirements for project construction and operation.

Metallurgical test work on recent drill core samples is underway to confirm flowsheet design. A geotechnical program is being planned to allow for the design of the optimised underground portal access. This work will be undertaken in conjunction with the drilling program.



Heron Resources Limited

Quarterly Report

June 2015

Phase II Drilling Program

The Phase II drilling program at Woodlawn commenced in late April 2015, with 20 diamond drill holes for some 6,500m having been completed to date reflecting on-time and on-budget advance. The initial part of the Phase II program is designed to test shallow mineralised positions which have potential to provide readily accessible production in the early part of the future underground operation, as well as undertake the in-fill drilling required to upgrade parts of the underground Mineral Resource to Indicated status and close off mineralised positions. The campaign will comprise up to approximately 19,000m of diamond core and run until the end of December 2015.

To date the Phase II program has confirmed the up and down plunge extensions to the Kate Lens through the massive sulphide intercepts in WNDD0029, 31, 32, 33, 35, 37 and 38 (refer to Figures 2-4). In particular, the 20.3m intercept in WNDD0031 indicates the excellent potential for expansion of the lens down-plunge in the north-west direction. Significant intercepts returned include:

Kate Lens high grade intercepts:

- 7.1m @ 16.1% Zn, 0.9% Cu, 11.3% Pb, 3.5g/t Au, 254g/t Ag (40.6% ZnEq) from 340m, WNDD0029
- 20.5m @ 8.1% Zn, 2.4% Cu, 2.9% Pb, 0.8g/t Au, 68g/t Ag (20.7% ZnEq) from 383m, WNDD0031
- 12.0m @ 4.7% Zn, 2.2% Cu, 0.8% Pb, 0.8g/t Au, 22g/t Ag (13.7% ZnEq) from 405m, WNDD0032

Kate Lens massive sulphide intercepts (assays pending):

- 25m of mostly massive polymetallic sulphides in two zones from 326m, WNDD0033
- 9.9m of copper sulphides in two zones from 390m, WNDD0035
- 20.5m of polymetallic sulphides in four zones from 347m, WNDD0037
- 19.4m of mostly copper/pyrite sulphides from 379m, WNDD0038

G and H Lens Results

Away from Kate Lens, a high grade assay result of 33.9% ZnEq from 30m downhole over a 3m intersection from the shallow G Lens north position (WNDD0024) continues to provide a focus for early mine development with encouraging high base metals and gold/silver grades being recorded in a very shallow position. In a similar fashion, the narrow intercepts in WNDD0026-27 in the top part of H Lens (Figure 5) also have the potential to provide an early production source.

G Lens high grade intercept:

- 3.0m @ 8.5% Zn, 3.5% Cu, 5.2% Pb, 6.3g/t Au & 161g/t Ag (33.9% ZnEq) from 30m, WNDD0024

H Lens very high grade intercepts:

- 1.7m @ 3.5% Zn, 6.8% Cu, 4.9% Pb, 3.9g/t Au, 213g/t Ag (39.8% ZnEq) from 109m, WNDD0026
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Lisa Lens Results

The three holes targeting the Lisa Lens have returned mostly massive and semi-massive pyrite material at the lens position and extensions of the high-grade mineralisation intersected in WNDD0015 will now be targeted in the up-dip position towards the end of the current program (Figure 5).



Heron Resources Limited

Quarterly Report

June 2015

Conceptual Targets – DHEM Programs

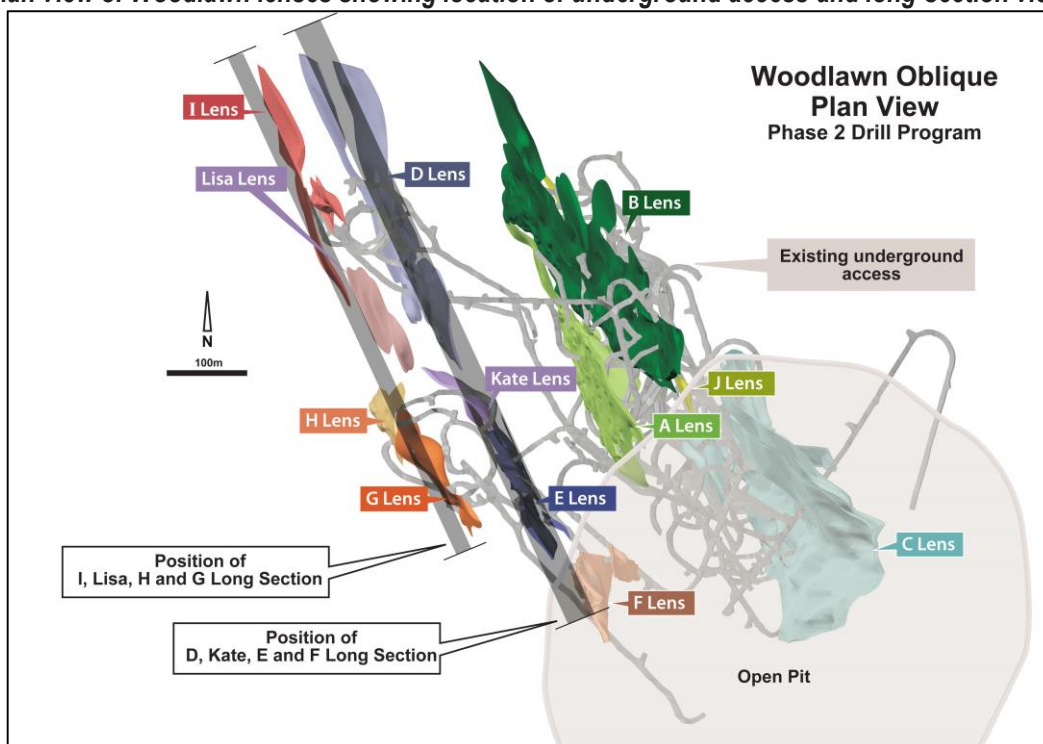
As part of the Phase II program a number of more conceptual targets are also being drilled that, if successful, have the ability to significantly change the scope of the proposed mining operations at Woodlawn.

One conceptual target is the “southern DHEM anomaly” which lies to the south of C Lens. Hole WNDD0020W1 has been drilled to 709m depth and provided down hole access above the interpreted anomaly to allow the target to be refined using DHEM. The DHEM response for this hole was received late in the Quarter and is currently being modelled, with initial indications that the broad response is likely to be related to known (C Lens) mineralisation to the north. Other responses in the hole are also being assessed.

A second target was the Kate Lens extension down plunge which has been tested with hole WNDD0030 (depth 700m) and returned an off-hole conductor approximately 60x60m in size at approximately 675m downhole depth which is likely to be the down plunge extension of the Kate Lens horizon at depth. A broad conductor, beyond the existing drill hole is also pointing towards a potential new lens position in the down-plunge C/J Lens position.

The drill holes completed to date are summarised below with collar and survey details provided at the end of the report.

Figure 2: Plan view of Woodlawn lenses showing location of underground access and long-section views.





Heron Resources Limited

Quarterly Report

June 2015

Figure 3: Kate Lens Long-Section detailed showing a selection of recent and significant intercepts.

