




Heron Resources Limited

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4th May 2016

Presentation given by Wayne Taylor, Managing Director and CEO of Heron Resources Ltd, on Wednesday the 4 May 2016 after being invited to speak at the NSW Minerals Council Exploration Forum 2016 at Parliament House.

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May 2016

**Galvanising Heron's Future at Woodlawn
2016 NSW Minerals Council Exploration Forum**



Heron Resources Limited





CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This presentation 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 presentation. 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 presentation 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 presentation.

Compliance Statement (JORC 2012 and NI43-101)

This presentation 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.

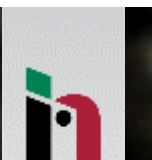
The technical information in this release relating to the exploration results and forward program at the Woodlawn Project is based on information compiled by Mr David von Perger, who is a Member of the Australian Institute of Mining and Metallurgy (Chartered Professional – Geology). Mr von Perger is 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 presentation.

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.

Heron Resources

The Introduction



Markets

ASX:HRR & TSX:HER

Cash

A\$25.2M (31 Mar 2016)

Investments

A\$ 2.3M (31 Mar 2016)

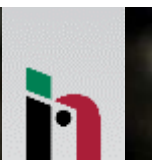
Project Portfolio

- **Woodlawn Zinc-Copper Project** – advanced-stage high grade Zn, Cu polymetallic Resource
- Kalgoorlie Nickel Project – substantial Ni Resource, development strategy through project partnering
- NSW Exploration – quality earlier stage base and precious metal properties
- WA Exploration – quality Ni sulphide properties

**Heron is focused on the near term development of the high grade
Woodlawn Zinc-Copper Project**

Woodlawn Project Overview

High-grade and high value deposit



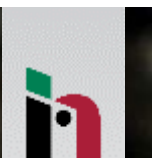
Woodlawn Zinc-Copper Project

- High-grade (Zn+Cu+Pb+Ag+Au) - high value deposit
- One of the few near-term production projects
- Compelling fundamentals
- A clear pathway to production
- Fully funded through Feasibility Study
- Unrivalled infrastructure & access to port facilities
- Granted mining lease & project approvals
- A clear cut value proposition



Corporate Summary

ASX:HRR | TSX:HER



Capital Structure

Shares:	415 million
Options:	33 million
Share Price:	\$0.115
Market Capitalisation:	\$48 million
Cash:	\$25.2 million (31 Mar 2016)
Investments:	\$2.3 million

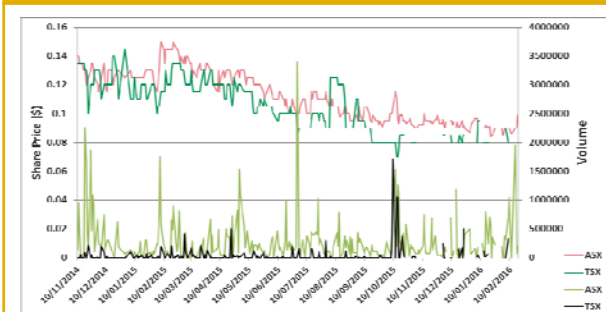
Board

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

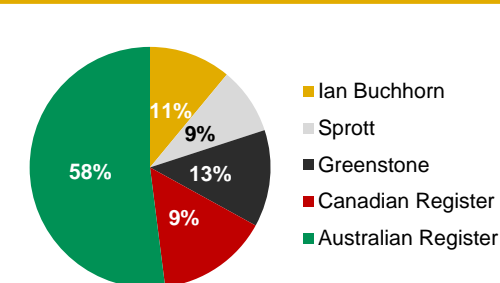
Management

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
General Manager Finance	Simon Smith

