



Heron Initiates Woodlawn Pre-Mine Entry Drilling Program

- A pre-mine entry drilling program at Woodlawn has been initiated and aims to cover:
 - Resource expansion for early mine production from the shallow G2 Lens
 - Confirmation of geotechnical conditions along the planned decline route, and delineation of shallow mine excavations for backfilling from surface
- The G2 Lens position represents the first underground production source, and resource expansion drilling here will follow-up several significant results reported in 2016, including:
 - 9.8m @ 28% ZnEq¹ from 107m (8.7% Zn, 0.5% Cu, 5.2% Pb, 4.0g/t Au, 326g/t Ag) WNDD0110
 - Including 3.7m @ 56% ZnEq (18.7% Zn, 1.2% Cu, 10.0% Pb, 6.9g/t Au, 650g/t Ag) WNDD0110
 - 11.0m @ 11% ZnEq from 133m (6.3% Zn, 0.5% Cu, 3.3% Pb, 0.1g/t Au, 10g/t Ag) WNDD0106

Heron Resources Limited (ASX:HRR TSX:HER, “Heron” or the “Company”) is pleased to advise that it has initiated a follow-up drilling program at its wholly-owned Woodlawn Project, located 250km south-west of Sydney, New South Wales, Australia. The program is targeting the resource expansion at the shallow G2 Lens position along with confirmatory drilling of the initial decline route, and shallow mine excavation drilling to assist with backfilling. The G2 Lens drilling returned significant results in 2016 and importantly represents the first mineralisation to be accessed in the new underground mine.

Commenting on this program, Heron Resources Managing Director and CEO, Mr Wayne Taylor, said:

“The program represents an important component of the Woodlawn mine optimisation and a vital step prior to mining commencing. Much of the G2 mineralisation is not in the current mining plan and excellent high grade results returned last year bode well for defining a significant zone of ore that can be accessed in the early part of the mine development. This program will generate information which is critical to finalising the mine design and will add to an improved plan for the early stages of mine production.”

A drilling contract has been entered into and the drilling rig and crew will be mobilised in late April with the program taking 2 to 3 months to complete. It is important to note that this drilling program is not a pre-requisite to project financing and is being undertaken now to complete mine planning prior to the start of mine development.

Early Mine Plan Production - G2 Lens Drilling

The G2 Lens is located to the south of the Kate Lens, and adjacent to the planned route of the decline between 100-200m below the surface (Figures 1 & 2). Drilling in 2016 targeted this area to test its ability to add immediately to the early mine inventory. Significant 2016 results for this area include:

- 9.8m @ 28% ZnEq from 107m (8.7% Zn, 0.5% Cu, 5.2% Pb, 4.0g/t Au, 326g/t Ag) WNDD0110
 - Including 3.7m @ 56% ZnEq (18.7% Zn, 1.2% Cu, 10.0% Pb, 6.9g/t Au, 650g/t Ag) WNDD0110
- 6.0m @ 10% ZnEq from 140m (7.9% Zn, 0.2% Cu, 0.7% Pb, 0.2g/t Au, 13g/t Ag) WNDD0110
- 2.9m @ 9% ZnEq from 160m (5.1% Zn, 0.3% Cu, 2.8% Pb, 0.5g/t Au, 11g/t Ag) WNDD0111
- 11.0m @ 11% ZnEq from 133m (6.3% Zn, 0.5% Cu, 3.3% Pb, 0.1g/t Au, 10g/t Ag) WNDD0106

¹ ZnEq % used in this release refers to the calculated Zn equivalent grade based on the Zn, Cu, Pb, Au and Ag grades, the formula for which is provided at the end of this report.



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The G2 Lens mineralisation typically consists of stringer zinc sulphides (sphalerite) with lesser lead and copper sulphides. However, the upper intercept in WNDD0110 is of high-grade polymetallic sulphides (Figure 1) within a broad, shallow-dipping mineralised envelope that contains the other intercepts (Figures 2). This represents a new high-grade zone which will be targeted in the first few holes of the program.

