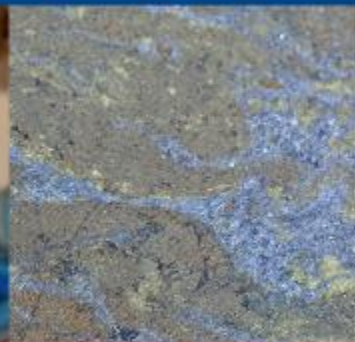


Annual General Meeting



18 November 2015 – The Grace Hotel, Sydney




Heron Resources Limited





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.

Compliance Statement (JORC 2012 and NI43-101)

This Report incorporates by reference the complete ASX announcement relating to the PEA results which were released to the market on 22 April 2015 and is entitled "Preliminary Economic Assessment Delivers Strong Business Case for the Woodlawn Zinc-Copper Project" ("PEA Announcement"). The PEA Announcement is available from the Company's website at www.heronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Underground Mineral Resources as well as the detailed technical and financial assumptions which underpin the PEA results.

The technical information in this release relating to the exploration results and forward program at the Woodlawn Project 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 mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 edition) and "qualified person" as this term is defined in Canadian National Instrument 43-101 ("NI 43-101"). Mr von Perger has reviewed and approved the technical information this report.

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for each block grade for Au, Ag, Cu, Pb and Zn. $ZnEq = Zn + Cu * 3.12 + Pb * 0.81 + Au \text{ g/t} * 0.86 + Ag \text{ g/t} * 0.03$

Metal prices used in the calculation are: Zn US\$2,300/t, Pb US\$ 2,050/t, Cu US\$6,600/t, Au US\$1,250/oz and Ag US\$18/oz. It is Heron's view that all the metals within this formula are expected to be recovered and sold.

Woodlawn Project Overview

High grade and high value deposit



Woodlawn Zinc-Copper Project

- High grade Zn+Cu+Pb+Ag+Au - high value deposit
- Expanding high grade underground (“WUP”)
- Advanced tailings retreatment project (“WRP”)
- Granted mining lease, project approvals & MOP in place
- Excellent infrastructure: road, rail, power, water
- Preliminary Economic Assessment (PEA) delivered strong business case
- Combined WUP + WRP Feasibility Study – H1 2016



Corporate Summary

ASX:HRR | TSX:HER



Capital Structure

Shares:	415 million
Options:	13 million
Share Price:	\$0.095
Market Capitalisation:	\$39.4 million
Cash:	\$27.2 million (30 Sep 2015)
Listed Investments:	\$3.1 million

Board

Chairman	Stephen Dennis
Non-Executive Director	Borden Putnam III
Non-Executive Director	Fiona Robertson
Non-Executive Director	Mark Sawyer
Executive Director	Ian Buchhorn
Managing Dir & CEO	Wayne Taylor

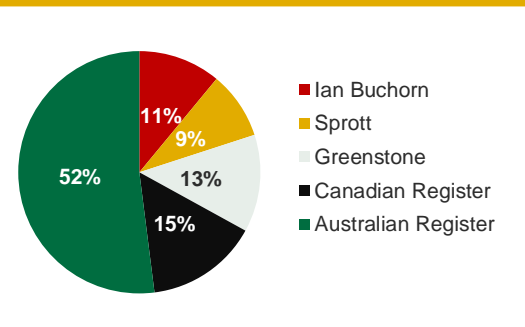
Management

Managing Director & CEO	Wayne Taylor
Executive Director	Ian Buchhorn
Chief Operating Officer	Andrew Lawry
General Manager Exploration	Dave von Perger
General Manager Strategy	Charlie Kempson
CFO & Company Secretary	Simon Smith

Share Price



Share Register



Highlights

Targets achieved in 2014/2015 and strong position for 2016



2014/2015 targets achieved

- ✓ Merger: Heron + TriAusMin
- ✓ Woodlawn Phase I Drilling – 7,613m
- ✓ Woodlawn Preliminary Economic Assessment
- ✓ Commenced Woodlawn Feasibility Study
- ✓ Woodlawn Phase II Drilling – 19,000m
- ✓ Strategic Investor – Greenstone Resources LP¹

Entering 2016

- ✓ Strong financial position
- ✓ Compelling case for Woodlawn development
- ✓ Woodlawn Feasibility Study on track
- ✓ Robust supply/demand fundamentals for zinc