Share Price



Share Register



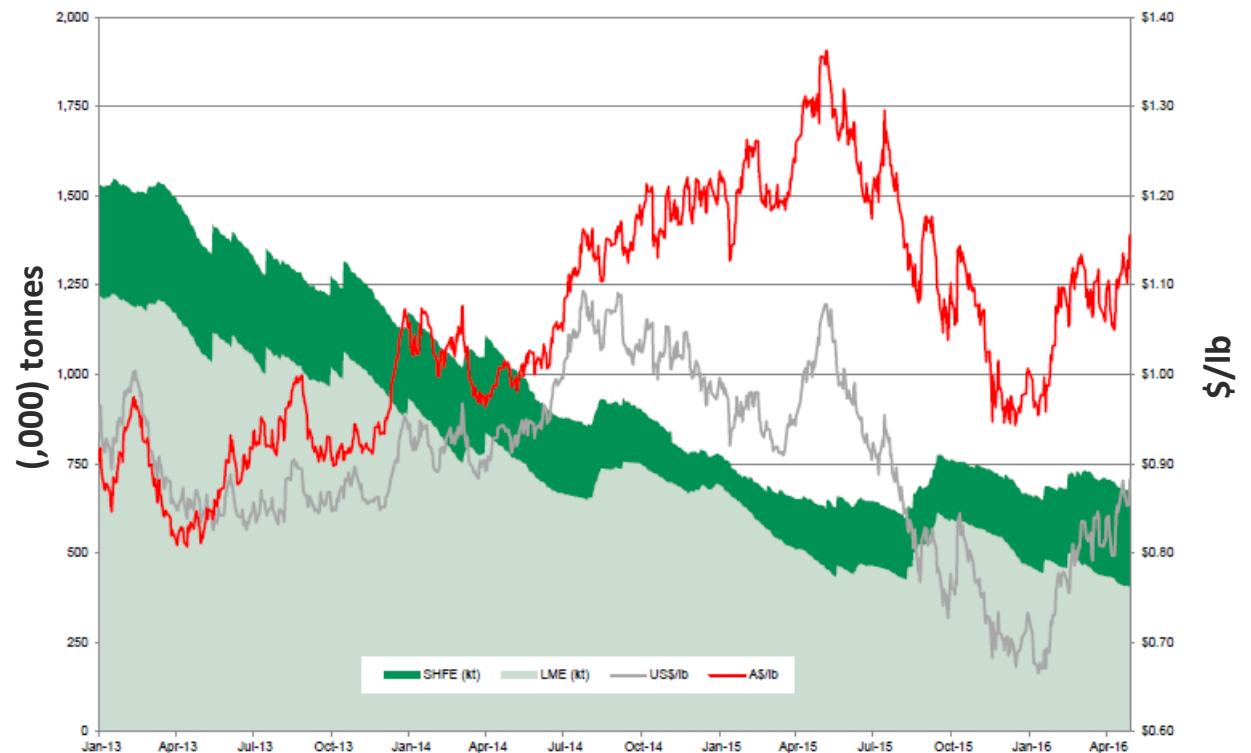
Zinc Market

Compelling Fundamentals

- Current pricing environment is unsustainable for zinc production
- Mine closures and curtailment creating global supply shortage
- Few near term production projects
- Consumption at record levels:-
 - Jan-Dec 2015 > 2014¹
 - Jan-Feb 2016 > 2015
- Mine Production is falling:-
 - Jan-Dec 2015 < 2014
 - Jan-Feb 2016 < 2015
- Falling warehouse stocks

Strong price outlook from major commodity forecasters

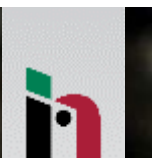
¹ILZSG



Source: Terra Studio, Apr-16

Zinc Market

Latest News



Closures & Curtailments - Delayed Impact

Glencore – 500-550ktpa curtailment announced 9 Oct '15

Nyrstar – 50ktpa closure + 50ktpa curtailment announced 7 Dec '15

MMG – Century – 500ktpa closure – last shipment 7 Dec '15

Vedanta – Lisheen – 160ktpa closure – last shipment 21 Jan '16



Yet to see impact on
refined metal market

International Lead Zinc Study Group (Apr 2016) – 2016 Forecast

Global Usage 14.33 Mt

Global Production 13.98 Mt

Global Mine Output 13.27 Mt



Supply Deficit 352 kt

Positive Leading Indicator – Tightening Supply Side

Zinc concentrates treatment charges falling, -12.5%, Dec '15 → Feb '16 (\$150 - \$170/t → \$130 - \$150/t)¹