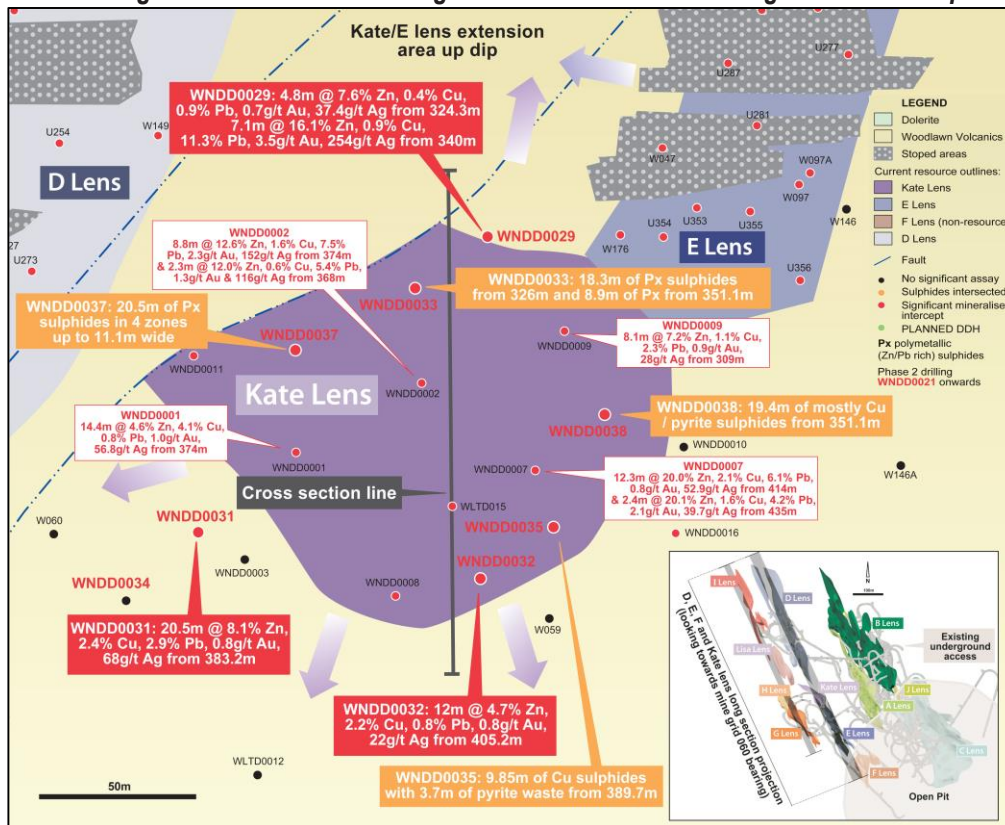
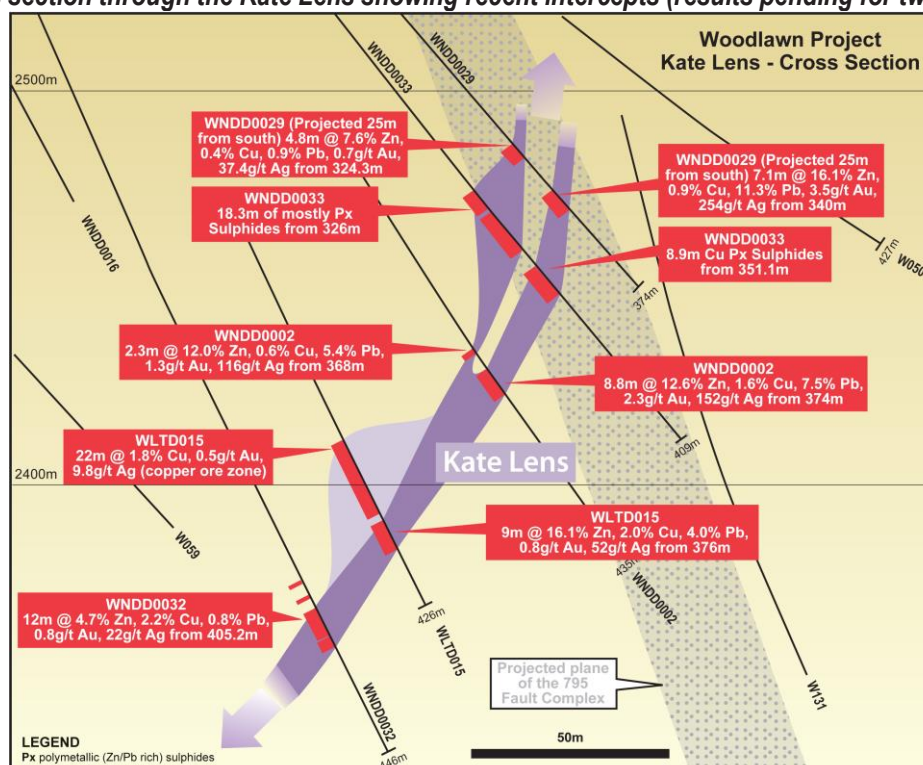


Figure 4: Cross section through the Kate Lens showing recent intercepts (results pending for two holes).



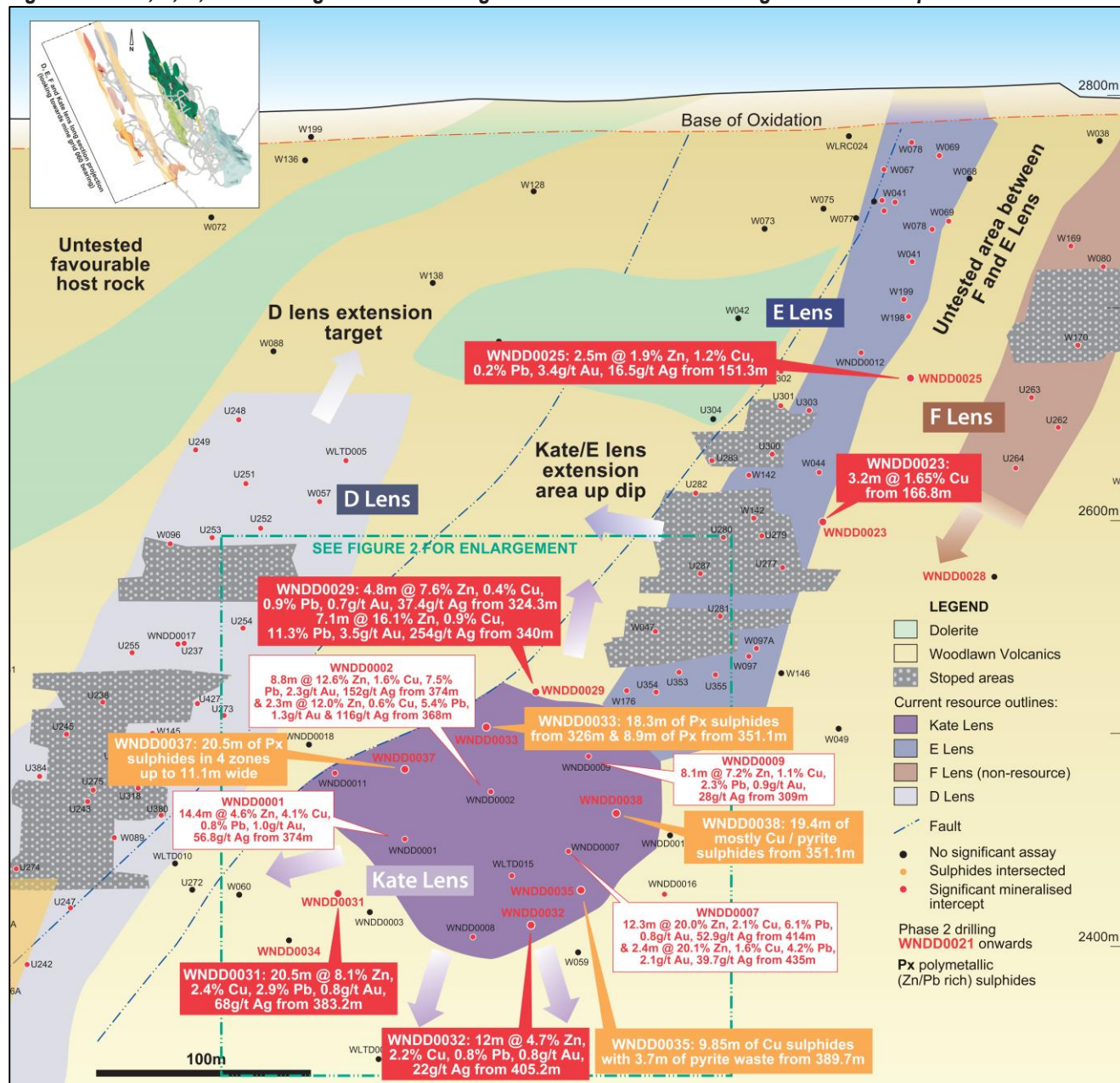


Heron Resources Limited

Quarterly Report

June 2015

Figure 5: Kate, E, D, F Lens long section showing a selection of recent and significant intercepts.