¹ Transaction closed after the completion of FY15



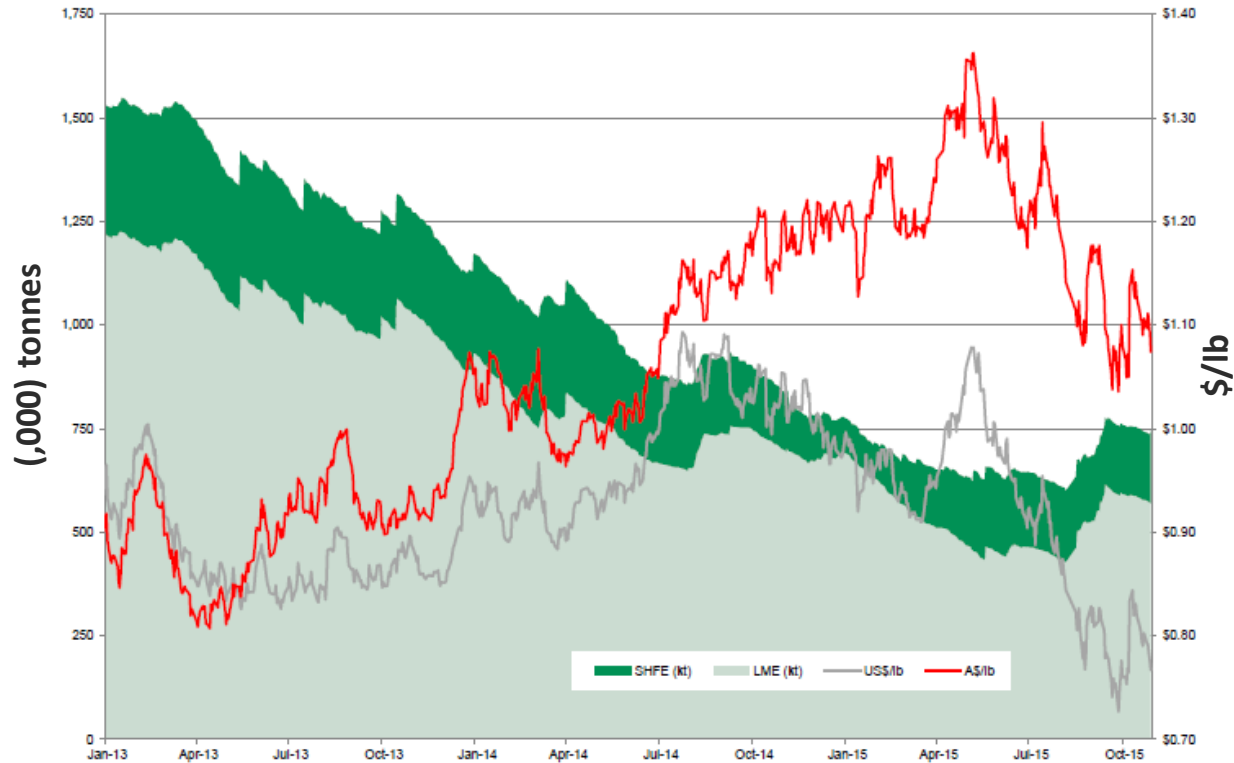
Zinc Market

Compelling Fundamentals



- Continued flow of disappointing macroeconomic news a weight on commodities
- Current pricing environment is unsustainable for zinc production
- Mine closures and curtailment impacting global supply
- Few near term production projects
- Consumption remains strong – ytd15 > ytd14¹
- Falling warehouse stocks – ILZSG forecast metal deficit of 152kt¹ in 2016 prior to Glencore's announcement to reduce production by 500ktpa
- Average production grades are falling
- Strong price outlook from major commodity forecasters

¹ ILZSG October report for Jan-Aug 2015

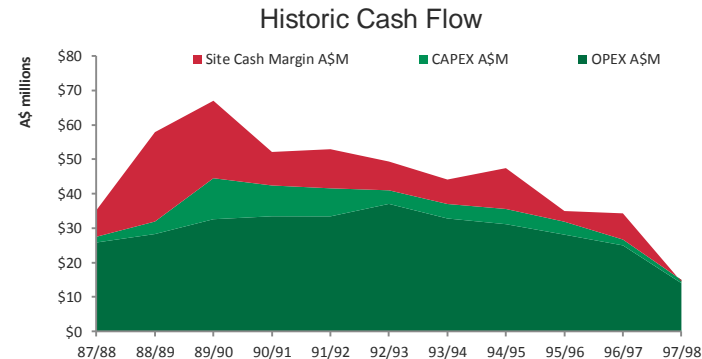


Source: Terra Studio, 7-Nov-15

Woodlawn History



- Discovered **1970**
- Operated **1978 to 1998**
- Open Pit, Underground and Satellite Orebodies
- Processed **13.8Mt @ 9.1% Zn, 3.6% Pb, 1.6% Cu, 0.5g/t Au, 74g/t Ag**
- **Consistent Performer** – Tonnes, Grade, Costs
- **Strong Historic Cash Flows**

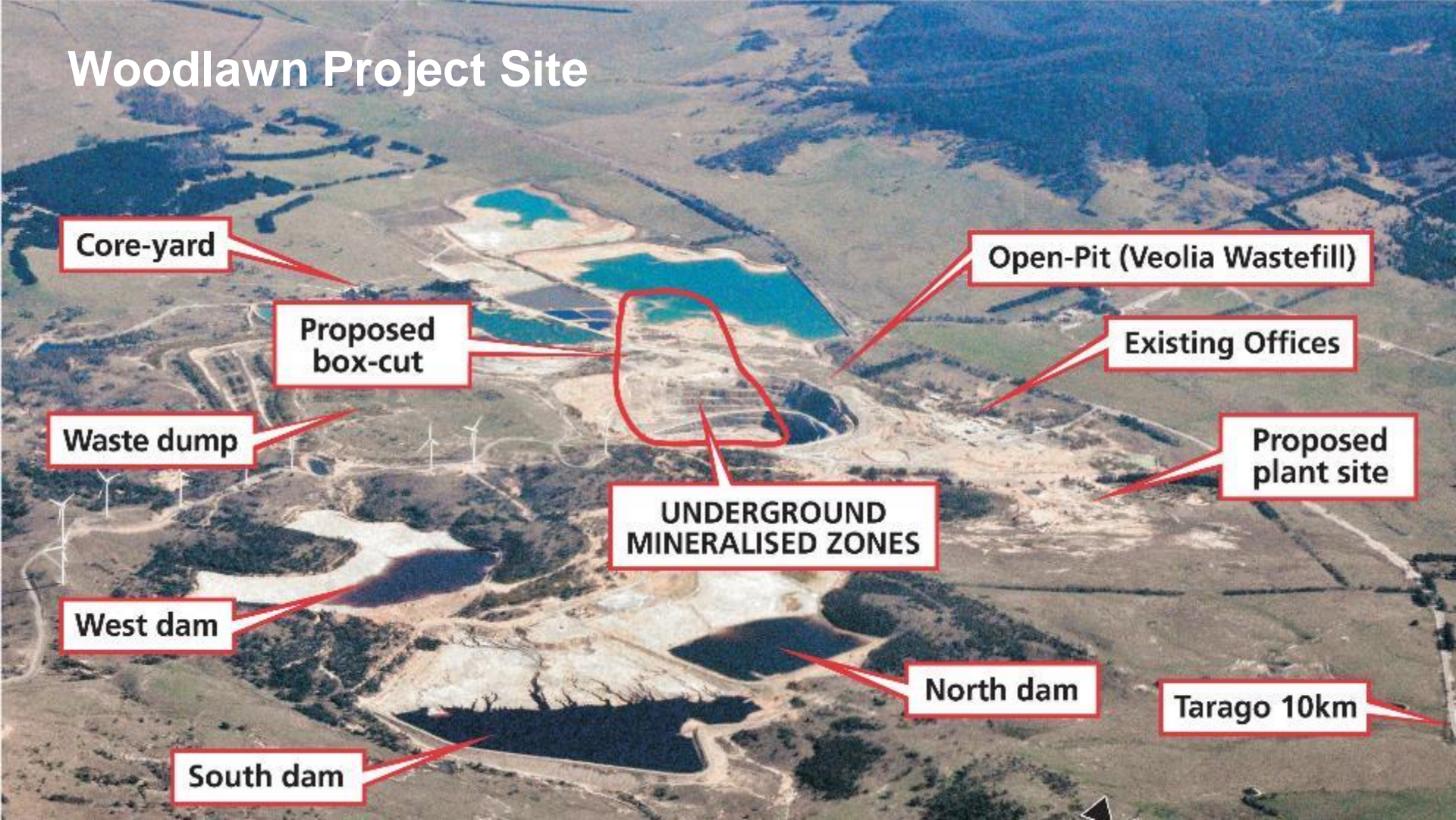


Driven to Improve

With these new tools in-hand Heron aims to realise greater value from Woodlawn

- **20 years operational data – knowledge depth in:**
 - Geology & the Orebody
 - Mining
 - Processing
 - Product Marketability
 - Costs
- **Adopting advances in technology, tools and operational practices:**
 - Geological Modelling Tools
 - Geotechnical Modelling
 - Paste Fill
 - Fine Grinding
 - Process Control