¹ Macquarie 4/2/16

Woodlawn Project Site



Image circa 1997

Operations 1978 – 1998

Processed 13.8Mt @ 9.1% Zn, 3.6% Pb,

1.6% Cu, 0.5g/t Au, 74g/t Ag

Process plant removed 1999

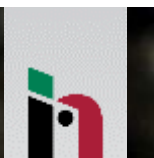
Woodlawn Site Today



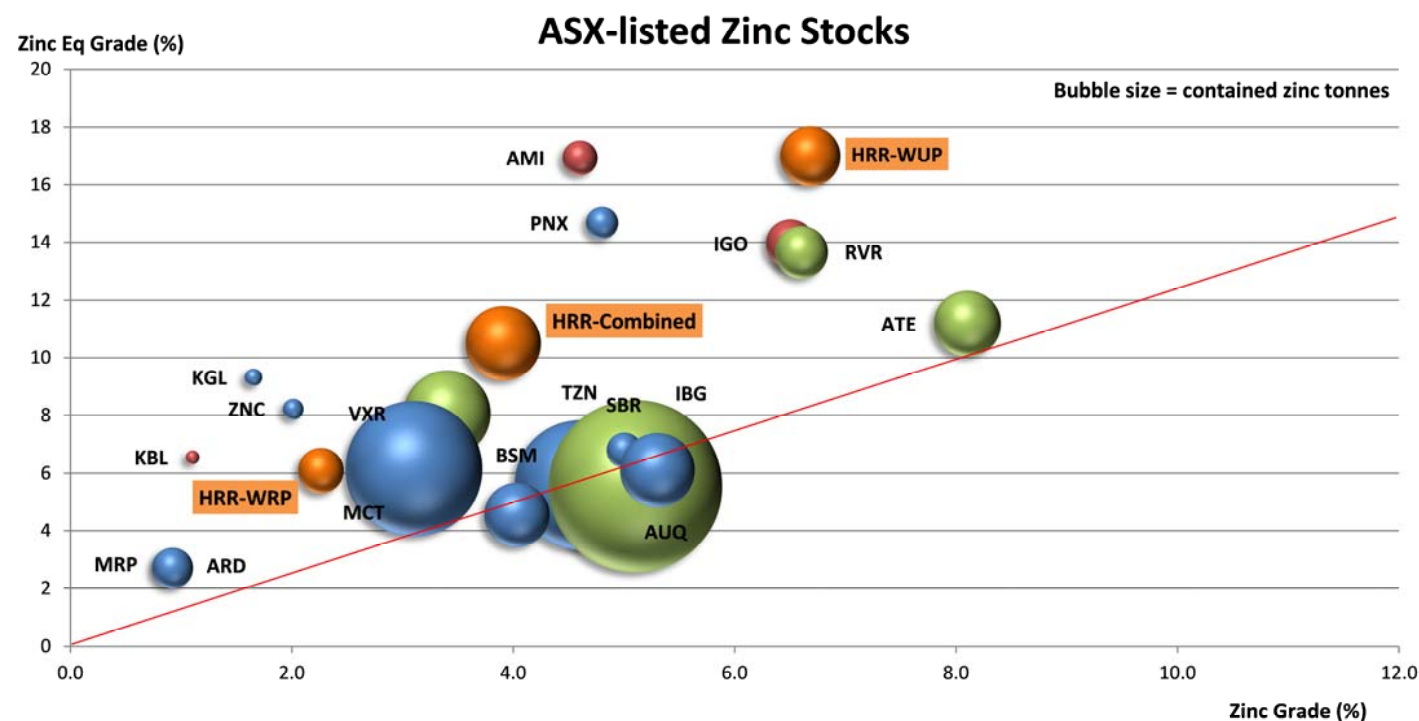
Images: April 2016

Woodlawn – a High Grade Deposit

A Compelling Peer Comparison



- **(HRR-WUP)** - The new 6.5Mt WUP Resource compares extremely well to global peers (HRR-WUP)
- **(HRR-WRP)** - The WRP Resource grade of ~6% ZnEq is above some greenfields peers.



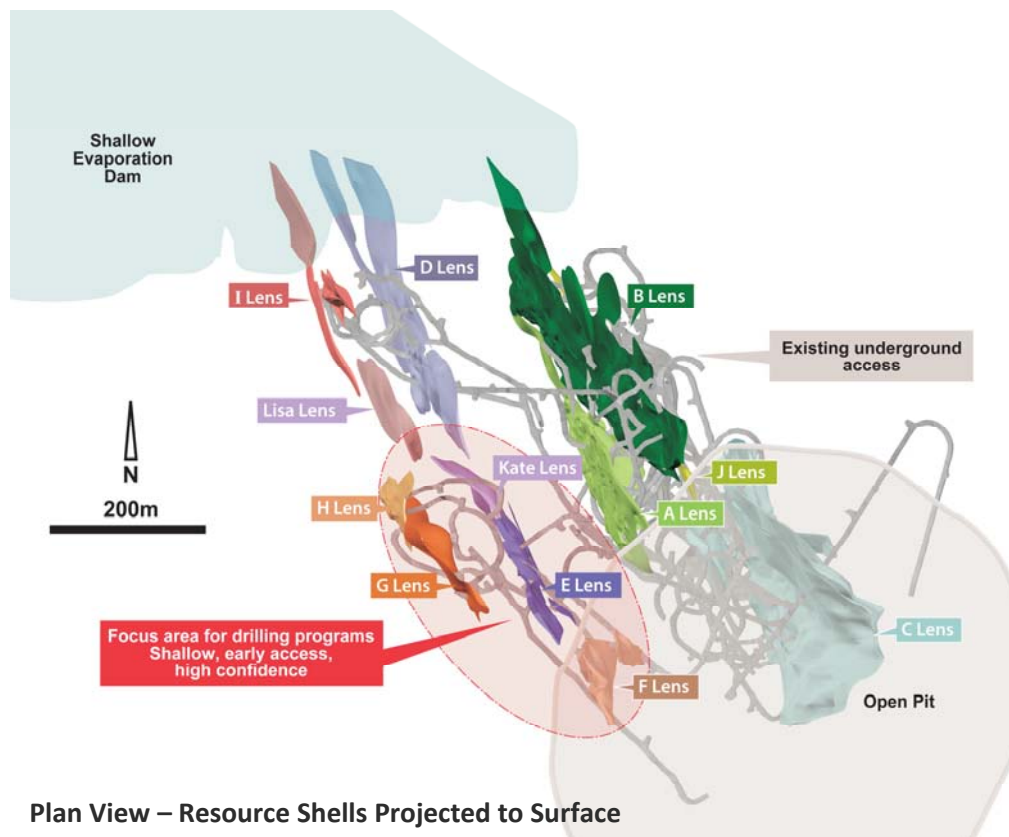
"WUP" – Woodlawn Underground Project
 "WRP" – Woodlawn Tailings Retreatment Project

Source: Hartleys

Delivering – Pathway to Production



2014 & 2015 Drilling At Woodlawn



Assays (2014/2015) >20% ZnEq

Kate Lens:

14.4m @ 20.7% ZnEq from 374m
 8.8m @ 30.1% ZnEq from 374m
 12.3m @ 33.7% ZnEq from 414m
 7.1m @ 39.4% ZnEq from 340m
 20.5m @ 20.7% ZnEq from 383m
 34.0m @ 20.8% ZnEq from 326m
 5.4m @ 27.7% ZnEq from 351m
 27.7m @ 23.4% ZnEq from 401m
 3.9m @ 26.9% ZnEq from 408m
 9.1m @ 31.6% ZnEq from 370m