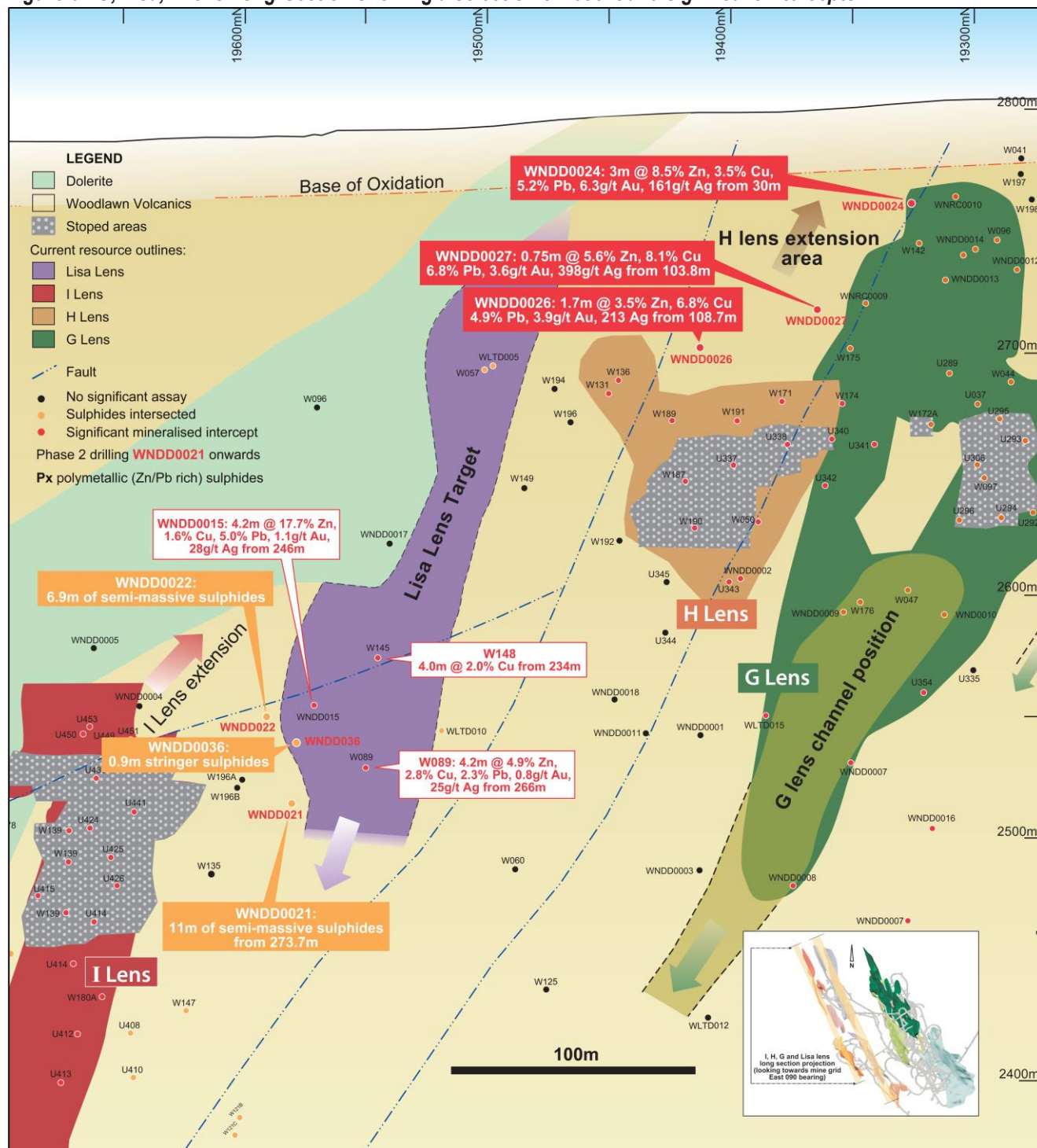


Heron Resources Limited

Quarterly Report

June 2015

Figure 6: G, Lisa, I Lens Long-Section showing a selection of recent and significant intercepts.





Heron Resources Limited

Quarterly Report

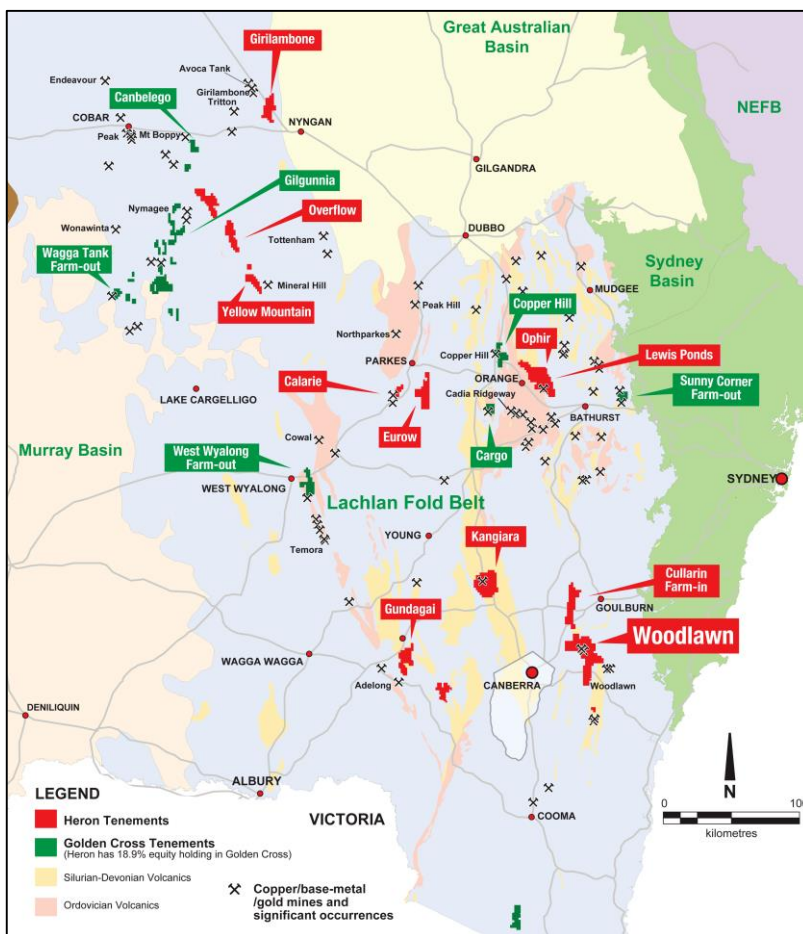
June 2015

Woodlawn Exploration Project (WEP) (100% Heron)

A key prospect close to the Woodlawn mine is the former Currawang Mine located some 10km to the NW (see Figure 1) and where approximately 0.5Mt of ore was mined from underground and trucked to the Woodlawn plant in the early 1990s. A fixed loop EM survey was completed in the previous Quarter and a target has been defined to the south of the original ore body. Drill approvals were received this quarter and plans for drilling the target will be finalised once the Phase II program at Woodlawn is more advanced.

EXPLORATION PROJECTS

New South Wales – Copper-Gold Exploration



Heron maintains a significant tenement holding in the Lachlan Fold Belt with some 3,739km² under tenure (Figure 7).

Figure 7: Heron's tenement holdings and interests in NSW



Heron Resources Limited

Quarterly Report

June 2015

Three regional structural settings have been the focus for Heron acquisitions:

1 Woodlawn VMS Belt base metals

Centred on the Woodlawn Project, the exploration target is the world-class VMS systems occurring in the N-S Silurian acid volcanic rift from south to north being Stockmans, Captains Flat, Woodlawn and Cullarin. All Lachlan VMS centres are characterised by multiple lenses associated with a discrete exhalative Silurian felsic volcanic/pelite stratigraphy.

2 Lachlan Transverse Zone copper-gold

Centred on the Copper Hill mining centre, world-class porphyry copper-gold occurs within N-S trending Macquarie Arc Ordovician andesite belt intruded by Silurian monzonite-tonalite in the WNW trending Lachlan Transverse Zone from east to west on the southern bounding fault being Forest Reefs, Cadia-Ridgeway, Cargo; and from east to west on the northern bounding fault being Sunny Corner, Lewis Ponds, Copper Hill, and Northparkes.

3 Gilmore Suture gold-copper

Centred on the Overflow mining centre, the exploration target is the porphyry/epithermal gold-copper systems occurring in Silurian-Devonian crustal rift from south to north Gundagai, Adrah, West Wyalong, Temora, Yellow Mountain, Mineral Hill, Overflow, and Mt Boppy.

The focus of the exploration has been on the Lewis Ponds Project, described below. The other mainly early stage projects are being reviewed with the potential to farm out to suitable partners.

Lewis Ponds Gold-Copper Project (100% Heron)

Lewis Ponds is located 15km east of Orange, in central NSW (Figures 8 and 9) the project contains the Lewis Ponds VMS deposit (6.6 million tonnes grading 2.4% zinc, 0.2% copper, 1.4% lead, 1.5g/t gold and 69g/t silver JORC 2004 Mineral Resource²) – made up of **Main Zone** and **Tom's Zone** which occur in a sequence of deformed Silurian felsic-to intermediate-marine-sedimentary rocks.