Woodlawn Project Site



Core-yard

Proposed
box-cut

Waste dump

West dam

South dam

UNDERGROUND
MINERALISED ZONES

Open-Pit (Veolia Wastefill)

Existing Offices

Proposed
plant site

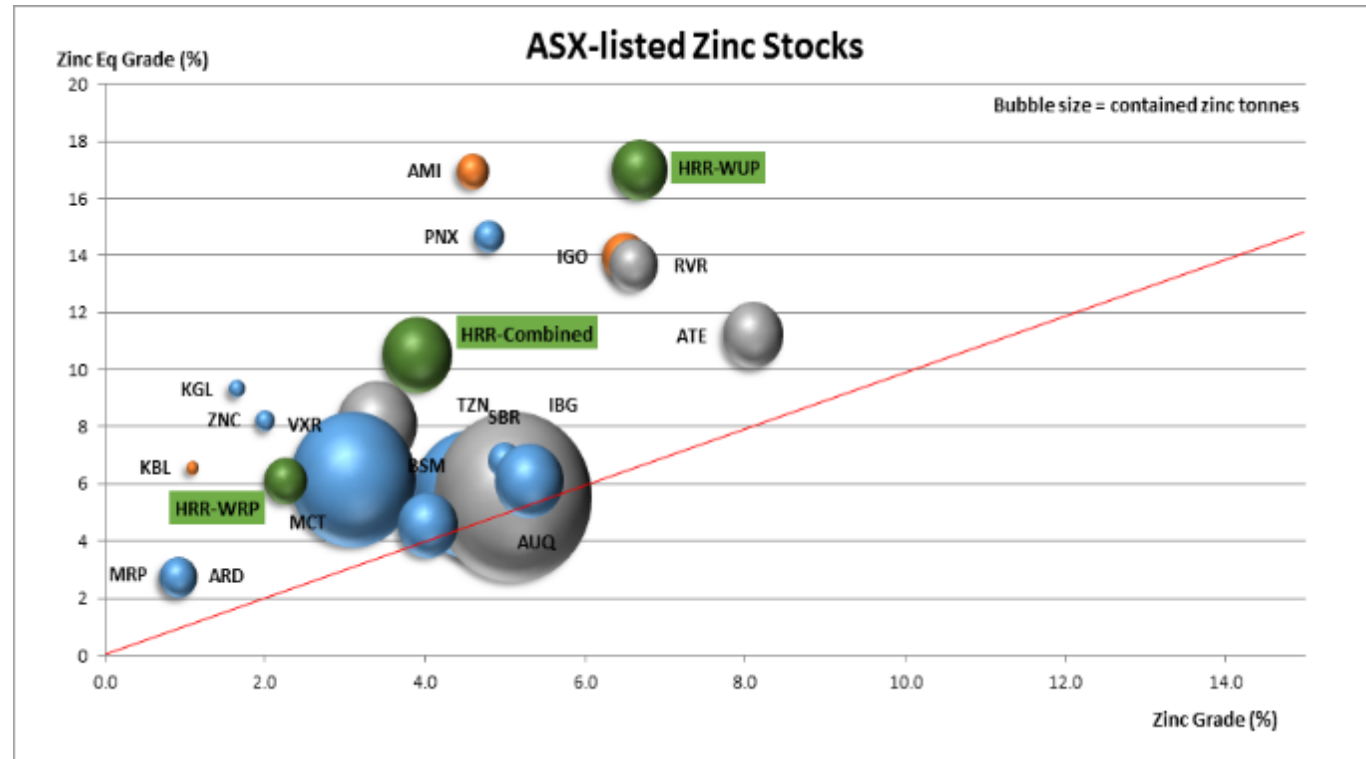
North dam

Tarago 10km

Woodlawn – a High Grade Deposit



- Woodlawn high grade historical production (**13.8Mt @ 9.1% Zn, 3.6% Pb, 1.6% Cu, 0.5g/t Au, 74g/t Ag**)
- The new 6.5Mt WUP Resource compares extremely well to global peers (HRR-WUP)
- The WRP Resource grade of ~6% ZnEq is above some greenfields peers (HRR-WRP)
- New Resource model well advanced & incorporating Phase II drilling results



"WUP" – Woodlawn Underground Project

"WRP" – Woodlawn Tailings Retreatment Project

Source:



Delivering – Pathway to Production



Merger
HRR + TRO



8 months
PEA finalised
Delivered robust
business case



12 Months
Feasibility Study
well advanced



18 Months
Decision to Mine
Project Funding
Construction
Commissioning

- On-time, on-budget
- Multiple high grade extensions
- Significant new shallow Resource
- New mine plan
- Successful metallurgical testwork
- Single plant WUP + WRP
- Strong business case
 - Compelling economics
 - Potential staged development
 - 11 year mine life

- Fully funded with Cash & Investments of \$30.3M (30 Sep)
- \$11M Feasibility budget approved and tracking to plan
- New Resource underway
- New strategic partner Greenstone Resources LP announced 24 July

- Feasibility Study completion expected H1 calendar 2016
- Followed by project funding
- Project construction (12-18 months)
- First production target is Q1 2018