(4.6% Zn, 4.1% Cu, 0.8% Pb, 1.0g/t Au, 57g/t Ag), WNDD0001
 (12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au, 152g/t Ag), WNDD0002
 (20.0% Zn, 2.1% Cu, 6.1% Pb, 0.8g/t Au, 53g/t Ag), WNDD0007
 (16.9% Zn, 0.9% Cu, 11.3% Pb, 3.5g/t Au, 254g/t Ag), WNDD0029
 (8.1% Zn, 2.4% Cu, 2.9% Pb, 0.8g/t Au, 68g/t Ag), WNDD0031
 (10.0% Zn, 1.1% Cu, 3.5% Pb, 1.6g/t Au, 97g/t Ag), WNDD0033
 (15.1% Zn, 1.5% Cu, 6.0% Pb, 1.0g/t Au, 70g/t Ag), WNDD0039
 (6.9% Zn, 3.9% Cu, 1.5% Pb, 1.0g/t Au, 75g/t Ag), WNDD0046
 (8.5% Cu, 0.1g/t Au, 8.9g/t Ag), WNDD0053
 (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 242m
 12.4m @ 20.0% ZnEq from 222m

(17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag), WNDD0015
 (12% Zn, 1.6% Cu, 2.0% Pb, 0.7g/t Au, 23g/t Ag), WNDD0104

G Lens:

9.3m @ 20.5% ZnEq from 76m
 2.1m @ 29.8% ZnEq from 61m
 4.7m @ 30.4% ZnEq from 40m
 4.7m @ 22.4% ZnEq from 52m
 4.2m @ 36.9% ZnEq from 66m
 2.9m @ 35.4% ZnEq from 96m

(5.2% Zn, 2.6% Cu, 2.3% Pb, 2.0g/t Au, 122g/t Ag), WNDD0013
 (3.1% Zn, 6.5% Cu, 1.3% Pb, 1.2g/t Au, 146g/t Ag), WNDD0014
 (3.9% Zn, 5.5% Cu, 2.3% Pb, 1.6g/t Au, 203g/t Ag), WNDD0057
 (6.1% Zn, 2.3% Cu, 4.0% Pb, 1.4g/t Au, 153g/t Ag), WNDD0058
 (18.7% Zn, 1.7% Cu, 9.9% Pb, 1.0g/t Au, 131g/t Ag), WNDD0064
 (12.7% Zn, 2.6% Cu, 8.1% Pb, 2.5g/t Au, 202g/t Ag), WNDD0088

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
 0.75m @ 51.5% ZnEq from 104m
 1.1m @ 52.0% ZnEq from 117m
 2.5m @ 45.3% ZnEq from 93m

(3.5% Zn, 6.8% Cu, 4.9% Pb, 3.9g/t Au, 213g/t Ag), WNDD0026
 (5.6% Zn, 8.1% Cu, 6.8% Pb, 3.6g/t Au, 398g/t Ag), WNDD0027
 (24% Zn, 4.3% Cu, 12.9% Pb, 1.5g/t Au, 97g/t Ag), WNDD0044
 (7.1% Cu, 4.5g/t Au, 626g/t Ag), WNDD0103

E Lens:

4.2m @ 28.5% ZnEq from 135m
 4.6m @ 47.2% ZnEq from 55m
 3.0m @ 58.7% ZnEq from 64m

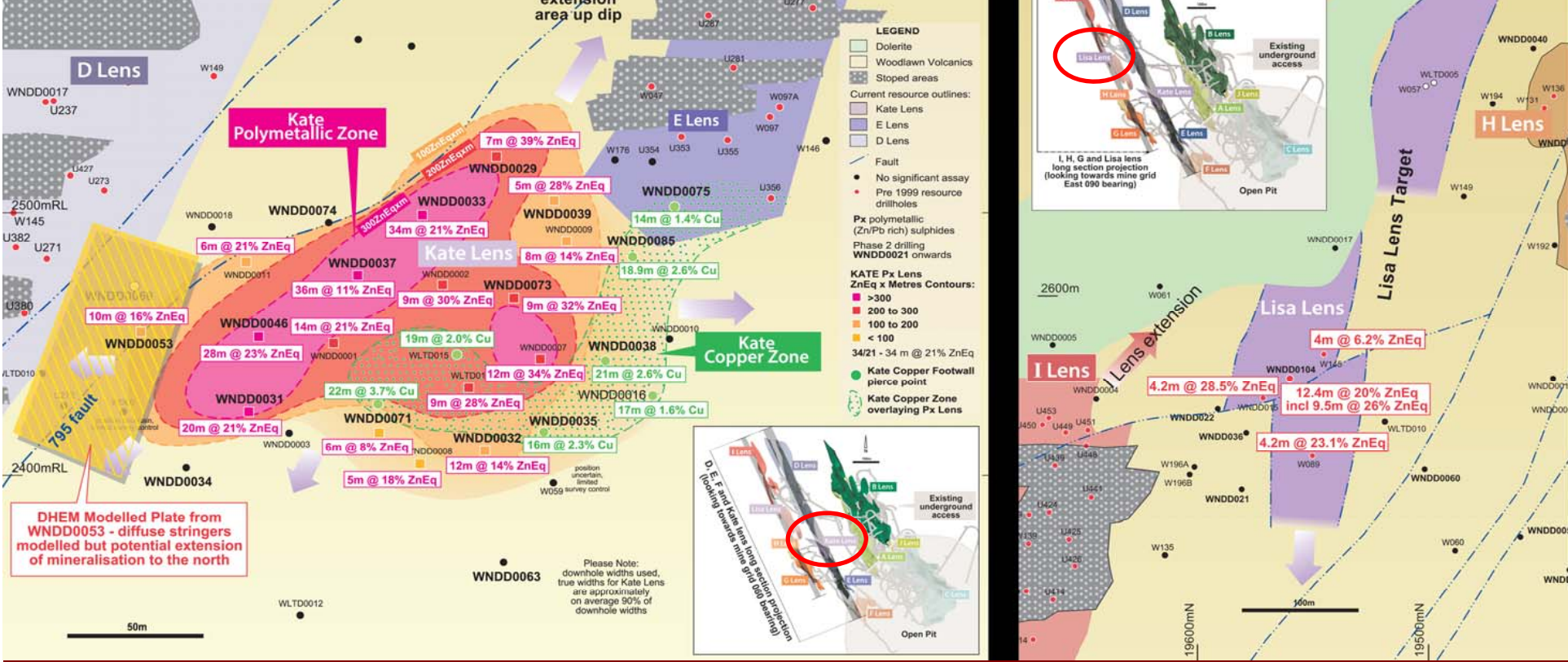
(14.8% Zn, 2.2% Cu, 6.2% Pb, 0.7g/t Au, 37g/t Ag), WNDD0012
 (24.4% Zn, 1.1% Cu, 13.6% Pb, 1.4g/t Au, 241g/t Ag), WNDD0078
 (28.5% Zn, 2.1% Cu, 13.1% Pb, 2.2g/t Au, 372g/t Ag), WNDD0078