During the quarter a reverse circulation (RC) drilling program was undertaken on two prospects south of the Lewis Ponds deposit (Figure 8) with five holes for 637m being drilled. The holes targeted mainly copper mineralisation beneath the historic Brown Creek workings and broad un-drilled gossan zone discovered by Heron 500m south-west of the Browns Creek workings.

The drilling intersected a sequence of felsic tuffaceous shales, and other fine grained sedimentary units and some black shales. Highly encouraging zones of strong pyritic alteration were intersected containing copper sulphides. Best assay results for the drilling are shown below with full details provided at the end of this report, including JORC 2012 Table 1:

- 10m @ 0.6% Cu from 65m (Brown's Creek Lode, ICHRC006)
- 12m @ 0.8% Cu from 68m (Brown's Creek Lode, ICHRC012)
- 2m @ 0.7% Cu from 107m (Brown's Creek Lode, ICHRC023)

This constitutes a first-pass drill test of both historic and untested drill targets. Future exploration on Brown's Creek mineralisation will need to ascertain whether the stringer sulphides that were intercepted at shallow depth constitute the only mineralisation, or represent the surface expression of deeper but more significant mineralisation at depth.

² Refer to Section 8.0 of Heron's 2014 Annual Report for Lewis Ponds Mineral Resource details



Heron Resources Limited

Quarterly Report

June 2015

Figure 8 Lewis Ponds Prospects Map

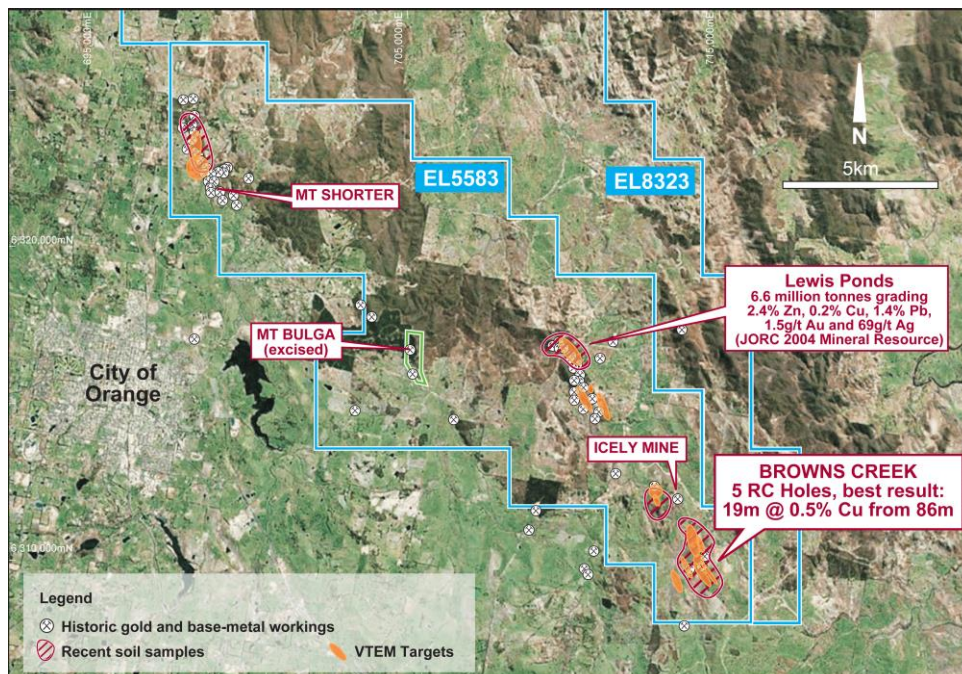
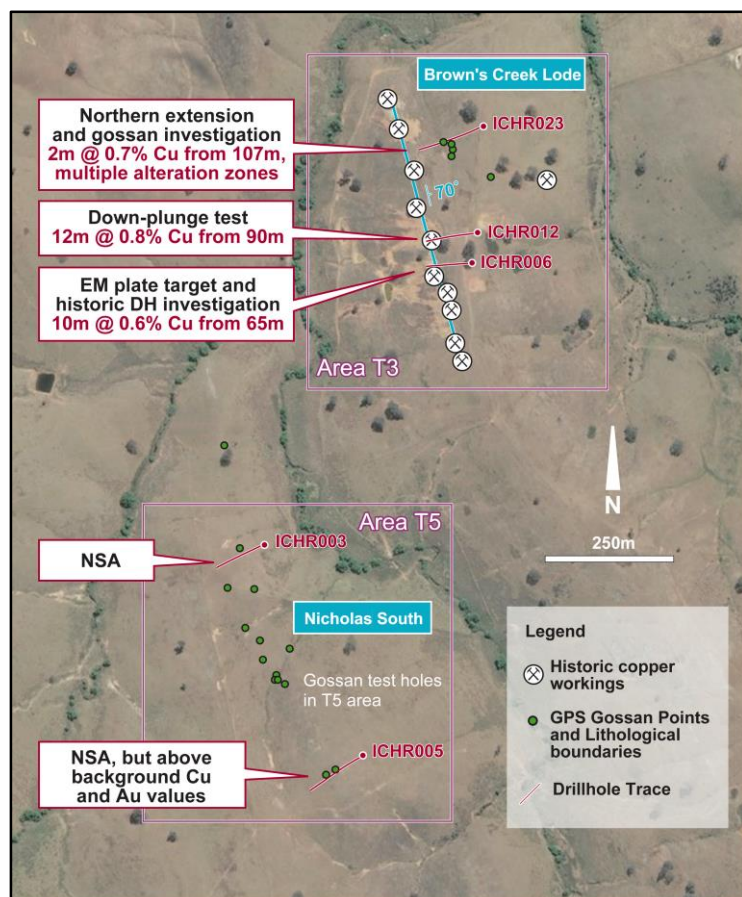


Figure 9 Brown's Creek Drillhole intercepts Map





Heron Resources Limited

Quarterly Report

June 2015

Overflow Gold-Base Metal Project (Heron 75.5% on certain blocks and 100% on the remainder)

The Overflow project is located 110km south-east of Nyngan and 50km north-west along strike from the Mineral Hill operation (owned by KBL Mining Ltd). The project is located along the northern extension of the Gilmore Suture within Ordovician and Devonian aged meta-sediments and has the potential to host both epithermal and Cobar-style gold and base-metal mineralisation. A report on the project is being prepared for groups interested in farming into this project.

Other NSW Exploration Projects

Copper Hill Gold-Copper Project (100% Golden Cross Resources, Heron holds 18.9% of GCR)

A revised Mineral Resource estimate and scoping study were released in the March quarter for the Copper Hill Project in central NSW where Heron retains a 18.9% stake in Golden Cross Resource Ltd (ASX:GCR). The Copper Hill scoping study returned a positive result and provided a framework for the future development of the Project as an open pit mine and concentrator processing operation. GCR reported an estimated metal-in-concentrate for the two Copper Hill production scenarios as:

- 2Mtpa, average 7.7Ktpa copper and 20.7Kozpa gold, peak year 10.8Kt copper and 41.8Koz gold.
- 3Mtpa, average 11.0Ktpa copper and 29.9Kozpa gold, peak year 14.7Kt copper and 54.4Koz gold.

It was also reported that significant mineralisation remains outside the conceptual pit shell defined for the scoping study. This highlighted the potential to increase the material within the possible mine plan. It has been proposed that these areas will be targeted as a part of the 2015 PFS drilling. Heron continues to monitor its investment in GCR and the advancement of the Copper Hill Project with the aim of maximising the overall return to Heron Shareholders.

Western Australia – Nickel Sulphide Exploration

Heron retains a substantial portfolio of tenements in the Eastern Goldfields of Western Australia that are prospective for Archean-style nickel sulphide mineralisation. These prospects are currently being reviewed by a number of parties interested in the nickel sulphide potential. The key prospects are described in the following.

Emu Lake Project (100% Heron)

The Emu Lake Project is located some 65km north-east of Kalgoorlie and work by previous workers (including Xstrata Nickel Ltd) has identified a fertile nickel sulphide horizon that extends for some 8km through the Heron tenure. Historical drill results include ELD015: 2m at 6.2% nickel and 1.8% copper from 336m depth and demonstrate the potential for high grade nickel sulphide mineralisation in the area.

Bedonia Project (100% Heron)

The Company's Bedonia Project is located 75km east of Norseman, Western Australia and 60km west-southwest of the Nova-Bollinger nickel-copper discovery (by Sirius Resources NL) within the Albany Fraser Mobile Zone. Total tenement holding is now approximately 1,500 km².