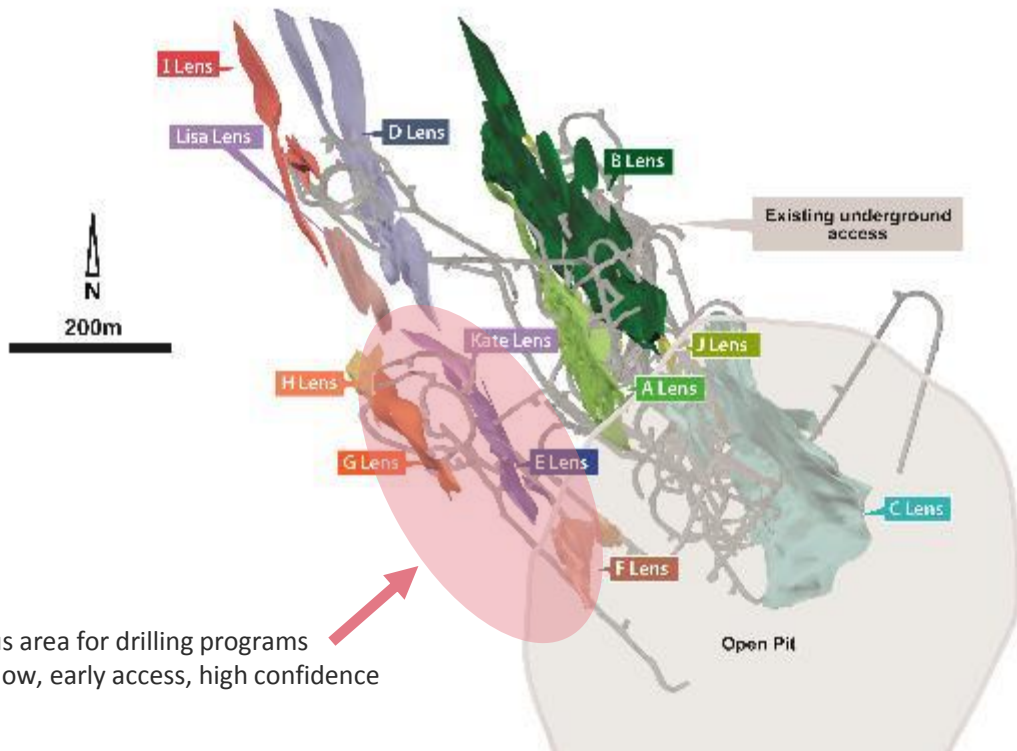


Specialist London-based mining and metals private equity fund

Equity Funding Package

- Raising of A\$6.8M through a placement of 54.1M shares to Greenstone Resources L.P. at 12.6 cents per share representing a significant premium to Heron's share price
- Potential additional investment
- Strategic relationship –
 - Heron will have access to Greenstone's technical and financial expertise
 - Greenstone nominee to the Heron Board
- Strengthens Heron's balance sheet in preparation for a decision to mine

The Years Drilling At Woodlawn



Focus area for drilling programs
Shallow, early access, high confidence

Refer to Slide 2 for ZnEq calculation

Assays (2014/2015) To Date >20% ZnEq

Kate Lens:

14.4m @ 20.7% ZnEq from 374m (4.6% Zn, 4.1% Cu, 0.8% Pb, 1.0g/t Au, 57g/t Ag), WNDD0001
 8.8m @ 30.1% ZnEq from 374m (12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au, 152g/t Ag), WNDD0002
 12.3m @ 33.7% ZnEq from 414m (20.0% Zn, 2.1% Cu, 6.1% Pb, 0.8g/t Au, 53g/t Ag), WNDD0007
 7.1m @ 39.4% ZnEq from 340m (16.9% Zn, 0.9% Cu, 11.3% Pb, 3.5g/t Au, 254g/t Ag), WNDD0029
 20.5m @ 20.7% ZnEq from 383m (8.1% Zn, 2.4% Cu, 2.9% Pb, 0.8g/t Au, 68g/t Ag), WNDD0031
 34.0m @ 20.8% ZnEq from 326m (10.0% Zn, 1.1% Cu, 3.5% Pb, 1.6g/t Au, 97g/t Ag), WNDD0033
 5.4m @ 27.7% ZnEq from 351m (15.1% Zn, 1.5% Cu, 6.0% Pb, 1.0g/t Au, 70g/t Ag), WNDD0039
 27.7m @ 23.4% ZnEq from 401m (6.9% Zn, 3.9% Cu, 1.5% Pb, 1.0g/t Au, 75g/t Ag), WNDD0046
 3.9m @ 26.9% ZnEq from 408m (8.5% Cu, 0.1g/t Au, 8.9g/t Ag), WNDD0053
 9.1m @ 31.6% ZnEq from 370m (18.3% Zn, 2.3% Cu, 4.6% Pb, 1.1g/t Au, 53.7g/t Ag), WNDD0073

Lisa Lens:

4.2m @ 28.5% ZnEq from 241.9m (17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag), WNDD0015

G Lens:

9.3m @ 20.5% ZnEq from 76m (5.2% Zn, 2.6% Cu, 2.3% Pb, 2.0g/t Au, 122g/t Ag), WNDD0013
 2.1m @ 29.8% ZnEq from 61m (3.1% Zn, 6.5% Cu, 1.3% Pb, 1.2g/t Au, 146g/t Ag), WNDD0014
 4.7m @ 30.4% ZnEq from 40m (3.9% Zn, 5.5% Cu, 2.3% Pb, 1.6g/t Au, 203g/t Ag), WNDD0057
 4.7m @ 22.4% ZnEq from 52m (6.1% Zn, 2.3% Cu, 4.0% Pb, 1.4g/t Au, 153g/t Ag), WNDD0058
 4.2m @ 36.9% ZnEq from 66m (18.7% Zn, 1.7% Cu, 9.9% Pb, 1.0g/t Au, 131g/t Ag), WNDD0064

I Lens:

5.7m @ 21.8% ZnEq from 626m (13.3% Zn, 0.7% Cu, 5.4% Pb, 1.2g/t Au, 26g/t Ag), WNDD0006

H Lens:

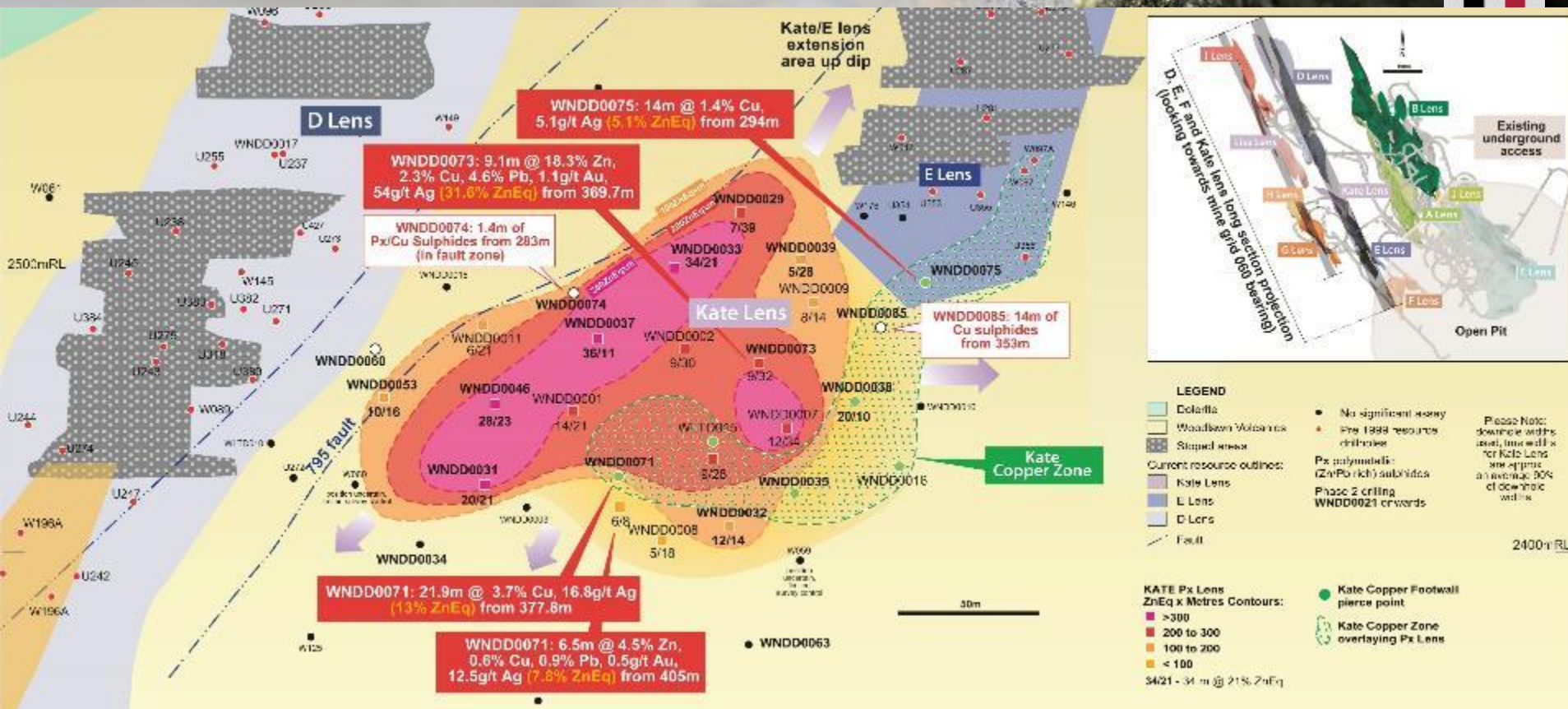
1.7m @ 38.5% ZnEq from 109m (3.5% Zn, 6.8% Cu, 4.9% Pb, 3.9g/t Au, 213g/t Ag), WNDD0026
 0.75m @ 51.5% ZnEq from 104m (5.6% Zn, 8.1% Cu, 6.8% Pb, 3.6g/t Au, 398g/t Ag), WNDD0027
 1.1m @ 52% ZnEq from 117m (24% Zn, 4.3% Cu, 12.9% Pb, 1.5g/t Au, 97g/t Ag), WNDD0044

E Lens:

4.2m @ 28.5% ZnEq from 135m (14.8% Zn, 2.2% Cu, 6.2% Pb, 0.7g/t Au, 37g/t Ag), WNDD0012
 4.6m @ 47.2% ZnEq from 55m (24.4% Zn, 1.1% Cu, 13.6% Pb, 1.4g/t Au, 241g/t Ag), WNDD0078
 3.0m @ 58.7% ZnEq from 64m (28.5% Zn, 2.1% Cu, 13.1% Pb, 2.2g/t Au, 372g/t Ag), WNDD0078

Kate Lens

Growing Mineralised System



Underground Mine Planning

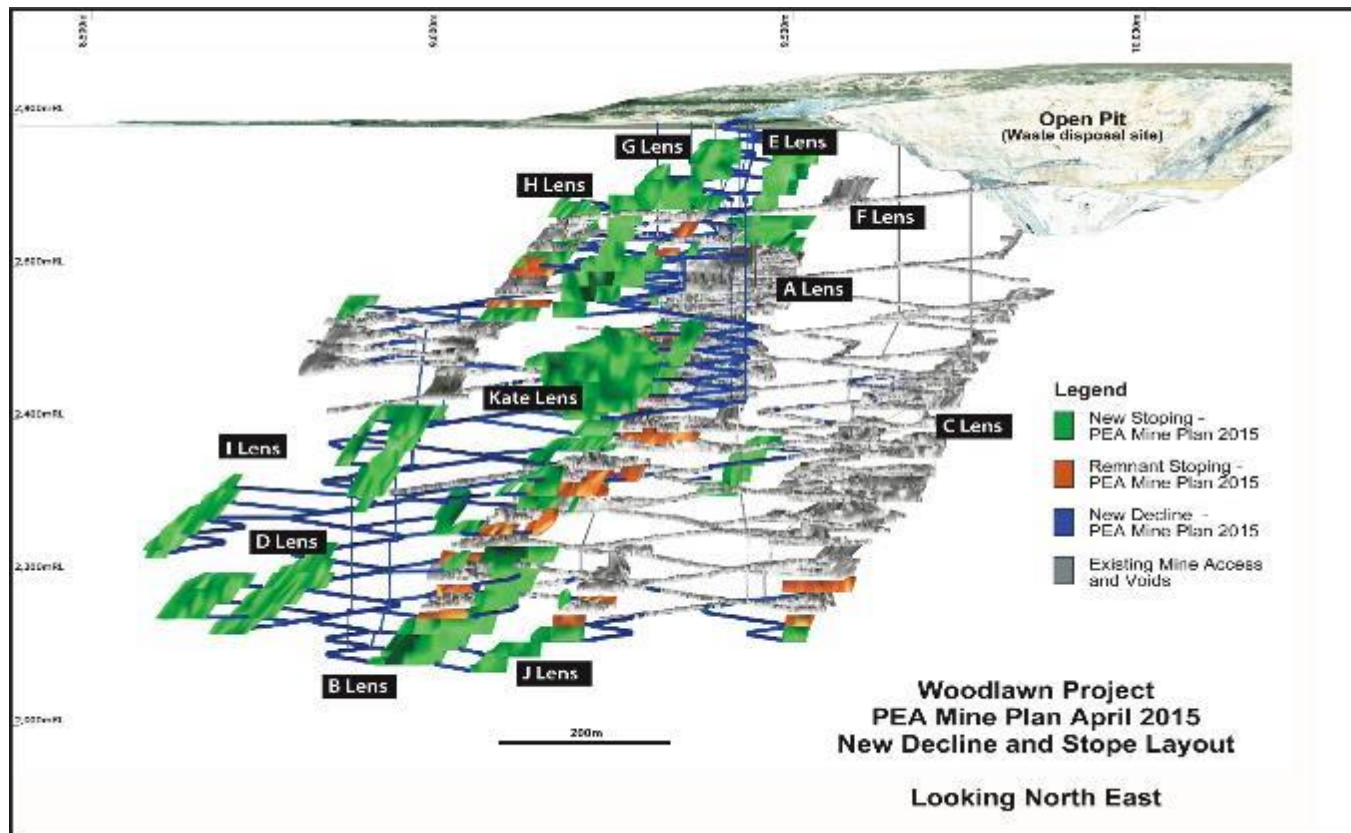
A 'New' Mine

PEA Target

- Sufficient inventory to support underground operations "UG Starter Case"
- Combination of new and existing resources
- Significant upside potential