High Grade Discoveries

KATE & LISA Lenses (Long Sections)



Kate/E lens extension



Underground Mine Planning

A 'New' Mine

PEA Target

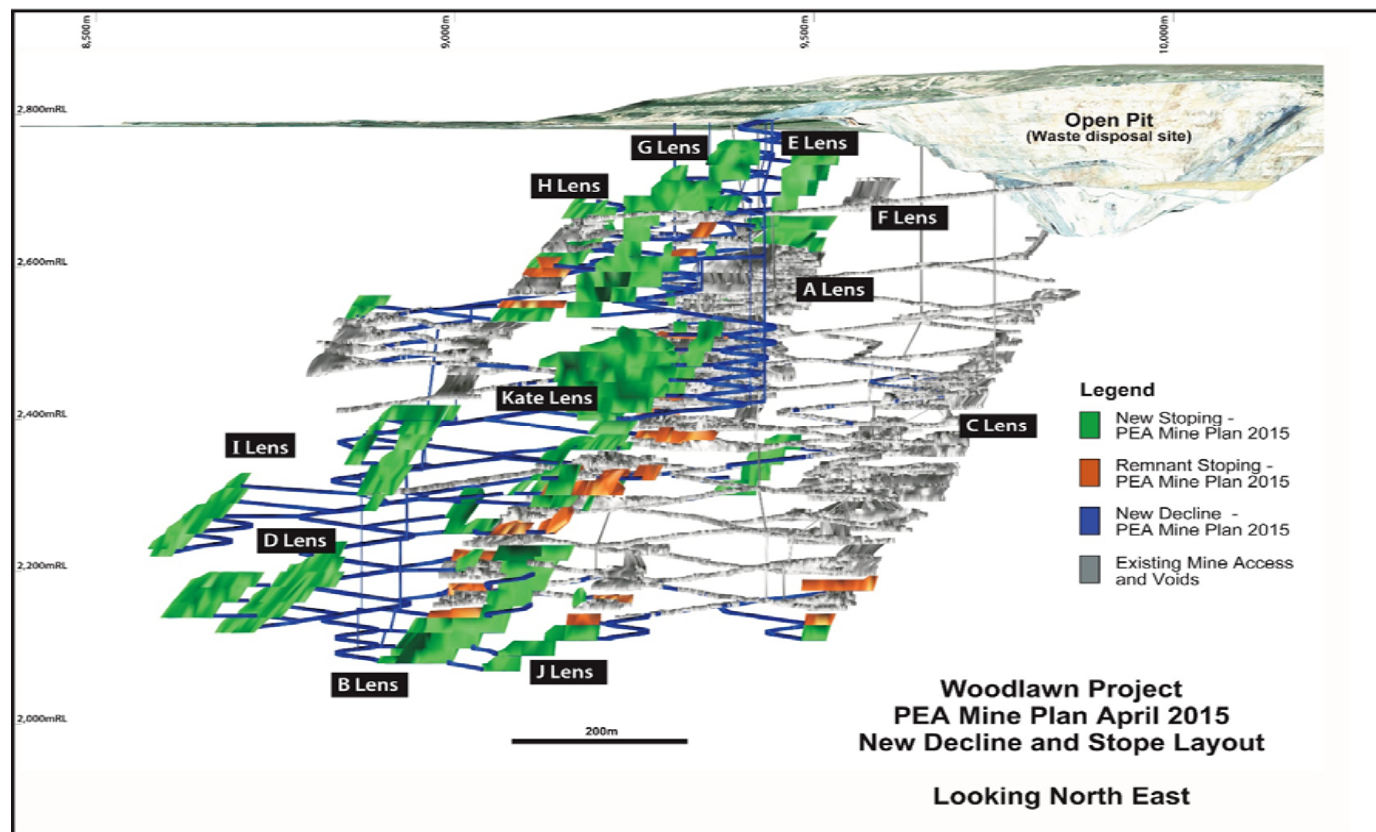
- Sufficient inventory to support underground operations "UG Starter Case"

