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ASX Release

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Heron-TriAusMin Merger Presentation Retraction & Clarification of Assumptions

Heron Resources Limited (**Heron**) released a Heron-TriAusMin Merger Presentation on 7 April 2014, compiled using material from a previously lodged Heron presentation (released 15 November 2013), Heron December 2013 Quarterly Report (released 30 January 2014), TriAusMin December 2013 Quarterly Report (released 31 January 2014, and TriAusMin presentation (released 4 March 2014) and). Pursuant to ASX Listing Rules and JORC 2012 compliancy, further clarification is required.

1. Woodlawn Mineral Resources

Slide 13 of the Heron 7 April 2014 presentation

The slide is compiled from the previously released TriAusMin 4 March 2014 presentation. The Woodlawn Underground Project (WUP) has a comment regarding "Current M + I + I Resources", referring to Measured + Indicated + Inferred Mineral Resources. This resource data was disclosed originally in TriAusMin's 29 January 2014 release titled "Restatement of Woodlawn Underground Mineral Resources", being a JORC (2012 Edition) release.

Competent person in the TriAusMin 29 January 2014 and 4 March 2014 releases was Robin Rankin. Neither Heron nor TriAusMin is aware of any new information or data that materially affects the information included in the above announcements and all material assumptions and technical parameters continue to apply.

Slide 16 of the Heron 7 April 2014 presentation

The slide is a copy from the previously released TriAusMin 4 March 2014 presentation. In order to provide comparative grade data involving polymetallic resources, industry practice is to convert multiple payable elements into a single metal equivalent (usually the dominant value metal), based on prevailing and stated metal prices (as done in Heron Slide 16). The original TriAusMin slide was generated by three independent industry experts using then prevailing and stated metal prices (all disclosed as a footnote in Heron Slide 16).

In view of the slide being a qualitative equivalent grade indication between some 30 different deposits all with varying metal composition and metallurgical performance, there was no attempt made by the previous publisher of the slide data to account for metallurgical recovery (and such recovery data is often not available), so only published resource grades were used (with no reference to prevailing or estimated metallurgical recovery). JORC 2012 clause 50 requires "assumed metallurgical recoveries for all metals" but this data simply wasn't available to TriAusMin in preparing the slide from their 4 March 2014 presentation. Accordingly, slide 16 is retracted.

Slide 17 of the Heron 7 April 2014 presentation

The Woodlawn Tailings Retreatment Project (WRP) has had a Feasibility Study based on an Ore Reserve completed in 2008/9 which was updated with the completion of a Front End Engineering Design (FEED) Study in March 2012 which was based on an integrated processing facility for the WRP (TriAusMin announcement 22 March 2012). The March 2012 study stated a metal-in-concentrate production target (which is not a statement of actual production), which was reproduced in TriAusMin's 4 March 2014 presentation, and which Heron subsequently used for its 7 April 2014 presentation.

The TriAusMin announcement of 22 March 2012 complies with Listing Rules 5.15 to 5.18.

Pursuant to Listing Rule 5.19, Heron clarifies that its 7 April 2014 release is cross-referenced to TriAusMin announcements dated 22 March 2012 (WRP FEED Study) and 4 March 2014 (presentation).

Heron confirms, as part of its current merger due diligence studies, that all material assumptions underpinning the production target in the initial 2012 public report continue to apply and have not materially changed.

2. Lewis Ponds Mineral Resources

Slide 19 of the Heron 7 April 2014 presentation

The slide uses information from the previously released TriAusMin 4 March 2014 presentation. The slide refers to a "3% zinc equivalent cut-off". In order to calculate resources in polymetallic deposits, industry practice in setting the cut-off grade is often to convert multiple payable elements into a single metal equivalent (usually the dominant value metal).

There was no attempt made by the previous publisher of the slide data to account for metallurgical recovery in setting cut-off grade. JORC 2012 clause 50 requires "assumed metallurgical recoveries for all metals" but this data was not available to TriAusMin in calculating the Resource and in preparing the slide from their 4 March 2014 presentation.

As Lewis Ponds is at Exploration Results stage, metallurgical recovery information is not available or able to be estimated with reasonable confidence. Accordingly, reporting a cut-off grade using metal equivalents may be misleading.

The reporting of metal equivalents was utilized to provide a simplified reference point however given its application at an early stage in the project, this may not be an accurate representation of the final metal equivalent realized by the project.

Metal prices for the Lewis Ponds Mineral Resource estimate as at 26 May 2005 were determined by the then Board of Tri Origin Minerals (now TriAusMin) and were utilized for calculation of the "Zinc Equivalents" of silver, gold, copper and lead assays, as follows:

- Silver US$6.75 per oz, gold US$430 per oz, copper, US$2,860 per tonne, lead US$900 per tonne, zinc US$1240 per tonne.
- Silver, gold, copper, lead and zinc grades were converted to $US and totaled. Division by the zinc unit price converted the total $US to "Zinc Equivalent".

So the Zneq. = (1240 x %Zn + 900 x %Pb + 2860 x %Cu + 430 x g/tAu x 0.03215 + 6.75 x g/tAg x 0.03215)/1240

3. Kalgoorlie Nickel Project Pre-Feasibility Study

Slide 18 of the Heron 7 April 2014 presentation

The information in Slide 18 is derived from Heron's announcements of the Vale Inco farm in to the Kalgoorlie Nickel Project (**KNP**) from 2005 to 2009, and the results of their Pre-Feasibility Study (PFS) were released to the market by Heron on 9 February 2009.

The Vale Inco Study was predicated on the assumption of a High Pressure Acid Leach (HPAL) flow-sheet, with resource for mining of 366 million tonne (Mt) at 0.68% nickel and 0.05% cobalt (80% Indicated and 20% Inferred), throughput 2.5 million tonne per annum (Mtpa) of beneficiated leach feed producing on average 23 thousand tonnes per annum (Ktpa) of nickel in mixed product over 34 years, and total capital cost of A$2.1 billion (for comparative details, refer to the page 3 summary table from the Heron 8 April 2014 announcement).

Heron confirms that all the material assumptions underpinning the Vale Inco 2009 production target or forecast financial information as disclosed in the 9 February 2009 announcement were applicable when disclosed at the time of first reporting and continue to apply for the Heron 7 April 2014 Heron-TriAusMin Merger Presentation announcement and have not materially changed. Heron's announcement of 22 April 2014 provides further information in relation to assumptions underlying the 9 February 2009 announcement in compliance with Listing Rules 5.15 to 5.18.

Pursuant to Listing Rule 5.19, Heron clarifies that its 7 April 2014 release is cross-referenced to the Heron announcements dated 9 February 2009 and 22 April 2014.

The reference in Heron Slide 18 to ">$100 billion in-ground value" has little relationship to future economic viability or value, and is merely included to convey the significance of the KNP resource. Whilst Heron has used in-ground value measures in the past, we understand that their use is unacceptable under JORC 2012 and, accordingly, this statement is retracted.

Ian Buchhorn
Managing Director

The information in this report that relates to Mineral Economics and Exploration is based on information compiled by Ian Buchhorn who is a Member of the Australasian Institute of Mining and Metallurgy. Ian Buchhorn is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to mineral economics and the style of mineralization and type of deposit under consideration, and to the exploration activity that is being undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ian Buchhorn has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.