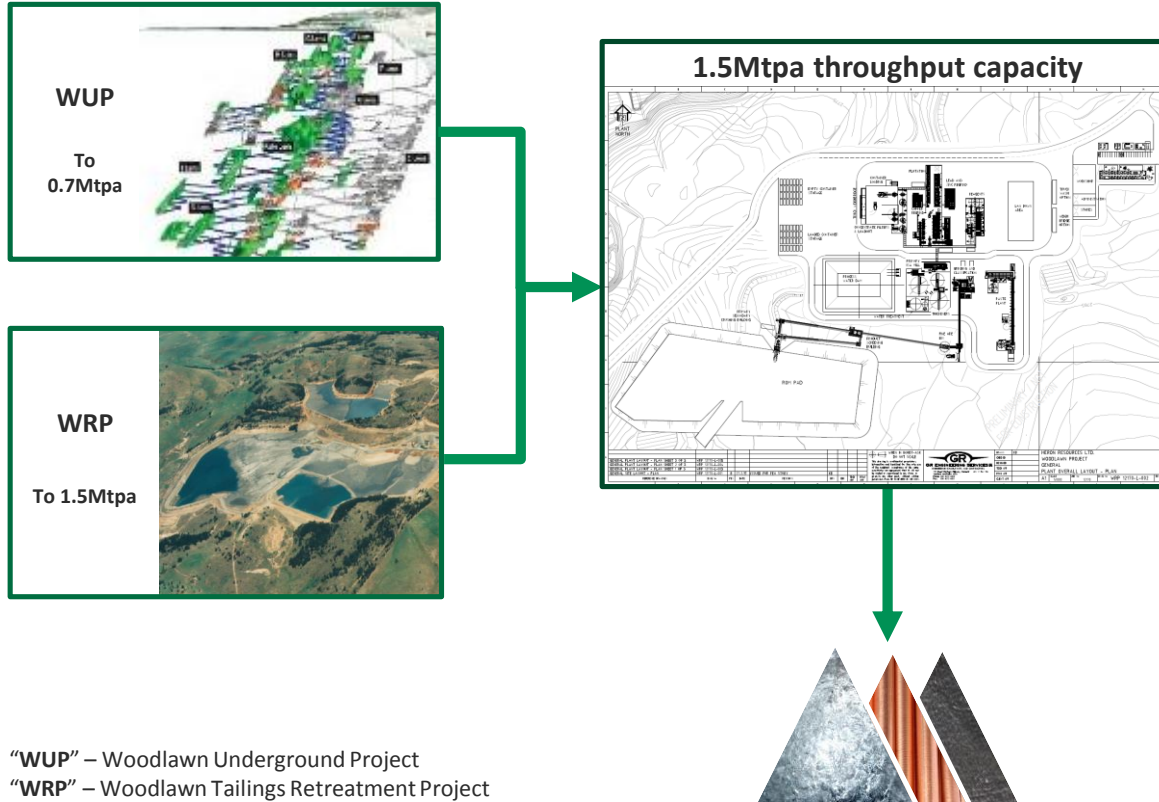
PEA Outcomes

- 80% of WUP plant feed estimate from new resources
- Mine depth extension limited to 80m
- WUP + WRP = 11 year mine life



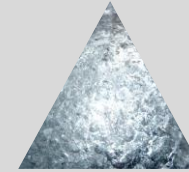
Process Plant Design

Dual-Feed Treatment

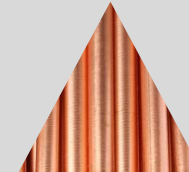


“WUP” – Woodlawn Underground Project
“WRP” – Woodlawn Tailings Retreatment Project

Source (Production Target):
Heron Preliminary Economic Assessment (PEA) - “steady state”



Zn metal in concentrate
Annual Production Target
51ktpa Zn
(112Mlb)



Cu metal in concentrate
Annual Production Target
10ktpa Cu
(22Mlb)
+ Ag +Au



Pb metal in concentrate
Annual Production Target
16ktpa Pb
(35Mlb)
+Ag +Au

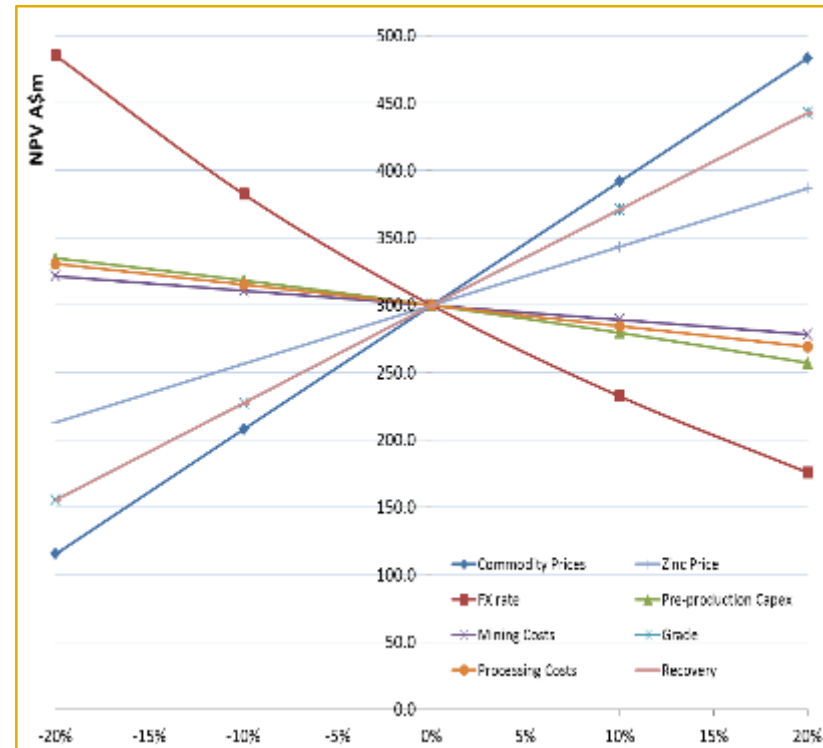
Proving the Case for a Woodlawn Restart

PEA “Starter Underground” delivers a strong business case



Post-tax NPV _{8.3} *	A\$291 million
Post-tax IRR	46%
Initial Capital	A\$140M
Payback Period	2 years from commissioning
Mine life	11 years
Post-tax Cash Flow	A\$577M
C1 Cash Cost	US\$(0.00)/lb Zn
C3 Total Cost	US\$0.30/lb Zn