In the south of the project area the Company is seeking Nova-style nickel-copper mineralisation hosted within the interpreted Proterozoic-aged Mount Andrews Gneiss Complex where there is potential for discrete mineralised mafic intrusive bodies. There is also potential for nickel, copper and PGE mineralisation along the margins of the Proterozoic Jimberlana Dyke that traverses the area and where a number of significant geochemical anomalies have been identified. Auger programs earlier in 2014 identified a number of nickel sulphide targets at the Beaker, Woodline and Mordicus prospects. Some reduction and rationalisation of the Company's tenement holding in this area commenced during the Quarter.



Heron Resources Limited

Quarterly Report

June 2015

Mt Zephyr Gold and Nickel Sulphide Project (100% Heron)

The Mt Zephyr Project is located 80km north-northeast of Leonora and is prospective for Archaean gold mineralisation within high-grade laminated quartz occurrences identified by a local prospector in the north of the project area (Paul's Find).

In addition, a strong basal contact anomaly of 500-1,000ppm nickel was generated in 2014 through soil auger sampling north of Paul's Find where Archaean ultramafic units occur at a similar stratigraphic level to the Mt Windarra ultramafic units north of Laverton.

Kalgoorlie Nickel Project, 100% Heron (KNP)

Partner Search

The KNP provides significant exposure to long-term, low cost nickel production in a highly stable and mining-orientated jurisdiction. The project is located in the Eastern Goldfields of Western Australia, 50-100km north and east from Kalgoorlie with a tenement holding covering 850km². The nickel laterite rights are 100% held by Heron on unencumbered tenure.

With the combination of a large resource base and screen beneficiation of siliceous material, a potential Leach Feed Grade of 1.1-1.5% nickel is possible over a long mine life. The project is also well supported by gas, road and rail infrastructure that is suitably located to support the development of the KNP plant site. To date more than A\$50 million has been spent on the resource drill-out, with the most recent scoping studies focused on the use of Simulus' CFNP process, which demonstrated that the KNP has the potential to provide a source of long term, low capital intensity, and high margin nickel concentrates to the market.

Heron continues to maintain the KNP tenements in good standing and is actively seeking joint venture partners for the tenements gold potential and is in discussion with a number of groups in relation to the nickel sulphide potential of the KNP tenure. One gold agreement on KNP tenements was signed recently (see Lake Rebecca Project below). In addition, a number of parties are also exploring the KNP tenure for the green gem stone, chrysoprase, and three agreements in this respect have been signed to date. The chrysoprase exploration and extraction reduces Heron's financial commitments and also provides considerable on ground activity and expenditure.

Joint Venture Projects WA and NSW

Bulong Gold Project (Heron 20%, Southern Gold Ltd 80%; Heron 100% nickel laterite rights Bulong East)

The Bulong Gold Project is located 30km east of Kalgoorlie. Drilling of six holes for 582m at Railway South (E25/250) were completed during the Quarter. Key results were:

- The best intersection obtained was in hole BSRC236 on the NE anomaly, with 1m @ 12.24g/t gold at 29-30m downhole in a basaltic unit. This interval surrounded a halo of low level gold mineralisation (0.1 - 0.71g/t), anomalous tungsten (up to 80 ppm) and elevated molybdenum (up to 11 ppm). This offers some encouragement for follow up work and is believed to explain the coincident gold-tungsten surface anomalism on which the hole was targeted.
- Further details of this drilling including JORC 2012 statements can be found in the Southern Gold Ltd's ASX releases.

Southern Gold continues to seek potential partners to evaluate the significant nickel sulphide prospectivity in the Heron JV areas as it also moves towards gold production at its wholly owned Canon deposit located adjacent to the JV ground.

Lake Rebecca Project (100% Heron, Saracen option to enter into a farm in agreement)

Heron has entered into an agreement with Saracen Gold Mines Pty Ltd (Saracen) on the tenements P31/2038-40 located some 5km NE of the Carosue Dam processing plant in Western Australia. Saracen has an approximately 6 month option to enter into a formal joint venture agreement with Heron and Saracen has committed to conduct an exploration program in this period.



Heron Resources Limited

Quarterly Report

June 2015

Rocky Gully Nickel-Copper Prospect (100% Heron, PLD Corporation Ltd right to purchase 90%)

PLD Corporation Ltd elected to exercise their option to acquire a 90% interest in the Rocky Gully Project during the previous Quarter comprising the three tenements: E70/2801, E70/4543 and E70/4437. Heron retains a 10% interest in the tenements through to the completion of pre-feasibility study. Heron is encouraged by recent exploration results that PLD has generated in this area and looks forward to further exploration progress. In consideration for the 90% interest and subject to regulatory approval PLD will issue Heron 28,750,000 PLD shares.

Calarie Copper-Gold Project (EL7023 and ML739 – Kimberley Diamonds Ltd right to earn 75% interest)

Located 25km south-southwest of Parkes the area is prospective for principally gold mineralisation associated with the old Lachlan gold working where several encouraging drill intercepts have been returned in recent years. No field work was reported for the Quarter. Rehabilitation work has been completed on the site.

CORPORATE

Appointment of Chief Operating Officer - Heron announced the appointment of Mr. Andrew Lawry as Chief Operating Officer (COO), commencing 22 June 2015. As COO, Mr. Lawry will be responsible for the development and operation of the Woodlawn Project in New South Wales.

Mr. Lawry brings more than 28 years' experience in project management, engineering, construction, commissioning and operations, both in Australia and overseas. He has worked for several leading resource companies including Polymetals, Newcrest and engineering firms Bateman, Normet and Q-Proc. Notably, Mr. Lawry managed, from construction through to operation, the successful retreatment of the Hellyer base metal tailings project in 2006 in western Tasmania. With this experience he is well qualified to lead the successful development of the Woodlawn Project which includes the retreatment of tailings in combination with an underground mining development.

Initially, Mr. Lawry will oversee completion of the Woodlawn Feasibility Study, including final plant design, followed by final site preparations, construction and commissioning ahead of commercial production.

Equity placement with Strategic Investor, Greenstone Resources LP - On 24 July 2015 Heron announced that it had secured a strategic relationship with Greenstone Resources L.P. ("Greenstone") under which Heron will initially raise \$6.8 million through a placement of 54.1 million shares to Greenstone. Should Heron proceed with the staged development of the Woodlawn Project, the arrangements provide for a potential additional investment by Greenstone of \$13.2 million (or such amount that would take Greenstone's interest up to 19.9% of Heron shares).

The initial placement, which is to be used for the Woodlawn Project development and for general corporate purposes, is to be undertaken at 12.6 cents per share, representing a significant premium to Heron's current share price. Following completion of the initial Placement, Greenstone will have an interest of approximately 13% of the issued capital of the Company.

Appointment of Financial Advisor - Azure Capital Limited, a leading independent corporate advisory firm, was appointed to help evaluate funding options for the potential staged development of the Woodlawn Project.

Cash - At the end of the Quarter (30 June 2015) Heron held A\$23.9M in cash (excluding A\$0.1M in bonds) and A\$2.3M in investments. Upon completion of the recently announced equity placement with Greenstone, Heron's cash position will increase by A\$6.8M.



Heron Resources Limited

Quarterly Report

June 2015

Compliance Statement (JORC 2012 and NI43-101)

The technical information in this news release 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 reviewed this press release and consents to the inclusion in this news release of the information in the form and context in which it appears.

Preliminary Economic Assessment (PEA)

The Canadian Securities Administrators (“CSA”) published Staff Notice 43-307 Mining Technical Reports – Preliminary Economic Assessments, clarifying the definition of “preliminary economic assessment” (“PEA”) in National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). NI 43-101 defines a PEA as “a study, other than a pre-feasibility study or feasibility study, which includes an economic analysis of the potential viability of mineral resources”. The terms pre-feasibility study (“PFS”) and feasibility study (“FS”) have the meanings ascribed by the CIM Definition Standards for Mineral Resources and Mineral Reserves.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release 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 news release. 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 news release 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 news release.



