



27 January 2016

HIGHLIGHTS

Woodlawn Zinc-Copper Project

- A\$11M Feasibility Study (FS) for Woodlawn Zinc-Copper Project progressing to plan, key components include:
 - Feasibility Study drilling programme successfully completed delivering numerous high grade results
 - Mineral Resource estimation is well advanced with preliminary block models provided to SRK engineers for commencement of mine planning
 - Recent metallurgical test work results on underground and tailings samples are encouraging and have confirmed Preliminary Economic Assessment (PEA) concentrate recovery and grade assumptions
 - Project financing discussions continue with prospective senior lenders and other potential funding sources
 - Independent Technical Experts appointed and first pass review completed, recommendations have been incorporated into FS scope
- Significant intercepts received from Kate Lens drilling:
 - 22m @ 13.0% ZnEq¹ from 378m (3.7% Cu, 0.8g/t Au, 16.8g/t Ag), WNDD0071 (Kate Copper)
 - 6.5m @ 7.8% ZnEq from 405m (4.5% Zn, 0.6% Cu, 0.9% Pb, 0.5g/t Au, 12.5g/t Ag), WNDD0071
 - 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
 - 14.0m @ 5.1% ZnEq from 294m (1.4% Cu, 0.4g/t Au, 5.1g/t Ag), WNDD0075 (Kate Copper)
 - 18.9m @ 9.3% ZnEq from 351m (2.6% Cu, 0.7g/t Au, 8.3g/t Ag), WNDD0084 (Kate Copper)
- Significant intercepts received from shallow E, G and H Lenses drilling:
 - 2.8m @ 16.8% ZnEq from 79m (9.7% Zn, 0.2% Cu, 4.7% Pb, 1.5g/t Au, 47.2g/t Ag), WNDD0076 (E)
 - 4.6m @ 47.2% ZnEq from 55m (24.4% Zn, 1.1% Cu, 13.6% Pb, 1.4g/t Au, 241g/t Ag), WNDD0078 (E)
 - 3.0m @ 58.7% ZnEq from 64m (28.5% Zn, 2.1% Cu, 13.1% Pb, 2.2g/t Au, 372g/t Ag), WNDD0078 (E)
 - 1.3m @ 33% ZnEq from 283m (8.8% Zn, 4.8% Cu, 3.2% Pb, 1.8g/t Au, 168g/t Ag), WNDD0074 (G)
 - 1.8m @ 25.0% ZnEq from 106m (1.5% Zn, 4.4% Cu, 3.7% Pb, 2.7g/t Au, 145g/t Ag), WNDD0081 (H)
 - 2.9m @ 35.4% ZnEq from 96m (12.7% Zn, 2.6% Cu, 8.1% Pb, 2.5g/t Au, 202g/t Ag), WNDD0088 (G)
 - 1.8m @ 32.3% ZnEq from 116m (6.4% Zn, 3.5% Cu, 3.5% Pb, 2.2g/t Au, 341 g/t Ag), WNDD0089 (G)
 - 1.8m @ 32.0% ZnEq from 80m (13.8% Zn, 1.3% Cu, 8.6% Pb, 0.8g/t Au, 216g/t Ag), WNDD0093 (E)
 - 2.5m @ 45.3% ZnEq from 93m (7.1% Cu, 4.5g/t Au, 626g/t Ag) WNDD0103 (H)
- Significant intercepts received from Lisa Lens:
 - 12.4m @ 20.0% ZnEq from 222m (12% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag), WNDD0104
- Veolia agreements extended with discussions targeting new agreements to incorporate Heron's revised operational plans

Corporate

- Cash A\$23.8M and listed investments A\$3.1M at 31 December 2015
- Accepting off market bid for Golden Cross Resources, expected to monetise the Company's investment at \$0.0825 per share (A\$1.6M)
- Commodity forecasters confirm zinc's strong supply / demand fundamentals for 2016 – 2020

¹ Zn equivalents (ZnEq) in this release are based on the formula: Zn (%) + 0.81 x Pb(%) + 3.12 x Cu(%) + 0.86 x Au(g/t) + 0.03 x 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.



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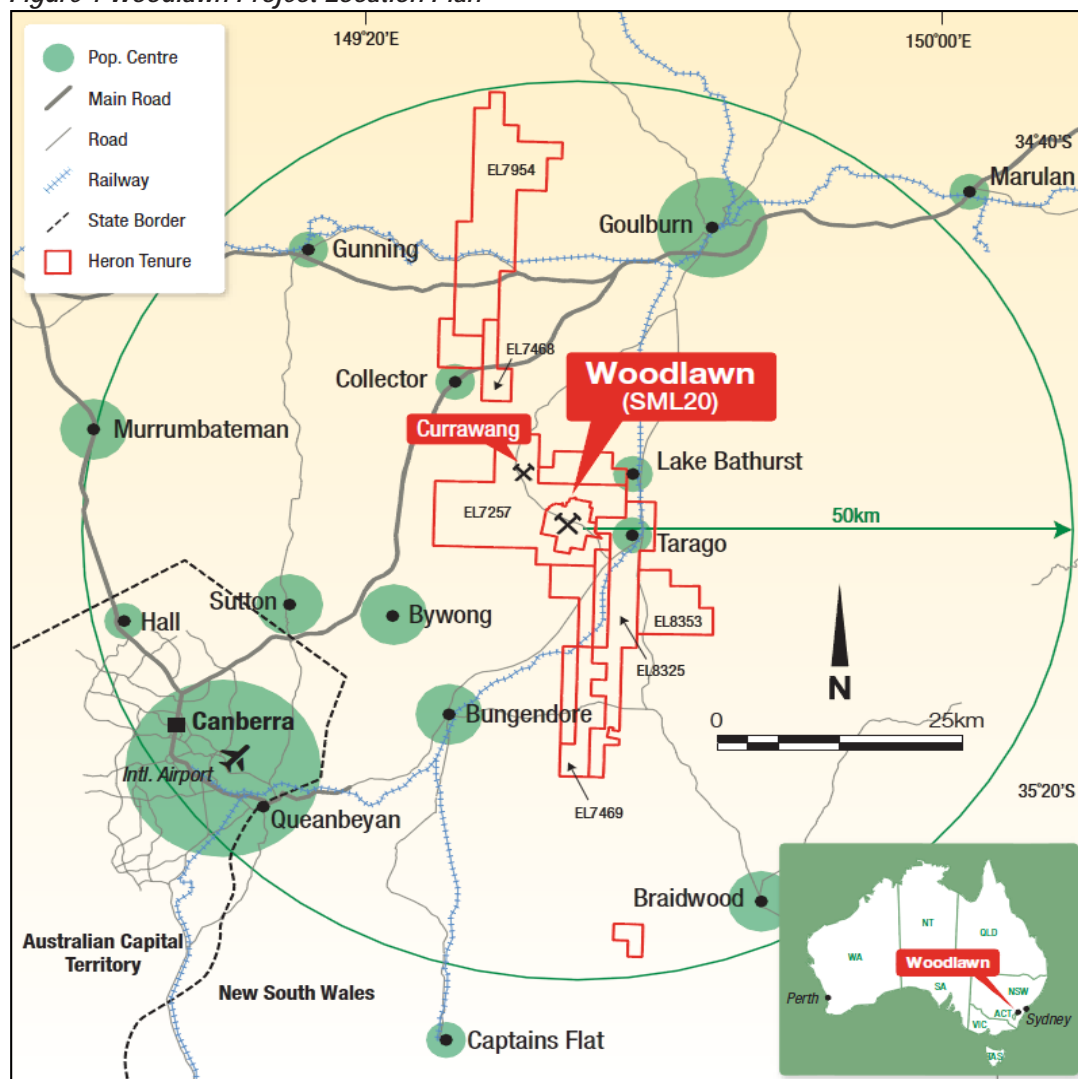
Heron Resources ("Heron" or the "Company") is pleased to provide its report for the December 2015 quarter. During this reporting period the Company has principally focused on advancing the Woodlawn Project through the progression of the Woodlawn Feasibility Study.