**Results reported using an 8.3% post tax real discount rate (approx. 10% post-tax nominal). AUD/USD FX trending from 0.73 to 0.69 by 2021. Flat real commodity prices of US\$1.09/lb Zn, US\$0.93/lb Pb, US\$2.90/lb Cu, US\$18.50/oz Ag and US\$1,200/oz Au. All other material assumptions as per the release of 22 April 2015 with the following adjustments - 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). The PEA document which may be downloaded from SEDAR or the Company's web site.



Woodlawn Infrastructure Advantages



- Extensive stakeholder consultation through EA process
- Strong local community and government support
- Single immediate landowner – Veolia
- Agreements in place to purchase land over operational footprint
- On-site collaboration – Veolia

State Government Project Approval – 4 July 2013

Mining Lease – SML20 renewed for 15 Years – Feb 2015

Mine Operations Plan (MOP) Approved – Nov 2015

COMMUNITY ✓

POWER ✓

WATER ✓

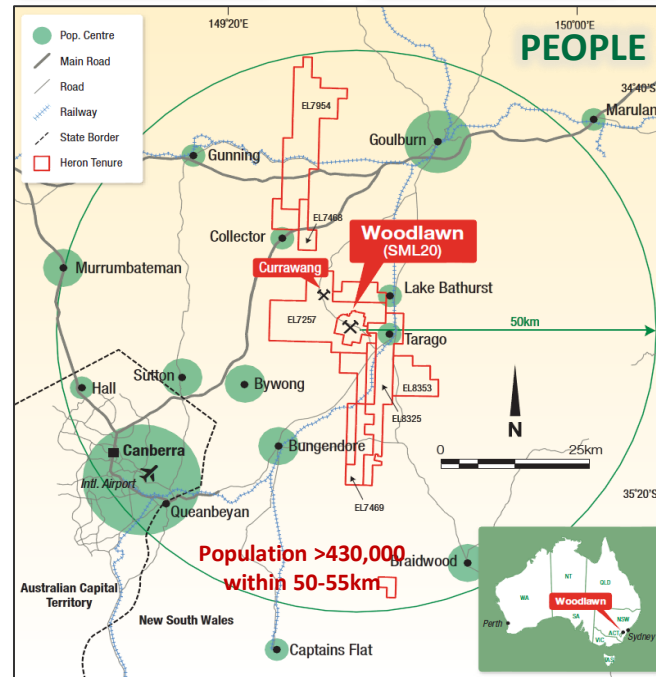
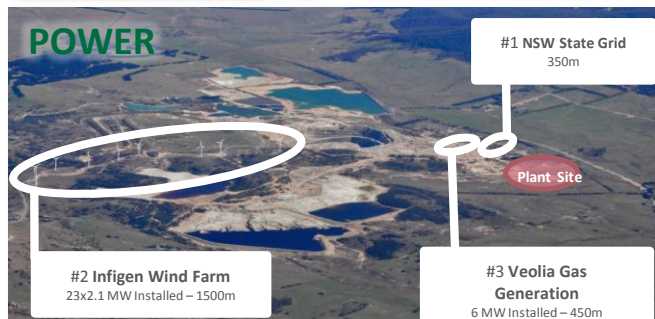
PERMITTING ✓

ACCESS ✓

PORT ✓

LABOUR ✓

MINING LEASE ✓

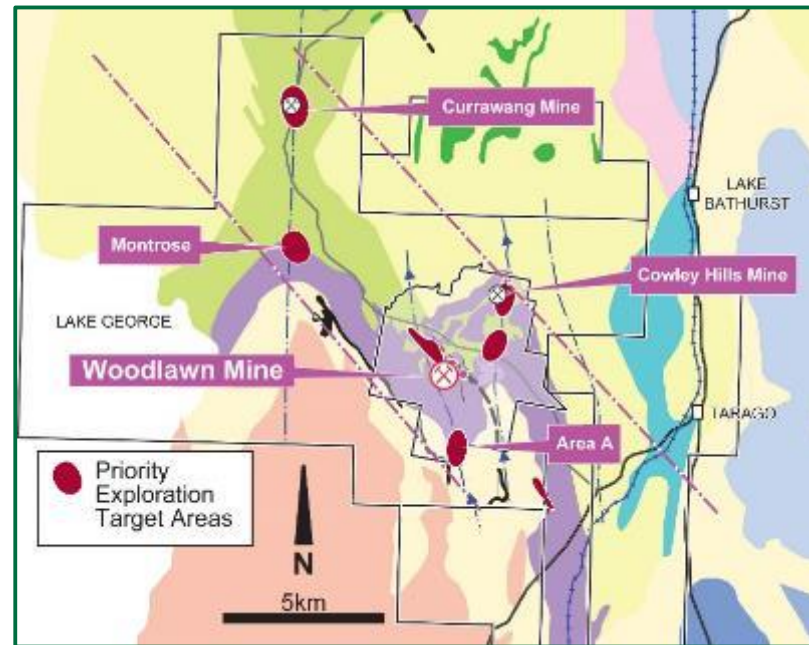
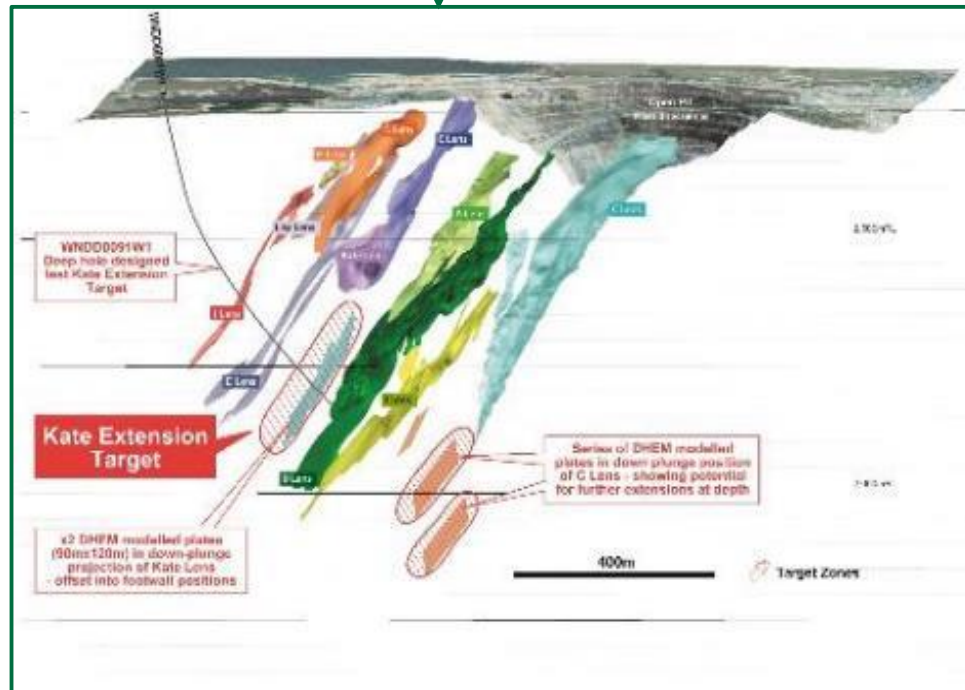