Heron Resources Limited

Quarterly Report

June 2015

Corporate Directory

Directors	Issued Share Capital	Registered Office and Address for Correspondence
Stephen Dennis**+ <i>Chairman</i>	As at the date of this report, Heron Resources Limited had 360,877,723 ordinary shares, 13,055,077 options.	Perth
Borden Putnam III**+	The options have expiry dates ranging from 16 January 2016 to 31 January 2019 and have exercise prices ranging from A\$0.09 to A\$0.6864	Level 1, 37 Ord Street
Fiona Robertson **+	Heron trades on the ASX as 'HRR' and on the TSX as 'HER'.	West Perth, WA 6005
Ian Buchhorn		Telephone +61 8 6500 9200
Wayne Taylor		Sydney
*Denotes Non-executive		Suite 702, 191 Clarence Street
+Denotes Independent		Sydney NSW 2000
	Monthly Share Price Activity	Telephone +61 2 9119 8111
	(A\$ per share - ASX)	Email heron@heronresources.com.au
Executive Management		Website www.heronresources.com.au
Wayne Taylor		In Canada;
<i>Managing Director & Chief Executive Officer</i>		Telephone +1 905 727 8688
Ian Buchhorn		Email CMuir@heronresources.com.au
<i>Executive Director</i>		Website www.heronresources.com.au
Simon Smith		Share Registry (Australia)
<i>Chief Financial Officer & Company Secretary</i>		Security Transfer Registrars Pty Ltd
David von Perger		770 Canning Highway
<i>General Manager Exploration</i>		Applecross, 6153, WA
	(CA\$ per share - TSX)	Telephone +61 8 9315 2333
		Facsimile +61 8 9315 2233
Charlie Kempson		Email registrar@securitytransfer.com.au
<i>General Manager Strategy & Business Development</i>		Please direct enquiries regarding Australian shareholdings to the Share Registrar.
Andrew Lawry		Transfer Agent (Canada)
<i>Chief Operating Officer</i>		TMX Equity Transfer Services Inc
		200 University Avenue, Suite 300
		Toronto ON M5H 4H1
		Toll Free: 1 (866) 393-4891
		Tel: (416) 361-0930
		Email:TMXInvestorservices@tmx.com
		Please direct enquiries regarding North American shareholdings to the Transfer Agent.



Heron Resources Limited

Quarterly Report

June 2015

Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HERON RESOURCES LIMITED

ABN

30 068 263 098

Quarter ended

30 June 2015

Consolidated statement of cash flows

	Current Qtr \$A'000	Year to Date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) production		
(b) development		
(c) administration	(483)	(3,453)
1.3 Dividends received	221	1,005
1.4 Interest and other items of similar nature received		
1.5 Interest and other costs of finance paid	-	523
1.6 Taxes (paid)/refunded	-	
1.7 Other –GST		
Net Operating Cash Flows	(262)	(1,925)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investment	(34)	(427)
(c) other fixed assets	(39)	(122)
(d) exploration activities	(1,597)	(6,882)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investment	39	128
(c) other fixed assets	13	13
1.10 Loans to other entities – TriAusMin converting note		
1.11 Loans repaid by other entities		
Net Investing Cash Flows	(1,618)	(7,290)
1.12 Total operating and investing cash flows (carried forward)	(1,880)	(9,215)



Heron Resources Limited

Quarterly Report

June 2015

1.12 Total operating and investing cash flows (brought forward)	(1,880)	(9,215)
Cash flows related to financing activities		
1.13 Proceeds from the issue of shares, options, etc.		
1.14 Proceeds from the sale of forfeited shares		
1.15 Proceeds from borrowings		
1.16 Repayment of borrowings		
1.17 Dividends paid		
1.18 Other (provide details if material)		
Net financing cash flows		
Net increase (decrease) in cash held	(1,880)	(9,215)
1.19 Cash at beginning of quarter/year	25,895	32,915
1.20 Cash acquired via TriAusMin acquisition	-	315
1.21 Cash at end of quarter	24,015	24,015

Payments to directors of the entity and associates of the directors, payments to related entities of the entity and associates of the related entities

	Current Qtr \$A'000
1.22 Aggregate amount of payments to the parties included in item 1.2	215
1.23 Aggregate amount of loans to the parties included in item 1.10	

1.24 Explanation necessary for an understanding of the transactions

Director's fees, salaries and superannuation (A\$214,083).
Provision of office accommodation by director related entity (A\$555)

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

See attached schedule



Heron Resources Limited

Quarterly Report

June 2015

Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration	850
Total	2,850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	350	734
5.2 Deposits at call	23,504	24,785
5.3 Bank Overdraft		
5.4 Other (provide details)		
Property Rental bond	47	47
Environmental bonds	114	329
Total: cash at end of quarter (Item 1.21)	24,015	28,316



Heron Resources Limited

Quarterly Report

June 2015

6.1 Interests in Mining Tenements transferred, relinquished, withdrawn, reduced or lapsed.

Changes in interests in mining tenements

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
E28/02532	69km NE of Norseman	100	Pending	0
E29/00850	105km NNW of Kalgoorlie	100	100	0
E63/01355	80km ENE of Norseman	100	100	0
E63/01699	68km ENE of Norseman	100	Pending	0
M29/00416	90km NNW of Kalgoorlie	100	100	0
P26/03360	6km NNE of Kalgoorlie	Gold Royalty	100	0
P26/03361	6km NNE of Kalgoorlie	Gold Royalty	100	0
P26/03362	6km NNE of Kalgoorlie	Gold Royalty	100	0
P29/02264	86km NNW of Kalgoorlie	100	100	0
P29/02266	86km NNW of Kalgoorlie	100	100	0
P29/02267	86km NNW of Kalgoorlie	100	100	0
EL7951	72km NW of Nyngan	100	100	0
EL8086	57km E of Cobar	100	100	0
EL8088	10km N of Mount Hope	100	100	0

Interests in Mining Tenements acquired or increased

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
E29/941	140km NNW of Kalgoorlie	Registered Applicant	0	100
E63/1748	68km ENE of Norseman	100	0	Pending

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference securities (description)				
7.2 Changes during Quarter				
(a) Increases through share issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	360,877,723	360,877,723		
7.3 Changes during Quarter *				
(a) Increases through share issues				
(b) Decreases through returns of capital, buybacks				
7.4 Convertible debt securities (description)				



Heron Resources Limited

Quarterly Report

June 2015

7.5 Changes during Quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.6 Options (description and conversion factor)	5,000,000	Nil	Exercise Price \$0.6864	Expiry Date 7/09/2016
	2,500,000	Nil	\$0.31	23/06/2016
	333,333	Nil	\$0.27	16/01/2016
	333,334	Nil	\$0.31	16/01/2017
	1,000,000	Nil	\$0.22	5/03/2016
	1,000,000	Nil	\$0.27	5/03/2017
	1,000,000	Nil	\$0.31	5/03/2018
	135,907	Nil	\$0.14	23/10/2017
	85,836	Nil	\$0.27	27/06/2016
	21,459	Nil	\$0.22	13/06/2017
	21,459	Nil	\$0.15	13/03/2018
	214,592	Nil	\$0.23	18/11/2015
	57,224	Nil	\$0.23	21/11/2017
	21,459	Nil	\$0.27	4/02/2017
	858,369	Nil	\$0.37	19/03/2016
	858,369	Nil	\$0.09	20/11/2018
	21,459	Nil	\$0.17	22/02/2018
	21,459	Nil	\$0.09	31/01/2019
7.7 Issued during Quarter	Nil	Nil		
7.8 Exercised during Quarter				
7.9 Expired during Quarter	2,500,000 21,459	N/A N/A	\$0.27 \$0.58	23/06/2015 23/06/2015
7.10 Debentures (totals only)				
7.11 Unsecured notes (totals only)				

Compliance 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Nothing to report

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Heron Resources Limited

Quarterly Report

June 2015

Sign here:

Company Secretary

Date:

31/7/2015

Print name:

Simon Smith

Notes

1. The Quarterly Report is to provide a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.



Heron Resources Limited

Quarterly Report

June 2015

Technical Information For Lewis Ponds RC Drilling Program

Drill Hole Locations

Hole No.	Mga94 z55 mE	Mga94 z55 mN	DTM RL	Dip	Mga Azimuth	Depth	Target
ICHRC003	713544.000	6309529.000	789.970	-70	235	118	Greenfields target, Nicholas South gossan test – northern hole
ICHRC005	713699.010	6309180.877	826.840	-60	245	139	Greenfields target, Nicholas South gossan test – Southern hole
ICHRC006	713894.684	6309979.808	819.400	-65	270	103	Brown's Creek Lode EM target and historic DH validation
ICHRC012	713906.000	6310029.000	812.810	-75	265	124	Brown's Creek Lode EM target and conceptual northern-plunge
ICHRC023	713919.000	6310204.000	794.890	-65	240	153	Newly discovered Gossan to the east, and Brown's Creek Lode northern extension

Mineralised intercepts

Hole No.	From (m)	Downhole Width (m)	Cu %	Comments
ICHRC003			NSA	Highly graphitic shales present
ICHRC005			NSA	Composite Cu grade of 4m @ 0.12% from 4m. Highly pyritic zone in target area. Highly graphitic shales present
ICHRC006	65	10	0.6	
ICHRC012	86	12	0.8	Including 1m @ 3.9% Cu from 95m
ICHRC023	107	2	0.7	Multiple low-grade but anomalous copper values (>0.05% Cu) throughout hole

Cutoffs: >1m @ <0.25 % Cu; true width >= 90% of downhole intercept width, based on an estimated 70 degree easterly ore-dip and angles generated from unusually high drillhole lift.