PEA Outcomes

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

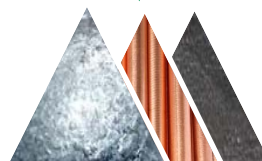
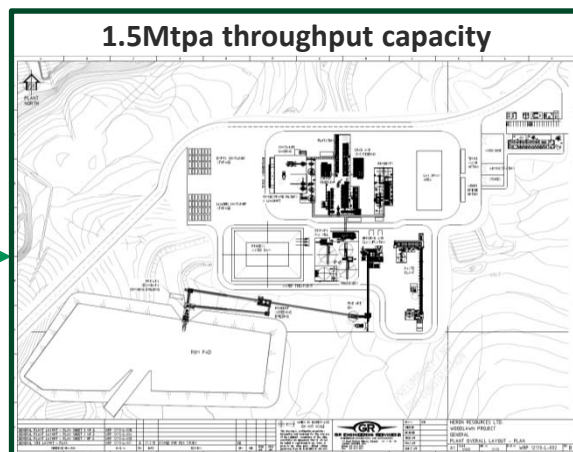
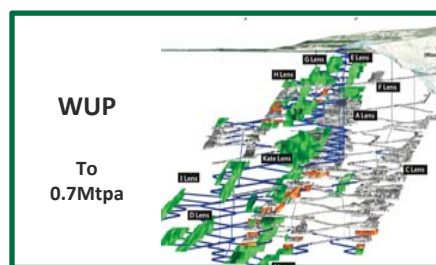
Feasibility Target

- Sufficient Ore Reserves to support funding structure

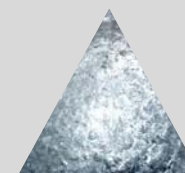


Process Plant Design

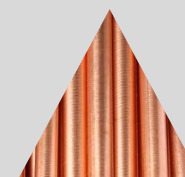
Dual-Feed Treatment



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

"WUP" – Woodlawn Underground Project

"WRP" – Woodlawn Tailings Retreatment Project

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 – July 2013

Box Cut Modification Approval – Apr 2016

Mining Lease – SML20 renewed for 15 Years – Nov 2029

Mine Operations Plan (MOP) Approved – Nov 2015

COMMUNITY ✓

POWER ✓

WATER ✓

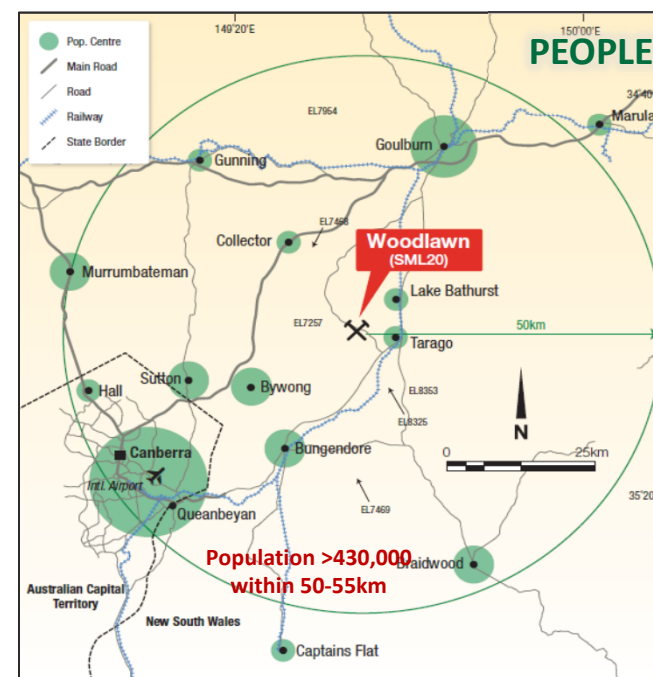
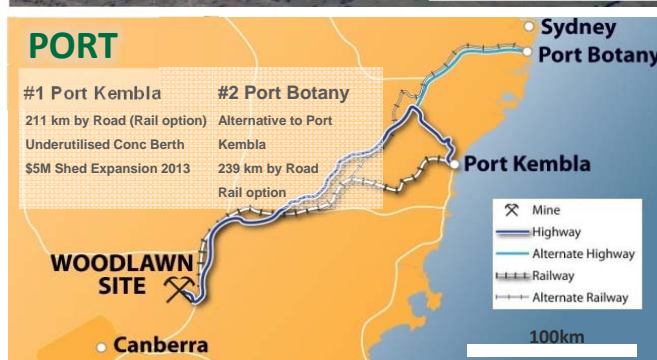
PERMITTING ✓