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 250km 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 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.

Drilling results during the quarter have been very encouraging, with an expansion to the Kate Lens in addition to several high grade intercepts being returned from the shallow positions in the E, G and H Lenses. The Lisa Lens also returned a wide, high grade intercept providing further confidence in this new lens discovery.

Figure 1 Woodlawn Project Location Plan





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Feasibility Study Progress

Excellent progress has been made on the Woodlawn Feasibility Study (FS) during the quarter. Work continues within a budget of approximately \$11M that is fully funded from the Company's existing cash reserves. The FS remains on schedule for completion within the second quarter of 2016.

Key items of FS progress include:

- Phase II drilling program was successfully completed – refer to the following section for further details.
- Mineral Resource estimation is well advanced with preliminary block models provided to SRK engineers for commencement of mine planning.
- Geotechnical and sterilisation drilling was completed during the quarter. Geotechnical work by Beck Engineering now continues on mine design criteria, deformation modelling, ground support, box-cut and portal access designs. This work will be incorporated into the mine design by SRK as will the outcomes of the structural review of the two portal plugs within the Veolia open cut.
- An updated JORC 2012 and NI43-101 Resource statement and an associated mine plan for the tailings resource was completed during the quarter to be incorporated into the FS and the estimation of Mineral Reserves.
- The Water Management Plan was well advanced with plans completed to dewater the existing underground workings. Discussions with Veolia were also advanced regarding details of shared site access to the pit for initial mine dewatering.
- Metallurgical test work to confirm flowsheet design has continued during the quarter. Testing of tailings, underground and blended (underground and tailings) has progressed. Metallurgical test work results received to date are encouraging and have confirmed PEA assumptions.
- GR Engineering Services is ready to commence work for the FS process design next quarter with an initial review of the recent metallurgical work.
- The design of the new tailings storage facility (TSF4) was completed during the quarter by Coffey Mining. A cost estimate will be prepared for inclusion in the FS.
- A concentrate off-take strategy has been delivered and follow-on work is continuing for the FS. This strategy contemplates off-take contracts for the different concentrates, logistics options, credit and revenue management and potential interaction with project financing options.
- A quarterly community consultation committee (CCC) meeting was held on the 16 December 2015 with representatives present from the local community, the Goulburn Mulwaree Council and Veolia.
- Work to finalise statutory requirements has continued with a draft Project Modification Environmental Assessment report being submitted to the Department of Planning & Environment for initial assessment. This report will be finalised and formally submitted in the first quarter. Both the Mine Operations Plan (MOP) and the Annual Environmental Management Report (AEMR) were formally accepted by the Department of Industry, Division of Resources and Energy during the quarter.
- Behre Dolbear Australia Pty Ltd (BDA) were appointed Independent Technical Experts and completed an initial high level review of the project. Feedback from this review has been incorporated into the work scope for the FS.

Phase II Drilling Program

The Phase II drilling program at Woodlawn commenced in April 2015 was completed on 14 November 2015 with 84 holes having been drilled for a total of 18,653 metres, reflecting on-time and on-budget progress. Advance for the December quarter was 25 diamond drill holes for 3,994 metres.

The Phase II program was 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 to undertake the in-fill drilling required to upgrade parts of the underground Mineral Resource to Indicated status and close off mineralised positions.



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The Phase II program has confirmed the up and down plunge extensions to the Kate Lens through several massive sulphide intercepts (refer to Figures 2). Significant intercepts returned include:

Kate Lens significant intercepts:

- 22m @ 13.0% ZnEq from 378m (3.7% Cu, 0.8g/t Au, 16.8g/t Ag), WNDD0071 (Kate Copper)
- 6.5m @ 7.8% ZnEq from 405m (4.5% Zn, 0.6% Cu, 0.9% Pb, 0.5g/t Au, 12.5g/t Ag), WNDD0071
- 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
- 14.0m @ 5.1% ZnEq from 294m (1.4% Cu, 0.4g/t Au, 5.1g/t Ag), WNDD0075 (Kate Copper)
- 18.9m @ 9.3% ZnEq from 351m (2.6% Cu, 0.7g/t Au, 8.3g/t Ag), WNDD0084 (Kate Copper)

E, G and H Lens significant intercepts:

High grade assays albeit over narrow widths were returned through the drill-out of the shallow E, G and H Lens positions (Figure 3):

- 2.8m @ 16.8% ZnEq from 79m (9.7% Zn, 0.2% Cu, 4.7% Pb, 1.5g/t Au, 47.2g/t Ag), WNDD0076 (E)
- 8.2m @ 6.6% ZnEq from 127m (3.2% Zn, 0.8% Cu, 0.3% Pb, 0.3g/t Au, 14.5g/t Ag), WNDD0077 (E)
- 3.0m @ 19.7% ZnEq from 22m (10.8% Zn, 0.5% Cu, 3.9% Pb, 1.6g/t Au, 96g/t Ag), WNDD0078 (E)
- 4.6m @ 47.2% ZnEq from 55m (24.4% Zn, 1.1% Cu, 13.6% Pb, 1.4g/t Au, 241g/t Ag), WNDD0078 (E)
- 3.0m @ 58.7% ZnEq from 64m (28.5% Zn, 2.1% Cu, 13.1% Pb, 2.2g/t Au, 372g/t Ag), WNDD0078 (E)
- 1.3m @ 33% ZnEq from 283m (8.8% Zn, 4.8% Cu, 3.2% Pb, 1.8g/t Au, 168g/t Ag), WNDD0074 (G)
- 1.8m @ 25.0% ZnEq from 106m (1.5% Zn, 4.4% Cu, 3.7% Pb, 2.7g/t Au, 145g/t Ag), WNDD0081 (H)
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- 1.8m @ 32.3% ZnEq from 116m (6.4% Zn, 3.5% Cu, 3.5% Pb, 2.2g/t Au, 341 g/t Ag), WNDD0089 (G)
- 6.1m @ 12.2% ZnEq from 50m (6.9% Zn, 0.5% Cu, 2.2% Pb, 1.0g/t Au, 36g/t Ag), WNDD0093 (E)
- 1.8m @ 32.0% ZnEq from 80m (13.8% Zn, 1.3% Cu, 8.6% Pb, 0.8g/t Au, 216g/t Ag), WNDD0093 (E)
- 9.3m @ 18.7% ZnEq from 41m (8.2% Zn, 0.7% Cu, 3.2% Pb, 1.6g/t Au, 144g/t Ag), WNDD0098 (G)
- 2.5m @ 45.3% ZnEq from 93m (7.1% Cu, 4.5g/t Au, 626g/t Ag) WNDD0103 (H)

These results show the exceptional grades of these shallow lenses and present potential early stage mine production sources.