Exploration Potential



In Mine:-

- Lens extensions
- New lens discoveries



Testing high priority regional targets:-

- Currawang (historical prod.)
- Cowley Hills (historical prod.)

Active Engagement

Local Stakeholders and the Investor Network



Local Community

Community Consultation Committee – Local residents, Goulburn Mulwaree Council, Veolia

Local Businesses – contractors, suppliers, accommodation, maintenance, service providers

Education Support – school/university groups, industry work experience

Investor Community

Investors



Coverage

Euroz
Baillieu Holst
Hartley's
Paradigm (Canada)
Dundee (Canada)

Media

AFR, The Australian, West
Australian, Canberra Times,
Goulburn Post, Illawarra Mercury,
Mining News, Business News,
Mining Weekly, Bungendore Mirror,
Sky Business News, Mining Journal



Positioning Woodlawn for Development

- Feasibility Study Completion Expected H1 Calendar 2016
- Decision to Mine
- Project Funding
- Construction (12-18 months)
- First Production Target - Q1 2018
- Strengthening Zinc Market

Well Capitalised but Undervalued Relative to Peers

Positioned for uptick in EV as project progresses



- ✓ Attractive cash position, and
- ✓ A clear route to market...
- ✗ But, trading at a significant discount to peers

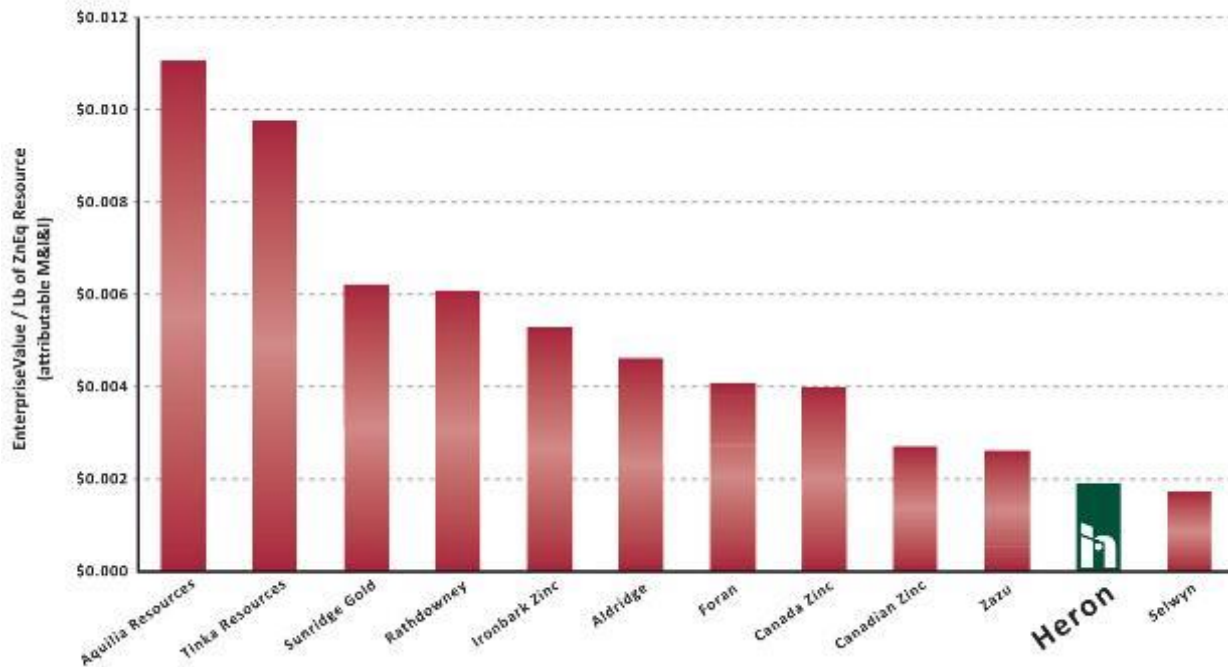
Cash and Equivalents at 30 Sep

Cash	\$27.2M
Listed Investments	\$3.1M
Subtotal	\$30.3M

Current Broker Price Targets

Euroz	\$0.30
Baillieu Holst	\$0.24
Hartley's	\$0.21
Paradigm	\$0.30
Dundee	\$0.25
Current share price*	\$0.095

Relative Valuation of Peer Group Zinc Developers (EV/lb ZnEq)



Source: Company filings, Paradigm Capital Inc.

* 17 Nov 2015

Investment Proposition



- 
- ✓ Zinc – strong and transparent market
 - ✓ High grade / low risk / long life asset
 - ✓ PEA – finalised and delivered compelling development case
 - ✓ Feasibility Study and next drill program underway
 - ✓ Short lead time to production
 - ✓ Demonstrated discovery upside
 - ✓ Favourable jurisdiction supported by excellent infrastructure
 - ✓ Well capitalised and fully funded through Feasibility Study
 - ✓ Strategic investor backing, a “value” stock

ASX : HRR

TSX : HER



REGISTERED OFFICE:

1/37 Ord Street
West Perth WA 6005
T: +61 8 6500 9200

SYDNEY OFFICE:

Suite 702/191 Clarence Street
Sydney NSW 2000
T: +61 2 9119 8111

www.heronresources.com.au
heron@heronresources.com.au

Contacts

Wayne Taylor (Managing Director)
Ian Buchhorn (Executive Director)

