

Form 604

Corporations Act 2001

Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Heron Resources Limited (Heron)

ACN/ARSN 068 263 098

1. Details of substantial holder (1)

Name Orion Mine Finance Fund II LP (Orion) and each of the entities listed in Annexure 'A' (Orion Group Entity)

ACN (if applicable) Not applicable

There was a change in the interests of the substantial holder on 12 November 2019

The previous notice was given to the company on 30 October 2019

The previous notice was dated 30 October 2019

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interest in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| Ordinary shares | 70,663,685 | 18.74% | 70,663,685 | 16.48% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|------------------|--|---|---|---|-------------------------|
| 12 November 2019 | Orion and each Orion Group Entity | Decrease in percentage of substantial holding due to dilution arising from Heron issuing shares pursuant to underwriting arrangements in relation to Heron's accelerated non-renounceable entitlement offer referred to in Heron's ASX announcements on 4 October 2019, and in respect of the relevant share issue, 13 November 2019. | NA | 70,663,685 ordinary shares | 70,663,685 |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|-------------------------------------|--|---|--------------------------------|----------------|
| Orion | Citicorp Nominees Pty Ltd | Orion | Relevant interest under section 608(1)(b) and (c) of the <i>Corporations Act 2001</i> , being a relevant interest arising through Orion having the power to control the exercise of a right to vote attached to the securities and/or control the exercise of the power to dispose of the securities. | 40,789,474 ordinary shares | 40,789,474 |
| Orion | Orion | Orion | Relevant interest under section 608(1)(a) of the <i>Corporations Act 2001</i> , being a relevant interest arising through Orion being the registered holder of the securities | 29,874,211 ordinary shares | 29,874,211 |
| Each Orion Group Entity | Citicorp Nominees Pty Ltd and Orion | Orion | Relevant interest under section 608(3)(a) and/or section 608(3)(b) of the <i>Corporations Act 2001</i> , being a relevant interest held through a body corporate (Orion) in which the voting power of the relevant Orion Group Entity is more than 20% or which the relevant Orion Group Entity controls. | 70,663,685 ordinary shares | 70,663,685 |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN (if applicable) | Nature of association |
|------------------------------|-----------------------|
| Not applicable | |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|-----------------------------------|--|
| Orion and each Orion Group entity | Cumberland House, 1 Victoria Street, Floor 7, Hamilton, HM 11, Bermuda |

Signature

print name

sign here



capacity Authorised Signatory

date 13 November 2019

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of 'associate' in section 9 of the Corporations Act 2001.
- (3) See the definition of 'relevant interest' in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of 'relevant agreement' in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write 'unknown'.
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure 'A'

This is Annexure 'A' of 1 page referred to in the Form 604 (Notice of Change of Interests of Substantial Holder).

Signed


Authorised Signatory

Date:

13 November 2019

Orion's Group Entities

| Entity |
|--|
| Orion Mine Finance GP II Limited as general partner of Orion Mine Finance GP II LP |
| Orion Mine Finance GP II LP as general partner of Orion |