Lisa Lens significant intercept:

The final hole of the Phase II program targeted the up-dip position of new Lisa Lens and returned a very encouraging result:

- 12.4m @ 20.0% ZnEq from 222m (12% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag), WNDD0104
 - Including 9.5m @ 26.0% ZnEq from 223m (16% Zn, 1.7% Cu, 2.7% Pb, 0.68g/t Au, 28g/t Ag)

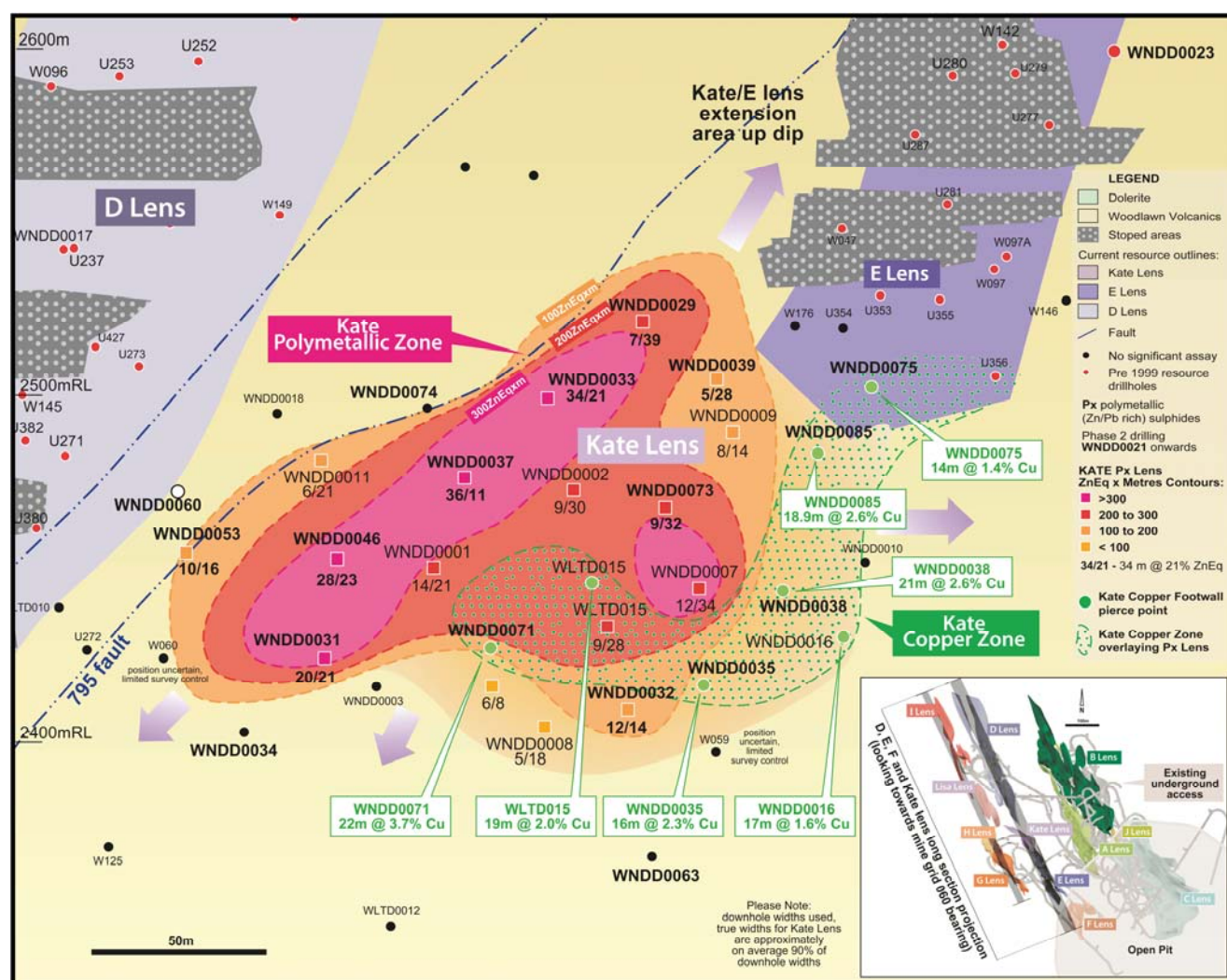
This result is illustrated in Figure 3 and provides for a further shallow high grade position that could be mined in the early years of the operation.

Conceptual Targets – DHEM Programs

A review of the downhole electromagnetic (DHEM) models for the Kate Lens extension position revealed the presence of a significant conductor with dimensions in order of 150m long and 200m deep. The conductance of the modelled plate, at 12-35 siemens (S), is less than that for the Kate Lens (50-80S), and this conductive body is off-set into the stratigraphic footwall by about 60m relative to the Kate Lens. A single drill hole (WNDD0091W1) was drilled into the middle, southern part of this plate and intersected some 16m of disseminated, banded and semi-massive pyrite and minor chalcopyrite (grading 16m @ 0.12% Cu from 684m depth) which was associated with moderate to strong silica, chlorite and sericite alteration, indicating proximity to potentially significant mineralisation.

There remain a number of identified DHEM targets that are still to be drill tested within the immediate Woodlawn mineral system. This includes to the north of the WNDD0053 intercept (10m @ 16% ZnEq) in the Kate Lens, and below the previously mined C Lens. These are high priority targets for the next phase of drilling.

Figure 2: Kate Lens Long-Section detailed showing a selection of recent and significant intercepts.

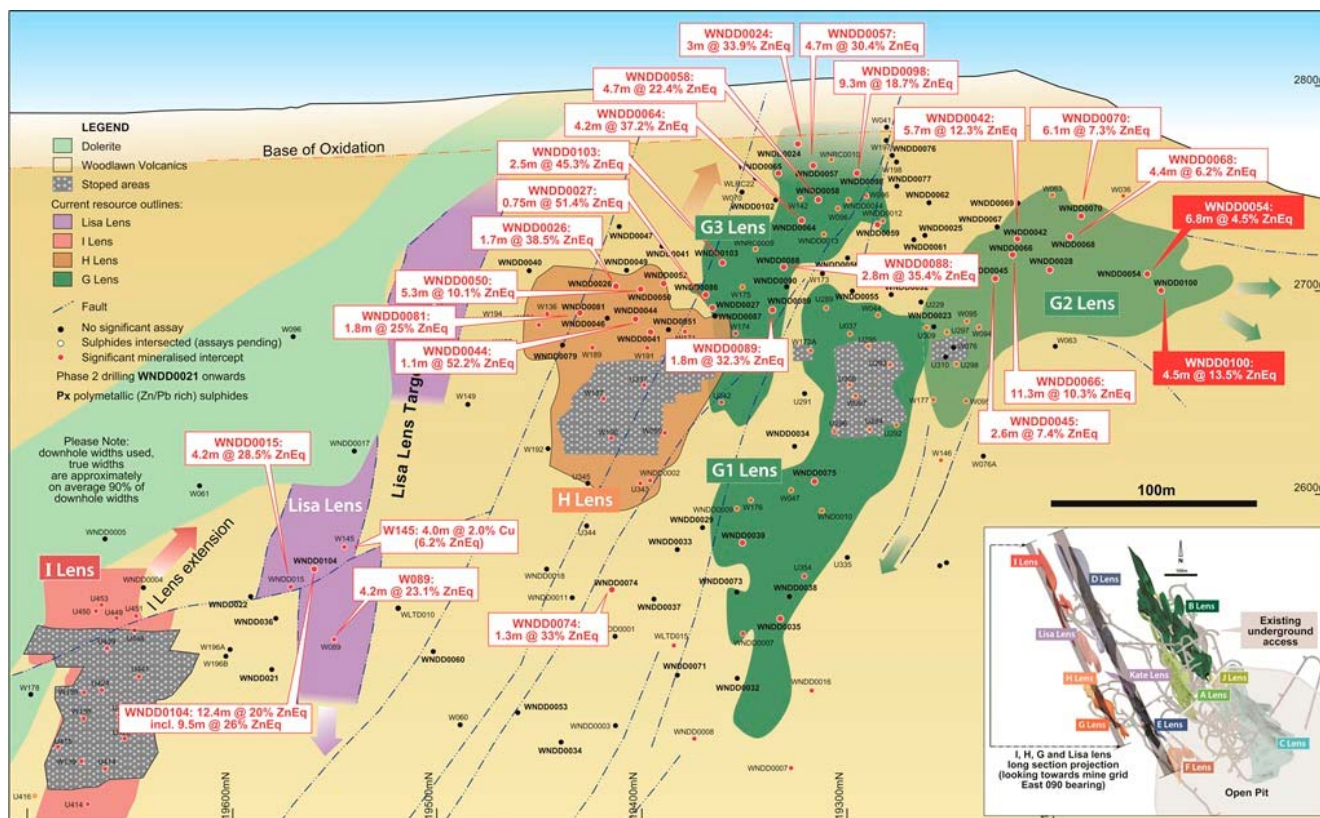




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Figure 3: G, Lisa, I Lens Long-Section showing a selection of recent and significant intercepts.