ACCESS ✓

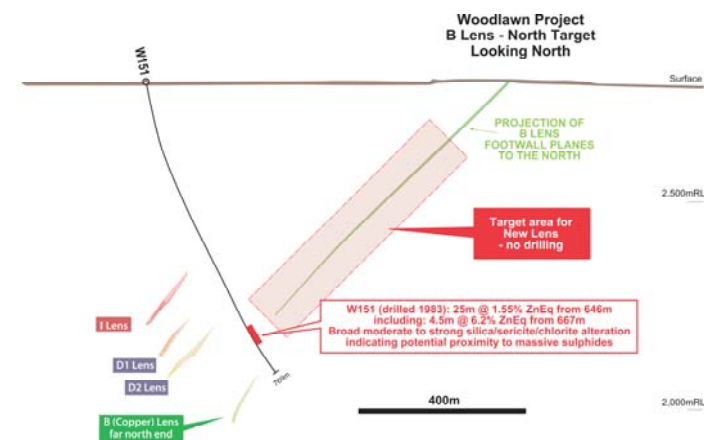
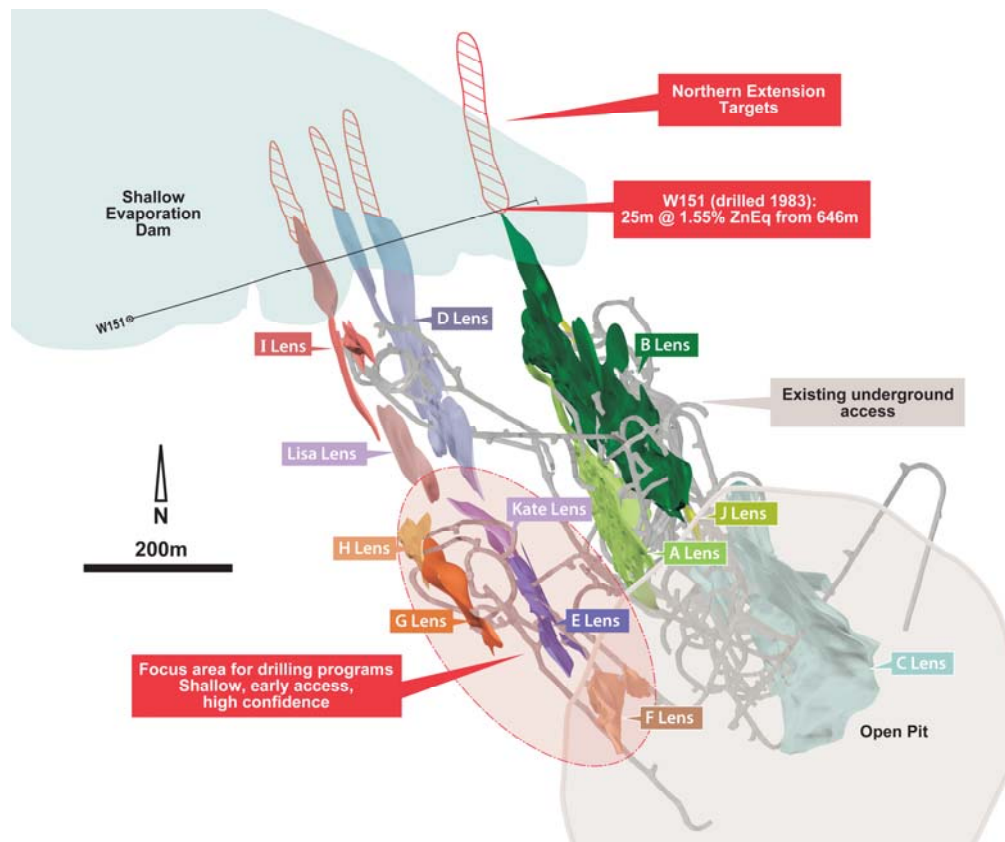
PORT ✓

LABOUR ✓

MINING LEASE ✓



Woodlawn Discovery Potential



In Mine:-

Demonstrated discovery potential

- Kate Lens >0.5Mt
- Lisa Lens

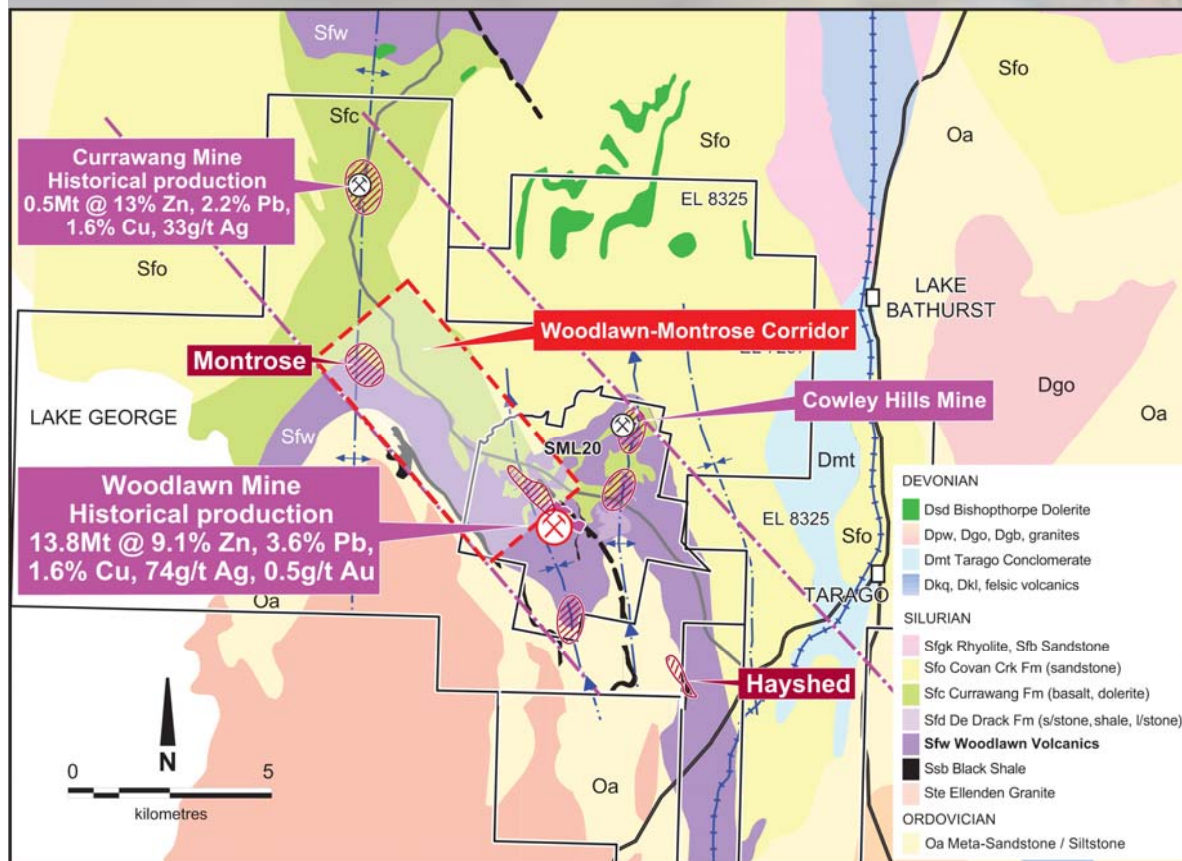
Lens extensions

- Little drilling below operational depth (c. 620m)
- Western lenses not tested to operational depths

