



Heron Resources Limited

ASX/TSX Release

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Level 7, 191 Clarence St, Sydney, NSW, 2000

heron@heronresources.com.au

+61 8 6500 9200 / +61 2 9119 8111

ABN: 30 068 263 098

Heron Signs New Cooperation Deed with Veolia

Heron Resources Limited ("Heron" or the "Company") is pleased to announce that it has entered into a new Cooperation Deed with Veolia Environmental Services (Australia) Pty Ltd ("Veolia") governing the joint use of the Woodlawn Project site. The entering of a new agreement with Veolia is one of the key prerequisites for advancing Woodlawn Project financing.

The original Cooperation Deed with Veolia was entered into in 2008 and reflected the project as it was understood at that time. The 2015 Preliminary Economic Assessment and 2016 Feasibility Study, along with the focus on the proposed underground mining operations, resulted in a number of technical changes to the profile of the project at the Woodlawn site. These factors, and Veolia's continued development of their activities on site, meant a detailed review and update of the previously agreed Cooperation Deed was required to ensure that it remained relevant and complete with respect to the interaction between the operations of Veolia and Heron at Woodlawn.

The new agreement deals with the respective Heron and Veolia areas, rights and responsibilities associated with the joint use of the site. Specifically the agreement covers:

- Delineation of Heron and Veolia area of operations;
- Establishment of a committee comprising Heron and Veolia representatives to consider site interaction aspects;
- Heron's right to purchase the freehold lands covering its area of operation;
- Division of site rehabilitation obligations and provision of compost material from Veolia for rehabilitation;
- Working offset distances and controls to minimise impact on operations;
- Management of site water with an overall principle of maintaining a zero discharge site; and
- Commercial terms including insurance coverage, environmental bond and the provision of a bank guarantee.

Woodlawn Financing

The Company is progressing the Woodlawn financing discussions with a select number of parties. These discussions are well advanced and is currently in the process of documenting a debt and equity financing structure. Completion of this process is likely to be impacted by the April mid-month period around Easter and ANZAC Day. Whilst the Company expects to finalise the financing, it should be noted that there is no certainty that these discussions will be concluded successfully.

Other activities that are set for completion as part of the financing process include:

- Concentrate Offtake – negotiations are almost complete with the selection of an off-taker for Woodlawn zinc, copper and lead concentrates to be made soon.
- Engineer, Procure and Construct (EPC) contract – contractual discussions and contract documentation is well advanced with execution expected at the time financing is concluded.
- Environmental Protection License – the EPA has indicated that it is in a position to issue this license to Heron upon confirming acceptance from both Veolia and Heron of the draft terms and conditions of their respective EPL's.

Further updates will be provided as these items are completed.

For further information regarding Heron please visit www.heronresources.com.au or contact:



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Mr Wayne Taylor

Managing Director and CEO Heron Resources Ltd

Tel: +61 2 9119 8111

Email: heron@heronresources.com.au

Jon Snowball

FTI Consulting

+61 2 8298 6100

jon.snowball@fticonsulting.com

Heron (Canada)

Tel: +1 647-862-1157 (Toronto)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

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