Veolia Agreements

Heron maintains a number of agreements with Veolia Environmental Services (VES) covering the joint usage of the Woodlawn site. VES (previously Collex) have, since 2004, operated a landfill operation utilising the former Woodlawn open pit and accepts predominantly Sydney's putrescible waste. Discussions are currently underway to revise and update these agreements to reflect new operating boundaries, land purchase boundaries and more closely detail various points of interaction. It is anticipated that these agreements will be agreed and documented over the next few months ahead of completing the FS.

Woodlawn Exploration Project (WEP) (100% Heron)

Heron continues to maintain a significant tenement package over the prospective Silurian volcanic rocks around the Woodlawn Mine (Figure 4). Some 10km to the NW of the Woodlawn mine is the former Currawang Mine where approximately 0.5Mt of ore, at similar grades to the Woodlawn deposit, was mined from underground and trucked to the Woodlawn plant in the early 1990s. A 50m spaced aeromagnetic survey was completed over this prospect and also the broader Woodlawn area during the December quarter. The data has been received and processed with 3D inversions being undertaken at Currawang and Woodlawn. This dataset forms a key base for future near-mine and Woodlawn regional exploration. The key regional prospects are:

1. Currawang Mine – Currawang Basalt /Woodlawn Volcanics hosted VMS system with previous mining in the early 1990s. Good potential exists below and along strike from the previously mined 0.5Mt “pod” of mineralisation. Targeting magnetic lows associated with a broad zone of pyrite-sericite alteration.



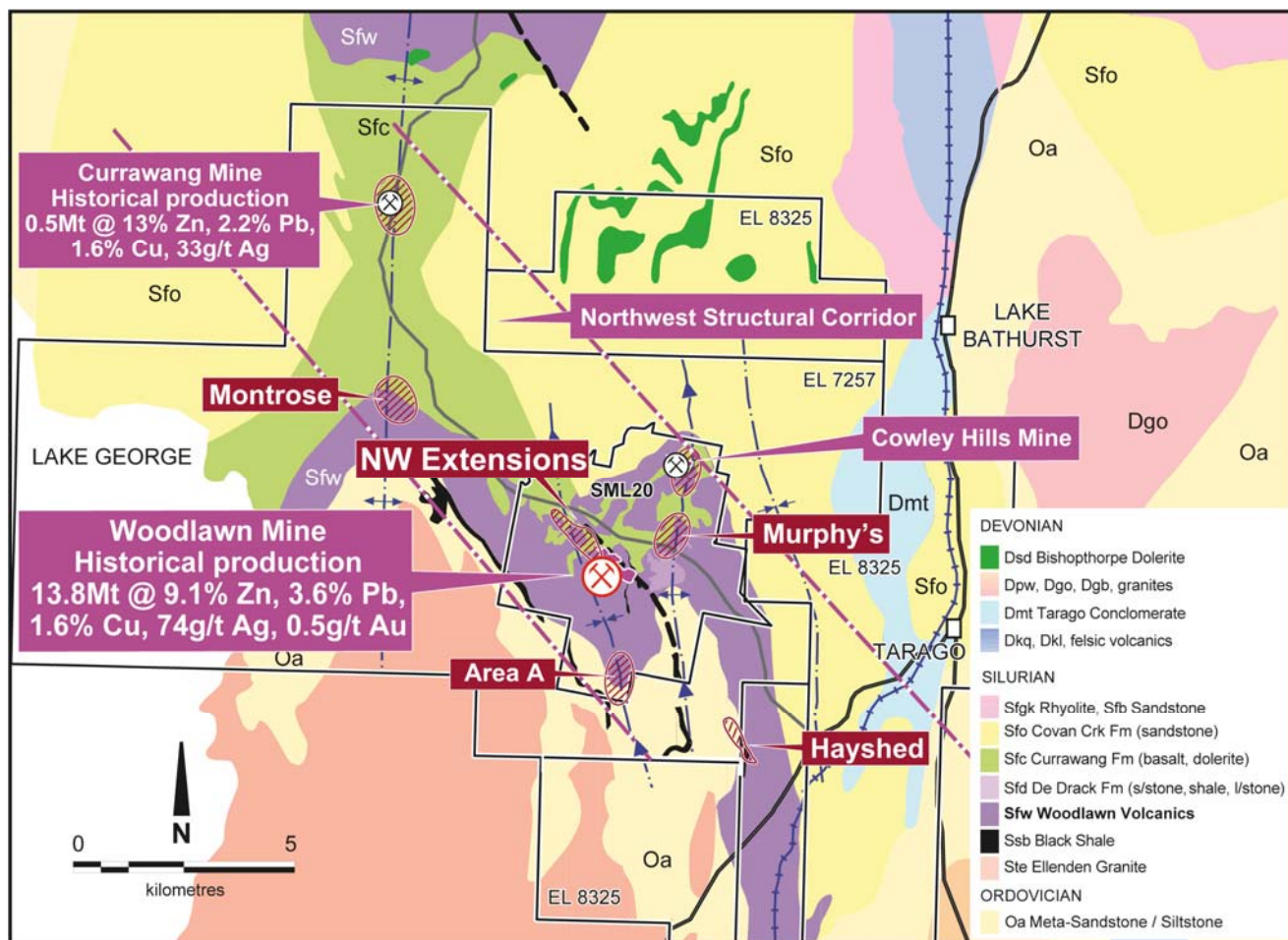
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2. Cowley Hills – VMS mineralisation in Woodlawn Volcanics intruded by dolerites approximately 2km north of the Woodlawn Mine. Good potential exists to locate extensions to existing mineralisation through targeted drilling and DHEM surveys.
3. Montrose – broad zone of intense pyrite-sericite alteration in Woodlawn Volcanics with limited drilling in the 1980s and 1990s showing zones of reasonable grade mineralisation with little follow-up work. A discrete EM anomaly modelled in the 1980s extending beneath Currawang Basalt units to the north will be a key focus of the follow-up work.

Figure 4 Woodlawn Exploration Project – Key Targets



EXPLORATION PROJECTS

New South Wales – Exploration

Heron maintains a significant tenement holding in the Lachlan Fold Belt with some 3,739km² under tenure. Three regional structural settings have been the focus for Heron activities:

1. Woodlawn VMS Belt base metals
2. Lachlan Transverse Zone copper-gold
3. Gilmore Suture gold-copper

Heron's recent focus for the regional NSW exploration has been on the Lewis Ponds Project. The other mainly early stage projects are being reviewed with the potential to farm out to suitable partners.