New lens discoveries

- Logical structural positions untested
- Isolated massive sulphide intercepts to follow-up

Woodlawn Regional Exploration



A Quality Massive Sulphide District

Dominant Regional Position

- 632 km² under tenure
- Coverage of VMS host rocks

Confirmed Prospectivity - Satellite Production

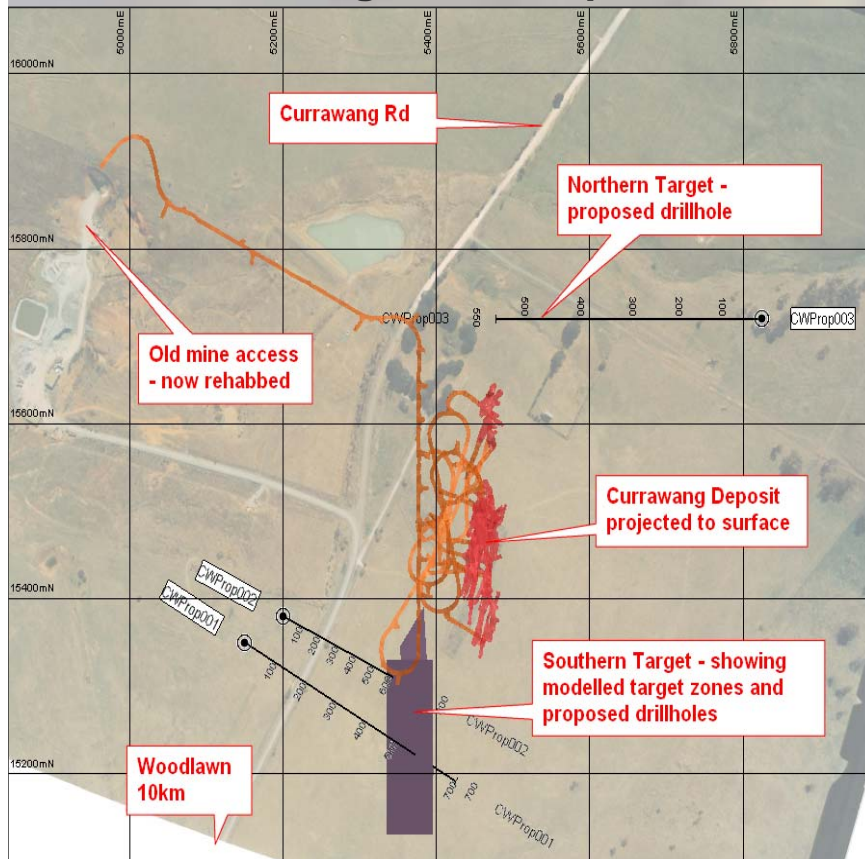
- Currawang Mine
- Cowley Hills Mine

Prospect & Target Generation

- New & historic remote sensing datasets
- Geochem anomalies
- Extensive areas under cover
- Limited systematic exploration for >30 yrs

Currawang Mine

Woodlawn Regional Prospect



Located 10km NW of Woodlawn

Mined 1880's-1890's
Currawang Copper Mine

Mined 1991-1995
0.5Mt @ 13.0% Zn, 2.2% Pb, 1.6% Cu, 33g/t Ag

Northern Target
100m north of the Currawang deposit
CE031 - isolated high-grade intercept drilled in 1980
2.45m @ 6.4% Zn, 2.5% Pb, 0.5% Cu, 16.3g/t Ag

Southern Target
Geophysical datasets
Downhole EM conductor

Active Local Engagement



- **Community Consultation Committee** – Local residents, Goulburn Mulwaree Council, Veolia
- **Local Businesses** – contractors, suppliers, accommodation, maintenance, service providers
- **Education Support** – school/university site visits, onsite work experience, careers sessions
- **Community Involvement (recent)** – Tarago Show sponsorship and Tarago Preschool sponsorship & fund raising



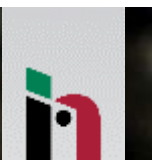
A TASTE OF TARAGO

\$30
+ postage

Heron Resources is proud to have sponsored the Tarago PreSchool with their publication of **A Taste of Tarago** cookbook. Please help us to further support the local community, and increase your culinary delights by purchasing a copy. Email your enquiry to lgundry29@gmail.com.

The image shows the cover of a cookbook titled 'A Taste of Tarago'. The cover features a wooden background with two bowls of orange soup, a fork, and a sprig of rosemary. The price '\$30 + postage' is prominently displayed in the center.

Heron Investment Proposition



- ✓ Zinc – strong and transparent market
- ✓ High-grade / low risk / long life asset
- ✓ PEA – delivered compelling development case
- ✓ Feasibility Study well advanced
- ✓ 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

ASX : HRR

TSX : HER

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