Heron Resources Limited

Quarterly Report

June 2015

Table 3

Heron Resources Ltd Tenement Schedule for March 2015 Quarterly Report

Tenement	Location	Heron Interest (%)	Status	Note	Tenement	Location	Heron Interest (%)	Status	Note
E16/00332	62km NW of Kalgoorlie	100 of Ni only	Live	3	M25/00162	40km E of Kalgoorlie	100 Ni Lat	Live	6
E24/00158	78km NW of Kalgoorlie	100	Live		M25/00171	40km E of Kalgoorlie	100 Ni Lat	Live	6
E27/00524	67km NE of Kalgoorlie	100	Pending		M25/00187	40km E of Kalgoorlie	100	Live	
E27/00529	72km NE of Kalgoorlie	100	Live		M25/00207	40km E of Kalgoorlie	100 Ni Lat	Live	6
E28/01224	63km NE of Kalgoorlie	100	Live		M25/00209	40km E of Kalgoorlie	100 Ni Lat	Live	6
E28/02311	70km E of Norseman	100	Pending		M25/00210	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00889	78km NW of Kalgoorlie	100	Pending		M25/00220	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00934	67km NNW of Kalgoorlie	100	Pending		M25/00234	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00941	140km NNW of Kalgoorlie	100	Live		M27/00395	68km NE of Kalgoorlie	100	Live	
E31/01092	140km NNE of Kalgoorlie	100	Pending		M28/00199	65km NE of Kalgoorlie	100	Live	
E39/01706	70km NW of Leonora	100	Pending		M28/00201	65km NE of Kalgoorlie	100	Live	
E39/01757	70km NW of Leonora	100	Pending		M28/00205	66km NE of Kalgoorlie	100	Live	
E39/01872	170km NNE of Kalgoorlie	100	Pending		M29/00167	87km NNW of Kalgoorlie	100	Live	
E39/1854	70km NNW of Leonora	100	Pending		M29/00202	86km NNW of Kalgoorlie	100	Live	
E63/01518	70km E of Norseman	100	Live		M29/00214	100km NNW of Kalgoorlie	100	Live	
E63/1737	68km ENE of Norseman	100	Pending		M29/00272	77km NNW of Kalgoorlie	100	Live	
E70/02801	85km NW of Albany	100	Live		M29/00278	74km NNW of Kalgoorlie	100	Live	
E70/04543	105km NW of Albany	100			M29/00312	78km NW of Kalgoorlie	100	Live	
M24/00541	67km NNW of Kalgoorlie	100	Live		M29/00423	76km NNW of Kalgoorlie	100	Pending	
M24/00634	78km NW of Kalgoorlie	100	Live		M31/00475	129km NE of Kalgoorlie	100	Live	5
M24/00658	75km NW of Kalgoorlie	100	Live		M31/00477	129km NE of Kalgoorlie	100	Live	5
M24/00660	75km NW of Kalgoorlie	100	Live		M31/00479	129km NE of Kalgoorlie	100	Live	5
M24/00663	75km NW of Kalgoorlie	100	Live		M31/00483	146km NNE of Kalgoorlie	100	Live	5
M24/00664	75km NW of Kalgoorlie	100	Live		P16/02811	100km NNW of Kalgoorlie	100	Live	1
M24/00665	75km NW of Kalgoorlie	90	Live	2	P24/04395	70km NW of Kalgoorlie	100	Live	
M24/00683	78km NW of Kalgoorlie	100	Live		P24/04396	70km NW of Kalgoorlie	100	Live	
M24/00686	75km NW of Kalgoorlie	100	Live		P24/04400	70km NW of Kalgoorlie	100	Live	
M24/00731	70km NNW of Kalgoorlie	100	Live	4	P24/04401	70km NW of Kalgoorlie	100	Live	
M24/00732	70km NNW of Kalgoorlie	100	Live	4	P24/04402	70km NW of Kalgoorlie	100	Live	
M24/00744	75km NNW of Kalgoorlie	100	Live		P24/04403	70km NW of Kalgoorlie	100	Live	
M24/00757	63km NW of Kalgoorlie	100	Live		P24/04653	75km NW of Kalgoorlie	100	Live	
M24/00772	71km NW of Kalgoorlie	100	Live		P25/02062	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00778	70km NNW of Kalgoorlie	100	Live	4	P25/02251	40km E of Kalgoorlie	100	Live	
M24/00797	78km NW of Kalgoorlie	100	Live		P25/02252	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00845	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02253	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00846	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02254	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00847	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02255	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00848	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02256	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00915	78km NW of Kalgoorlie	100	Live		P25/02257	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00916	78km NW of Kalgoorlie	100	Live		P25/02258	40km E of Kalgoorlie	100 Ni Lat	Live	6
M25/00059	34km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02265	90km NNW of Kalgoorlie	100	Live	
M25/00134	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02038	113km NE of Kalgoorlie	100	Pending	
M25/00145	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02039	113km NE of Kalgoorlie	100	Pending	
M25/00151	38km E of Kalgoorlie	100	Live		P31/02040	113km NE of Kalgoorlie	100	Pending	
M25/00161	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Pending	



Heron Resources Limited

Quarterly Report

June 2015

NSW Tenements								
EL5583	15km E of Orange	100	Live		EL8221	15km SE of Gundagai	100	Live
EL5878	100km NW of Condobolin	100	Live		EL8267	70km SE of Cobar	100	Live
EL7023	10km N of Forbes	100	Live		EL8313	27km NNE of Yass	100	Live
EL7257	40km SSW of Goulburn	100	Live		EL8318	27km NW of Nyngan	100	Live
EL7468	5km E of Collector	100	Live		EL8323	10km NE of Orange	100	Live
EL7469	15km E of Bugendore	100	Live		EL8325	60km ENE of Canberra	100	Live
EL7941	100km NW of Condobolin	100	Live		EL8337	Woodlawn	100	Pending
EL7954	25km W of Goulburn	78.9	Live		EL8353	7.5km SE of Woodlawn	100	Pending
					EL8356	59km WSW of Tottenham	100	Pending
EL8061	Gundagai	100	Live		ELA5119	27km NNE of Yass	100	Live
					ELA5167	27km NNE of Yass	100	Pending
					ML 739	10km N of Forbes	100	Live
EL8192	23km SE of Parkes	100	Live		S(C&PL)L 20	40km SSW of Goulburn	100	Live
HERON RETAINED RIGHTS, WA								
METALIKO: HERON RETAINS NICKEL RIGHTS								
M24/00919	63km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04212	62km NNW of Kalgoorlie	100% to Ni	Live 7
P24/04198	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04215	60km NNW of Kalgoorlie	100% to Ni	Live 7
P24/04199	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04216	60km NNW of Kalgoorlie	100% to Ni	Live 7
P24/04200	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04217	55km NNW of Kalgoorlie	100% to Ni	Live 7
P24/04201	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04218	55km NNW of Kalgoorlie	100% to Ni	Live 7
P24/04210	70km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04222	55km NNW of Kalgoorlie	100% to Ni	Live 7
PIONEER: HERON RETAINS NICKEL LATERITE								
E27/00273	66km NE of Kalgoorlie	Ni Lat 100	Live		E28/01746	62m NE of Kalgoorlie	Ni Lat 100	Live
E27/00278	61km NE of Kalgoorlie	Ni Lat 100	Live		P28/01120	62km NE of Kalgoorlie	Ni Lat 100	Live
RAMELIUS: HERON PRE-EMPTIVE RIGHT TO NICKEL LATERITE								
E27/00300	48km N of Kalgoorlie	preempt Ni Lat	Live		M15/01264	65km S of Kalgoorlie	preempt Ni Lat	Live
M15/01101	65km S of Kalgoorlie	preempt Ni Lat	Live		M15/01323	65km S of Kalgoorlie	preempt Ni Lat	Live
M15/01263	65km S of Kalgoorlie	preempt Ni Lat	Live		M15/01338	65km S of Kalgoorlie	preempt Ni Lat	Live
ST IVES GOLD MINING, HERON RETAINS ROYALTY ON GOLD PRODUCTION AND RIGHT TO EXPLORE AND MINE BASE METALS								
E15/00927	68km SE of Kalgoorlie	Royalty	Live		E15/01010	60km SSE of Kalgoorlie	Royalty	Live
E15/01005	70km SE of Kalgoorlie	Royalty	Live		E15/01040	68km SE of Kalgoorlie	Royalty	Live
YARRI BATTERY AND RESOURCES: HERON RETAINS A ROYALTY ON GOLD PRODUCTION								
E31/00859	170km NE of Kalgoorlie	Royalty	Live		P31/01791	137km NE of Kalgoorlie	Royalty	Live
E31/00887	160km NE of Kalgoorlie	Royalty	Live		P31/01792	141km NE of Kalgoorlie	Royalty	Live
P31/01788	136km NE of Kalgoorlie	Royalty	Live		P31/01793	141km NE of Kalgoorlie	Royalty	Live
P31/01789	136km NE of Kalgoorlie	Royalty	Live		P31/01794	141km NE of Kalgoorlie	Royalty	Live
P31/01790	136km NE of Kalgoorlie	Royalty	Live					
SOUTHERN GOLD LTD: HERON RETAINS 20% FREE CARRIED TO BFS								
E25/00250	32km ESE of Kalgoorlie	20	Live		E25/00361	30km E of Kalgoorlie	20	Live
KCGM: HERON RETAINS A ROYALTY ON GOLD PRODUCTION								
E26/00124	14km N of Kalgoorlie	Royalty	Live		P26/03494	6km NNE of Kalgoorlie	Royalty	Live
P26/03481	14km N of Kalgoorlie	Royalty	Live		P26/03495	6km NNE of Kalgoorlie	Royalty	Live
P26/03493	6km NNE of Kalgoorlie	Royalty	Live		P26/03496	6km NNE of Kalgoorlie	Royalty	Live
CLIFF ASIA PACIFIC: HERON RETAINS A ROYALTY ON IRON ORE PRODUCTION								
M27/00272	20km NW of Kalgoorlie	100% to Ni	Live					