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Lewis Ponds Gold-Copper Project (100% Heron)

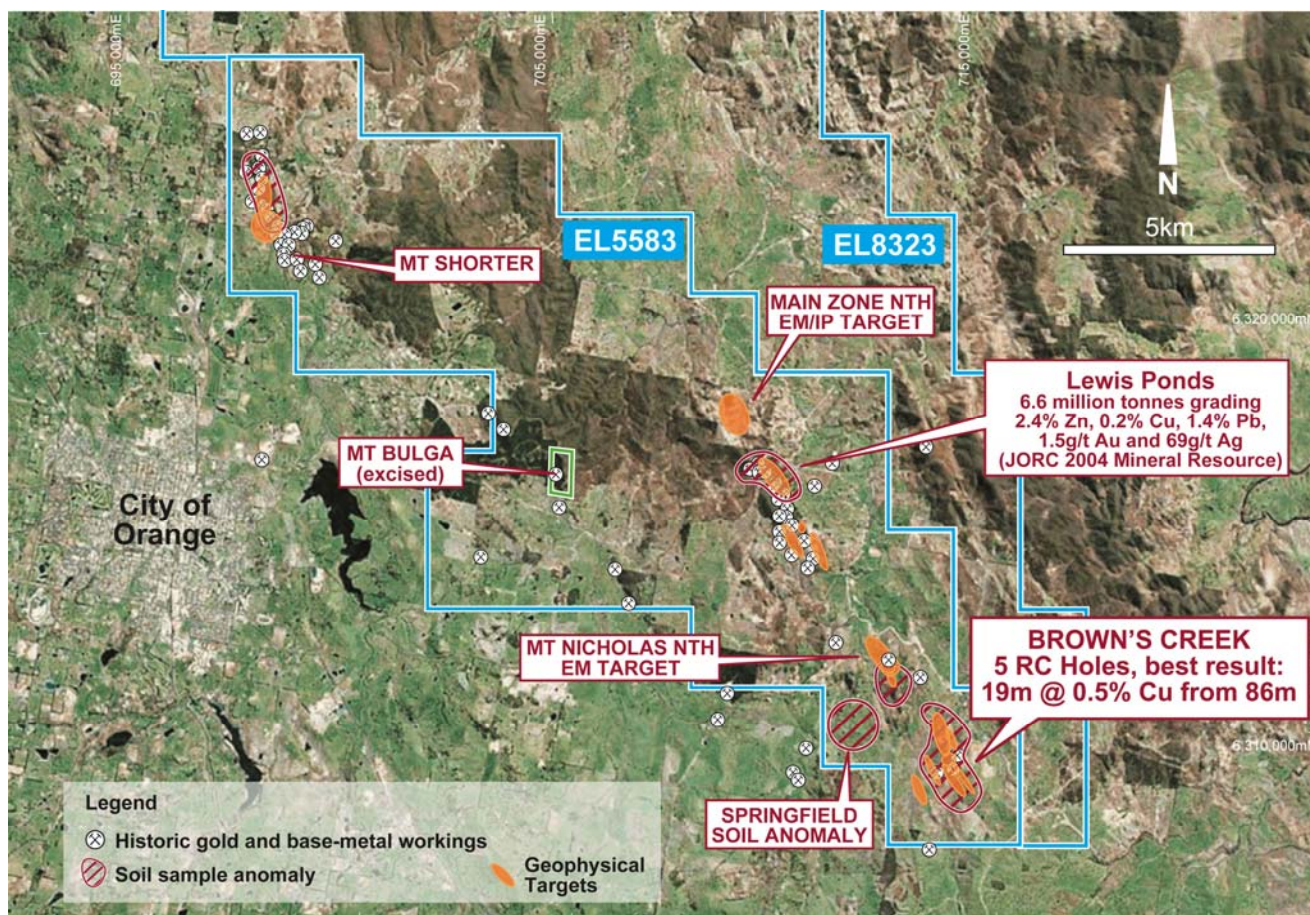
Lewis Ponds is located 15km east of Orange, in central NSW (Figure 5) and contains the Lewis Ponds VMS deposit (6.6 million tonnes grading 2.4% zinc, 0.2% copper, 1.4% lead, 1.5g/t gold and 69g/t silver JORC 2004 Mineral Resource²) – made up of **Main Zone** and **Tom's Zone** which occur in a sequence of deformed Silurian felsic to intermediate volcanic and sedimentary rocks.

During the quarter, several exploration targets for follow-up work have been identified (refer Figure 5 and 6 below):

- A number of electromagnetic anomalies (EM) were outlined from surveys carried out in the 1990s. EM anomalies are often associated with massive sulphides at Lewis Ponds and many have been inadequately tested. In particular, an EM anomaly north of the Main Zone is a high priority for follow up investigation.
- A further review of the regional, 400m line spaced soil sampling data has highlighted a broad gold/arsenic/copper anomaly in the south-west of the tenement within the same package of rocks that hosts the McPhillamy's gold deposit some 15km to the south-east. This soil anomaly has assays up to 300ppb gold and is high priority target for further exploration work.
- A strong copper, lead, zinc soil anomaly has been identified associated with a 350m long airborne EM anomaly in the Mt Nicholas North area and represents a walk up drill target in an area that has not received any previous drilling.

In summary, the assessment and compilation of data for the Lewis Ponds area has identified some excellent exploration targets that will be field assessed in the coming months in preparation for drill testing.

Figure 5 Lewis Ponds – Tenement and Key Prospects Map



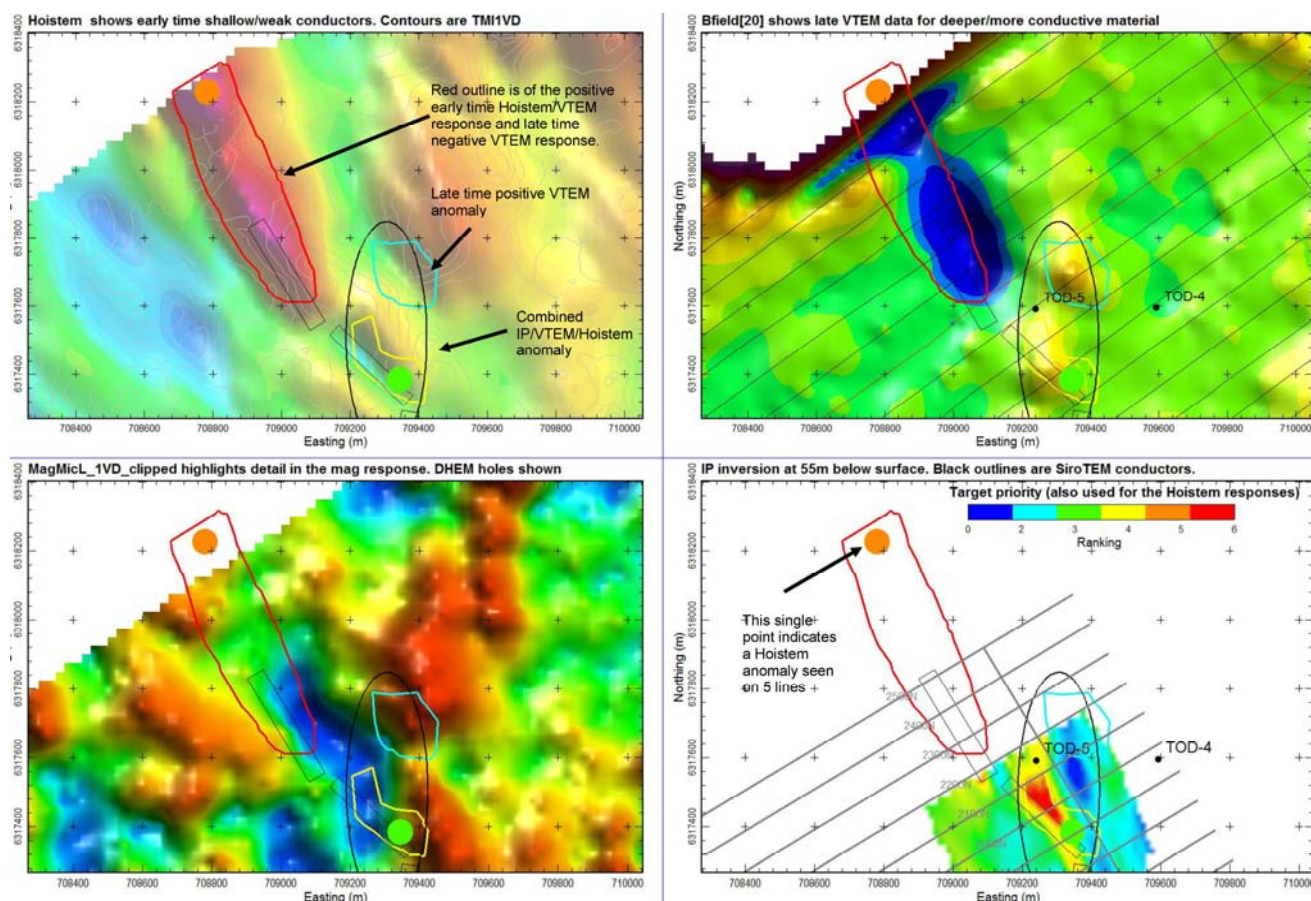
² Refer to Section 8.0 of Heron's 2014 Annual Report for Lewis Ponds Mineral Resource details



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Figure 6 Lewis Ponds – Main Zone North target. Four maps showing EM, Magnetic and IP responses over the target area. Only two drill holes have been undertaken here (TOD04-05) and the area represents an excellent target for the discovery of VMS mineralisation.



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 third party exploration group is currently reviewing this project as a potential farm-in opportunity.

Western Australia – Nickel Sulphide Exploration

Heron has consolidated and 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 for joint venture by a number of parties. The key prospects are described below.

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 prospective 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



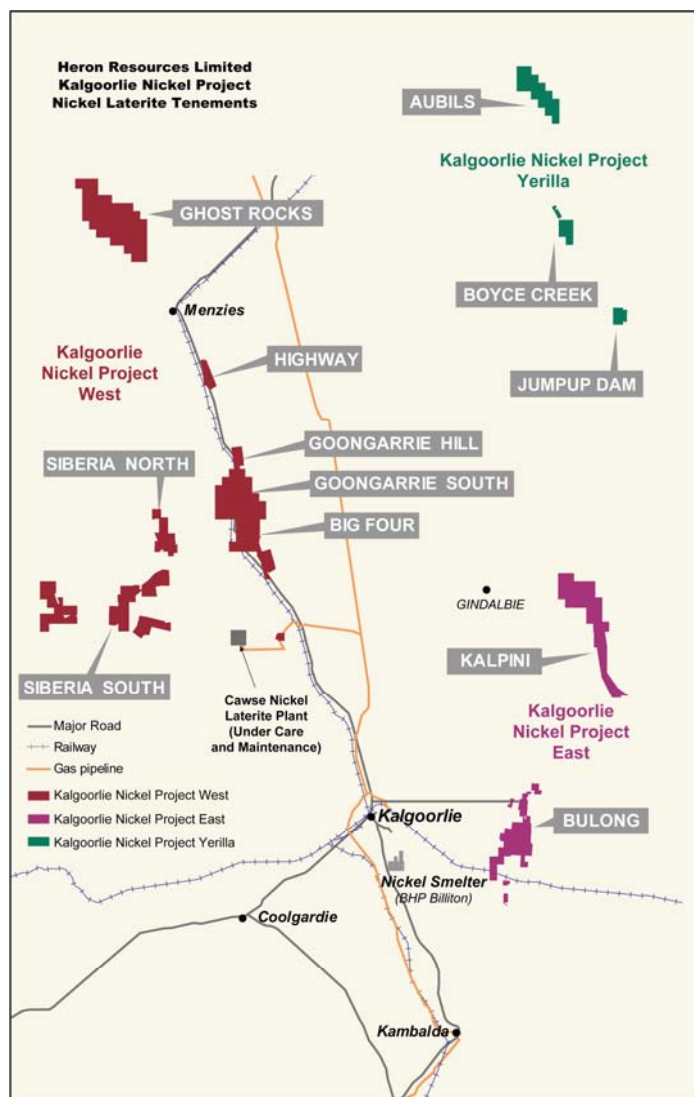
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nickel sulphide mineralisation in the area. Discussions continued during the quarter with a third party interested in farming into this property.

Kalgoorlie Nickel Project, 100% Heron (KNP)



Partner Search

The KNP provides significant potential 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 (Figure 7). 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 (mainly Vale Inco 2005-2009), with the most recent scoping studies focused on the use of Simulus' Carbon Friendly Nickel Production process, which demonstrated that the KNP has the potential to provide a source of long-term, low capital intensity, high-margin nickel concentrates to the market.

It was agreed during the quarter to sell five of the KNP Yerilla Project mining tenements to a chrysoprase mining group; Heron will retain full nickel and cobalt laterite and sulphide rights.

Heron continues to maintain its KNP tenements in good standing and actively seeks 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 tenures. One gold agreement on KNP tenements was signed in 2015 at Lake Rebecca Project.

Figure 7 Kalgoorlie Nickel Project Tenement Outlines, Kalgoorlie district, Western Australia



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Joint Venture Projects WA and NSW

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

Metalicity Ltd (ASX:MCT) have exercised their option to acquire a 90% interest in the Rocky Gully Project 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 generated by MCT's work in this area, and looks forward to further exploration progress. In consideration for the 90% interest MCT has issued Heron 14,375,000 MCT shares. MCT commenced a program of soil sampling and ground EM surveys through the quarter.

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 gold mineralisation associated with the old Lachlan gold workings where several encouraging drill intercepts have been returned in recent years and the potential for a modest resource to be established. During the quarter Kimberley Diamonds Ltd (ASX:KDL) gave notice that they wish to withdraw from the project. The project will therefore, revert 100% back to Heron once KDL have completed their statutory requirements.

CORPORATE

Cash - At the end of the Quarter (31 December 2015) Heron held A\$23.8M in cash (including A\$0.2M in bonds) and A\$3.1M in investments.

Golden Cross Resources ("GCR"; Heron holds 18.9%) - On 18 November 2015, GCR received an off-market bid offer from HQ Mining Resource Holdings Pty Ltd ("HQ Mining") to acquire all the outstanding shares it did not already own at \$A0.07 per share, with the offer subsequently being raised to A\$0.0825 per share on 16 December 2015. As at the date of the bid, HQ Mining owned 23.4% of GCR.

The HQ bid offer period is open until 29 January 2016 with a minimum acceptance giving HQ Mining greater than 50.1%. This condition was achieved on 21 January 2016. As at 25 January 2016, HQ Mining had increased its holding to 62.7% of GCR.

Heron has accepted HQ Mining's offer and subject to the offer completing, the Company should receive cash proceeds of \$1.57M. These funds will assist with the continuing development of Woodlawn.



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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.

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.