Notes:

1. Britannia Gold Ltd retained precious metal rights.
2. Impress Ventures Ltd has a 10% equity free-carried interest to a decision to mine.
3. Swan Gold Limited holds the tenement, Heron retains nickel rights.
4. Placer Dome Australia Limited (Norton Goldfields) retains certain gold rights.
5. Heron previously entered a binding framework agreement with Ningbo Shanshan Co Ltd, Shanshan had the right to earn a 70% interest in the Yerilla Nickel-Cobalt Project. The JV ended in May 2011.
6. Subject to Farm In agreement with Southern Gold Ltd (who have earned an 80% interest). Heron retains 100% of nickel laterite.
7. Metalliko holds the tenement, Heron retains nickel rights.



Heron Resources Limited

Quarterly Report

June 2015

**Table 4 – Lewis Ponds Project, Brown's Creek Prospect
JORC Code, 2012 Edition**

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples for analysis were taken from reverse circulation (RC) drill cuttings. All drill cuttings were collected via a rig mounted cyclone using manual choke to separate intervals of 1m lengths and placed on the ground in separate 1m plastic bags. Samples were taken as 4m composites by using a spear to sample diagonally through each bag and placing each into a single calico bag for every 4m interval. Samples were collected from the 1m bags on an equal volume basis to approximately 3kg of total sample size per numbered calico bag. Where or zones were interpreted, 1m samples were taken to approximately 0.75kg per numbered calico bag. No splitter was used in the sampling process. One quality control sample (alternating between assay standards, blank assay material and field duplicates) was inserted on a nominal 20 sample basis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details. 	<ul style="list-style-type: none"> The drilling was undertaken by a reverse circulation system with cyclone sample recovery. A 175mm blade bit was used for drilling and holes were generally drilled to target depth. All holes were drilled under geological supervision.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> A geologist supervised the drilling and sampling of the holes and recorded the lithologies intersected. There were issues with sample recovery and sample quality due to wet samples for about the last third of ICHRC023. This has probably affected the quality of results, and it is suggested that the assay results from this hole be interpreted as an indicator of mineralisation rather than any accurate representation of grade. ICHRC003 also contained a large number of wet samples, however there were no reportable grades for this drillhole. As no splitter was used, and samples sizes produced were consistent and of appropriate bulk, it was considered that sample quality was suitably representative.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drill holes were geologically logged at the time they were drilled by the supervising geologist using the Heron Percussion Drilling Geological Legend. All interval rock chips were collected for each hole and stored in chip trays for future reference.
Sub-sampling techniques and	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation 	<ul style="list-style-type: none"> All samples weighed, dried and reconciled against company submission.



Heron Resources Limited

Quarterly Report

June 2015

Criteria	JORC Code explanation	Commentary
sample preparation	technique.	<ul style="list-style-type: none"> Rock chip samples jaw crusher to nominal 70% passing -6mm. All samples pulverised in a ring pulveriser (LM5) to a nominal 85% passing 75 micron.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sample preparation and assaying was conducted through ALS Laboratories in Orange NSW Gold determined by 25g 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) inserted at 5 per 35.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All sample points located with handheld GPS, with accuracy of about 5m. This is considered appropriate at this early stage of exploration.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Drilling at Brown's Creek was intended and modelled to test lode extension down-plunge, previous historic drilling, strike and dip extension of known lode, and beneath greenfields gossan targets. No systematic spacing was used for hole design at this early stage. Holes were angled at between 60 – 75 degrees and (apart from interpreted ore intercepts which were sampled at 1m) composite sampled on 4m intervals. Sampling and compositing was appropriate for the early stage of exploration
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> Sampling orientation was appropriate for the early stage of exploration
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were transported to the laboratory by company personnel. Beyond this there were no specific security measures.



Heron Resources Limited

Quarterly Report

June 2015

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews were undertaken due to the early stage of exploration.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All work was undertaken on granted exploration licence EL5583 which is 100% owned by Heron Resources Ltd and are in good standing The Prospect area in which the drilling was undertaken was on freehold privately own land for which an access agreement was entered into, and notification of activities provided. Suspected aboriginal heritage sites in the area were avoided as per government department requirements, by altering the site access route, and did not impact on the exploration program design or drillhole implementation.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Work undertaken by other companies within the tenement area include that by Amax Exploration, who undertook a large close-spaced geochemical survey over the area in 1974 as well as detailed geological work, and Esso, who undertook significant drilling and geological mapping in the mid-late 70's. Other significant explorers in the area included Wentworth Mining Corporation (1974), Shell Minerals Exploration Australia Pty Limited (1979), Renison Limited (1984), Tri Origin Exploration Limited (1993-98) and TriAusmin Ltd (1999 – 2014).
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The exploration model for project is VMS style mineralisation with particular attention to the McPhillamy's style of mineralisation – which deposit lies approximately 20kms to the south of the Brown's Creek Prospect.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on 	<ul style="list-style-type: none"> A plan view diagram illustrates the location of drillholes with respect to the target areas. The holes were intended to test the extent of mineralisation associated with earlier identified targets, as well as providing suitable platforms for DHEM geophysics where mineralisation was deemed of significance. All targets were satisfactorily tested, and boundaries of the mineralised intercepts clearly defined by the drilling. All holes were drilled in a westerly direction, with dips varying between 60 – 75 degrees as



Heron Resources Limited

Quarterly Report

June 2015

Criteria	JORC Code explanation	Commentary
	<i>the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	appropriate to target depth and topographic constraints. A table of results with required drillhole details is included in the report.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Assays results for Brown's Creek are reported in summary form only, which is considered appropriate for this early stage of exploration. The actual level of the elements is not considered as important as the coincident nature of the nickel, copper and PGEs which are typical path-finder elements for nickel sulphide exploration. Only relevant elements are reported here, however, a larger suite of elements were assayed for.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> See comments above – at this stage, actual mineralised width relationship to intercept length is not considered relevant to the report.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Maps relevant for current phase of exploration are included in the release.
Balanced reporting	<ul style="list-style-type: none"> 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 Exploration Results. 	<ul style="list-style-type: none"> The reporting is considered to be balanced and all relevant results have been disclosed for this current phase of exploration.
Other substantive exploration data	<ul style="list-style-type: none"> 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 characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Processed, aeromagnetic and VTEM data as well as geochemical and geological field data has been used to define the trends of mineralisation and narrow down target zones as described in the release.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	<ul style="list-style-type: none"> Results are currently being assessed for the various prospects prior to determining the best approach to following up specific targets.