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Corporate Directory

<div>Directors</div> <div>Stephen Dennis^{*,+} <i>Chairman</i> Borden Putnam III^{*,+} Fiona Robertson ^{*,+} Ian Buchhorn Wayne Taylor Mark Sawyer^{*,+}</div> <div>[*] Denotes Non-executive ⁺ Denotes Independent</div>	<div>Issued Share Capital</div> <div>As at the date of this report, Heron Resources Limited had 415,009,381 ordinary shares, 32,835,908 options.</div> <div>The options have expiry dates ranging from 5 March 2016 to 4 December 2020 and have exercise prices ranging from A\$0.09 to A\$0.6864</div> <div>Heron trades on the ASX as 'HRR' and on the TSX as 'HER'.</div>	<div>Registered Office and Address for Correspondence</div> <div><div>Perth</div><div>Level 1, 37 Ord Street West Perth, WA 6005 Telephone +61 8 6500 9200</div></div> <div><div>Sydney</div><div>Suite 702, 191 Clarence Street Sydney NSW 2000 Telephone +61 2 9119 8111 Email heron@heronresources.com.au</div></div> <div><div>In Canada</div><div>Telephone +1 905 727 8688 Email CMuir@heronresources.com.au</div></div> <div>Website www.heronresources.com.au</div> <div><div>Share Registry (Australia)</div><div>Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, 6153, WA Telephone +61 8 9315 2333 Facsimile +61 8 9315 2233 Email registrar@securitytransfer.com.au</div><div>Please direct enquiries regarding Australian shareholdings to the Share Registrar.</div></div> <div><div>Transfer Agent (Canada)</div><div>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</div><div>Please direct enquiries regarding North American shareholdings to the Transfer Agent.</div></div>																																																																																																							
<div>Executive Management</div> <div>Wayne Taylor <i>Managing Director & Chief Executive Officer</i></div> <div>Ian Buchhorn <i>Executive Director</i></div> <div>Simon Smith <i>General Manager – Finance & Administration & Company Secretary.</i></div> <div>David von Perger <i>General Manager Exploration</i></div> <div>Charlie Kempson <i>General Manager Strategy & Business Development</i></div> <div>Andrew Lawry <i>Chief Operating Officer</i></div>	<div>Monthly Share Price Activity</div> <div>(A\$ per share - ASX)</div> <table><tr><th>Month</th><th>High</th><th>Low</th><th>Close</th></tr><tr><td>Jan 15</td><td>0.130</td><td>0.125</td><td>0.125</td></tr><tr><td>Feb 15</td><td>0.15</td><td>0.125</td><td>0.140</td></tr><tr><td>Mar 15</td><td>0.140</td><td>0.125</td><td>0.135</td></tr><tr><td>Apr 15</td><td>0.140</td><td>0.120</td><td>0.135</td></tr><tr><td>May 15</td><td>0.135</td><td>0.110</td><td>0.120</td></tr><tr><td>Jun 15</td><td>0.120</td><td>0.100</td><td>0.110</td></tr><tr><td>Jul 15</td><td>0.12</td><td>0.098</td><td>0.105</td></tr><tr><td>Aug 15</td><td>0.11</td><td>0.09</td><td>0.099</td></tr><tr><td>Sep 15</td><td>0.105</td><td>0.091</td><td>0.095</td></tr><tr><td>Oct 15</td><td>0.105</td><td>0.09</td><td>0.092</td></tr><tr><td>Nov 15</td><td>0.10</td><td>0.092</td><td>0.097</td></tr><tr><td>Dec 15</td><td>0.101</td><td>0.09</td><td>0.092</td></tr></table> <div>(CA\$ per share - TSX)</div> <table><tr><th>Month</th><th>High</th><th>Low</th><th>Close</th></tr><tr><td>Jan 15</td><td>0.130</td><td>0.105</td><td>0.125</td></tr><tr><td>Feb 15</td><td>0.140</td><td>0.110</td><td>0.130</td></tr><tr><td>Mar 15</td><td>0.135</td><td>0.110</td><td>0.125</td></tr><tr><td>Apr 15</td><td>0.140</td><td>0.110</td><td>0.120</td></tr><tr><td>May 15</td><td>0.120</td><td>0.100</td><td>0.110</td></tr><tr><td>Jun 15</td><td>0.110</td><td>0.085</td><td>0.090</td></tr><tr><td>Jul 15</td><td>0.105</td><td>0.09</td><td>0.09</td></tr><tr><td>Aug 15</td><td>0.125</td><td>0.09</td><td>0.11</td></tr><tr><td>Sep 15</td><td>0.10</td><td>0.065</td><td>0.08</td></tr><tr><td>Oct 15</td><td>0.09</td><td>0.075</td><td>0.08</td></tr><tr><td>Nov 15</td><td>0.09</td><td>0.08</td><td>0.08</td></tr><tr><td>Dec 15</td><td>0.09</td><td>0.08</td><td>0.085</td></tr></table>	Month	High	Low	Close	Jan 15	0.130	0.125	0.125	Feb 15	0.15	0.125	0.140	Mar 15	0.140	0.125	0.135	Apr 15	0.140	0.120	0.135	May 15	0.135	0.110	0.120	Jun 15	0.120	0.100	0.110	Jul 15	0.12	0.098	0.105	Aug 15	0.11	0.09	0.099	Sep 15	0.105	0.091	0.095	Oct 15	0.105	0.09	0.092	Nov 15	0.10	0.092	0.097	Dec 15	0.101	0.09	0.092	Month	High	Low	Close	Jan 15	0.130	0.105	0.125	Feb 15	0.140	0.110	0.130	Mar 15	0.135	0.110	0.125	Apr 15	0.140	0.110	0.120	May 15	0.120	0.100	0.110	Jun 15	0.110	0.085	0.090	Jul 15	0.105	0.09	0.09	Aug 15	0.125	0.09	0.11	Sep 15	0.10	0.065	0.08	Oct 15	0.09	0.075	0.08	Nov 15	0.09	0.08	0.08	Dec 15	0.09	0.08	0.085
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Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HERON RESOURCES LIMITED

ABN

30 068 263 098

Quarter ended

31 December 2015

Consolidated statement of cash flows

	Current Qtr \$A'000	Year to Date (6 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	(576)	(1,434)
1.3 Dividends received	246	404
1.4 Interest and other items of similar nature received		
1.5 Interest and other costs of finance paid	-	-
1.6 Taxes (paid)/refunded	-	-
1.7 Other –GST		
Net Operating Cash Flows	(330)	(1,030)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investment	-	-
(c) other fixed assets	-	(9)
(d) exploration activities	(3,044)	(5,978)
1.9 Proceeds from sale of: (a) prospects	-	
(b) equity investment	-	63
(c) other fixed assets	(12)	-
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
Net Investing Cash Flows	(3,056)	(5,924)
1.12 Total operating and investing cash flows (carried forward)	(3,386)	(6,954)



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1.12 Total operating and investing cash flows (brought forward)	(3,386)	(6,954)
Cash flows related to financing activities		
1.13 Proceeds from the issue of shares, options, etc.	-	6,821
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 Payment of Share issue costs	-	(91)
Net financing cash flows	-	6,730
Net increase (decrease) in cash held	(3,386)	(224)
1.19 Cash at beginning of quarter/year	27,177	24,015
1.20 Other	-	-
1.21 Cash at end of quarter	23,791	23,791

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 and 1.8	373
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\$347,800).
Provision of office accommodation by director related entity (A\$25,097)

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



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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	1,800
4.2 Development	-
4.3 Production	-
4.4 Administration	650
Total	2,450

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	130	16
5.2 Deposits at call	23,500	27,000
5.3 Bank Overdraft		
5.4 Other (provide details)		
Property Rental bond	47	47
Environmental bonds	114	114
Total: cash at end of quarter (Item 1.21)	23,791	27,177



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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
E24/00158	78km NW of Kalgoorlie WA	100	100	0
E39/01872	170km NNE of Kalgoorlie WA	Pending	100	0
E39/01854	70km NNW of Leonora WA	Pending	100	0
P16/02811	100km NNW of Kalgoorlie WA	100	100	0
P25/02251	40km E of Kalgoorlie WA	100	100	0
P31/01790	136km NE of Kalgoorlie WA	Royalty	10	0
P31/01791	137km NE of Kalgoorlie WA	Royalty	10	0
P31/01792	141km NE of Kalgoorlie WA	Royalty	10	0
P31/01793	141km NE of Kalgoorlie WA	Royalty	10	0
P31/01794	141km NE of Kalgoorlie WA	Royalty	10	0
EL8313	27km NNE Yass NSW	100	100	0
ELA5119	27km NNE Yass NSW	Pending	100	0

Interests in Mining Tenements acquired or increased

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
E24/00203	78km NW of Kalgoorlie WA	Registered Applicant	0	Pending
E39/01895	170km NNE of Kalgoorlie WA	Registered Applicant	0	Pending
ELA5202	33km NE of Orange NSW	Registered Applicant	0	Pending

Heron Resources Ltd Tenement Schedule for December 2015 Quarterly Report

Heron NSW Tenements									
Tenement	Location	Heron Interest (%)	Status	Note	Tenement	Location	Heron Interest (%)	Status	Note
EL8192	23km SE of Parkes	100	Live		EL8267	70km SE of Cobar	100	Live	
EL5583	15km E of Orange	100	Live		EL8318	27km NW of Nyngan	100	Live	
EL5878	100km NW of Condobolin	100	Live		EL8323	10km NE of Orange	100	Live	
EL7023	10km N of Forbes	100	Live		EL8325	60km ENE of Canberra	100	Live	
EL7257	40km SSW of Goulburn	100	Live		EL8337	Woodlawn	100	Live	
EL7468	5km E of Collector	100	Live		EL8353	7.5km SE of Woodlawn	100	Live	
EL7469	15km E of Bugendore	100	Live		EL8356	59km WSW of Tottenham	100	Live	
EL7941	100km NW of Condobolin	100	Live		ELA5167	27km NNE of Yass	100	Pending	
EL7954	25km W of Goulburn	78.9	Live		ELA5202	74km NW of Orange	100	Pending	
EL8061	Gundagai	100	Live		ML 739	10km N of Forbes	100	Live	
EL8221	15km SE of Gundagai	100	Live		S(C&PL)L 20	40km SSW of Goulburn	100	Live	

Heron WA Tenements									
Tenement	Location	Heron Interest (%)	Status	Note	Tenement	Location	Heron Interest (%)	Status	Note
E16/00332	62km NW of Kalgoorlie	100 of Ni only	Live	3	M25/00161	40km E of Kalgoorlie	100 Ni Lat	Live	6
E24/00203	78km NW of Kalgoorlie	100	Pending		M25/00162	40km E of Kalgoorlie	100 Ni Lat	Live	6
E27/00524	67km NE of Kalgoorlie	100	Live		M25/00171	40km E of Kalgoorlie	100 Ni Lat	Live	6
E27/00529	72km NE of Kalgoorlie	100	Live		M25/00187	40km E of Kalgoorlie	100	Live	
E28/01224	63km NE of Kalgoorlie	100	Live		M25/00207	40km E of Kalgoorlie	100 Ni Lat	Live	6
E28/02311	70km E of Norseman	100	Live		M25/00209	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00889	78km NW of Kalgoorlie	100	Live		M25/00210	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00934	67km NNW of Kalgoorlie	100	Pending		M25/00220	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00941	140km NNW of Kalgoorlie	100	Live		M25/00234	40km E of Kalgoorlie	100 Ni Lat	Live	6
E31/01092	140km NNE of Kalgoorlie	100	Pending		M27/00395	68km NE of Kalgoorlie	100	Live	
E39/01706	70km NW of Leonora	100	Live		M28/00199	65km NE of Kalgoorlie	100	Live	
E39/01757	70km NW of Leonora	100	Live		M28/00201	65km NE of Kalgoorlie	100	Live	
E39/01895	170km NE of Kalgoorlie	100	Pending		M28/00205	66km NE of Kalgoorlie	100	Live	
E63/01518	70km E of Norseman	100	Live		M29/00167	87km NNW of Kalgoorlie	100	Live	
E63/01737	68km ENE of Norseman	100	Pending		M29/00202	86km NNW of Kalgoorlie	100	Live	
E63/01748	68km ENE of Norseman	100	Pending		M29/00214	100km NNW of Kalgoorlie	100	Live	
E70/02801	85km NW of Albany	100	Live		M29/00272	77km NNW of Kalgoorlie	100	Live	
E70/04543	105km NW of Albany	100	Live		M29/00278	74km NNW of Kalgoorlie	100	Live	
M24/00541	67km NNW of Kalgoorlie	100	Live		M29/00312	78km NW of Kalgoorlie	100	Live	



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M24/00634	78km NW of Kalgoorlie	100	Live	1	M29/00423	76km NNW of Kalgoorlie	100	Live	
M24/00658	75km NW of Kalgoorlie	100	Live		M31/00475	129km NE of Kalgoorlie	100	Live	5
M24/00660	75km NW of Kalgoorlie	100	Live		M31/00477	129km NE of Kalgoorlie	100	Live	5
M24/00663	75km NW of Kalgoorlie	100	Live		M31/00479	129km NE of Kalgoorlie	100	Live	5
M24/00664	75km NW of Kalgoorlie	100	Live		M31/00483	146km NNE of Kalgoorlie	100	Live	5
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	P25/02252	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00797	78km NW of Kalgoorlie	100	Live		P25/02253	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00845	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02254	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00846	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02255	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00847	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02256	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00848	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02257	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00915	78km NW of Kalgoorlie	100	Live		P25/02258	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00916	78km NW of Kalgoorlie	100	Live		P29/02265	90km NNW of Kalgoorlie	100	Live	
M25/00059	34km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02038	113km NE of Kalgoorlie	100	Live	
M25/00134	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02039	113km NE of Kalgoorlie	100	Live	
M25/00145	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Live	
M25/00151	38km E of Kalgoorlie	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		P31/01788	136km NE of Kalgoorlie	Royalty	Live	
E31/00887	160km NE of Kalgoorlie	Royalty	Live		P31/01789	136km NE of Kalgoorlie	Royalty	Live	
SOUTHEN 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 Yerrilla 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.



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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	415,009,381	415,009,381		
7.3 Changes during Quarter *				
(a) Increases through share issues				-
(b) Decreases through returns of capital, buybacks				
7.4 Convertible debt securities (description)				
7.5 Changes during Quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.6 Options (description and conversion factor)	20,700,000	Nil	Exercise Price \$0.092	Expiry Date 4/12/2020
	5,000,000	Nil	\$0.6864	7/09/2016
	2,000,000	Nil	\$0.31	23/06/2016
	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
	42,918	Nil	\$0.27	27/06/2016
	21,459	Nil	\$0.14	23/10/2017
	21,459	Nil	\$0.27	4/02/2017
	858,369	Nil	\$0.37	19/03/2016
	858,369	Nil	\$0.09	20/11/2018
	333,333	Nil	\$0.27	16/1/2016
7.7 Issued during Quarter	20,700,000	Nil	\$0.092	4/12/2020
7.8 Exercised during Quarter				
7.9 Expired during Quarter	21,459	Nil	\$0.22	13/6/2017
	21,459	Nil	\$0.17	22/2/2018
	21,459	Nil	\$0.15	13/3/2018
	21,459	Nil	\$0.09	31/1/2019
	500,000	Nil	\$0.31	23/6/2016



Heron Resources Limited

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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.

Sign here:

Company Secretary

Date:

27 January 2016

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.