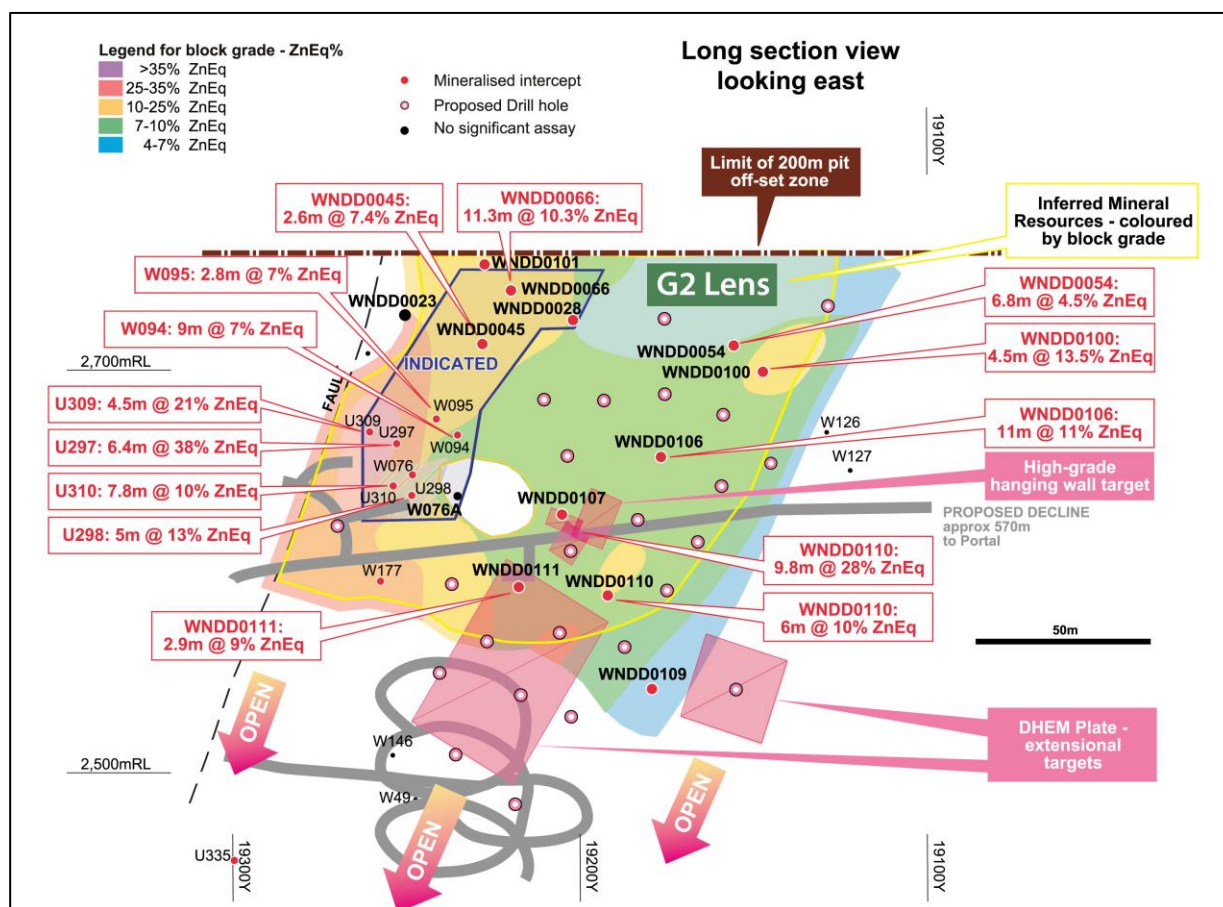
The lower intercept in WNDD0110 (from 140m depth) is more typical G2 Lens stringer sphalerite and is associated with an off-hole EM conductor below the hole (Figures 1 and 2) which provides a clear target for future drilling. The intercept in WNDD0111 is in the plane of the main G2 Lens and provides for continuity of the lens in the down-dip direction.

The proposed program will consist of approximately 26 diamond core holes for 4,300m. The program is expected to deliver a significant addition to the early production base and will be sufficiently drilled to support detailed stope design and development planning. Encouraging recent metallurgical test work on the G2 mineralisation and a broader “early production” composite sample have returned higher metal recoveries than those used in the Woodlawn Feasibility Study and provides an excellent early production source for the operation.

Decline Geotechnical Drilling and Mine Backfill

As part of this program a number of holes for geotechnical purposes will be drilled to provide additional information for the new decline route and confirm the location of near surface underground workings prior to mine re-entry. The mine excavation drilling will assist with the early backfilling of selected voids from surface.

Figure 1: Woodlawn G2 Lens long-section showing interpreted lens shape, recent drilling and proposed infill holes. The pit off-set refers the area from the pit surface projected out 200m and is a limited access zone as contemplated in agreement with Veolia.



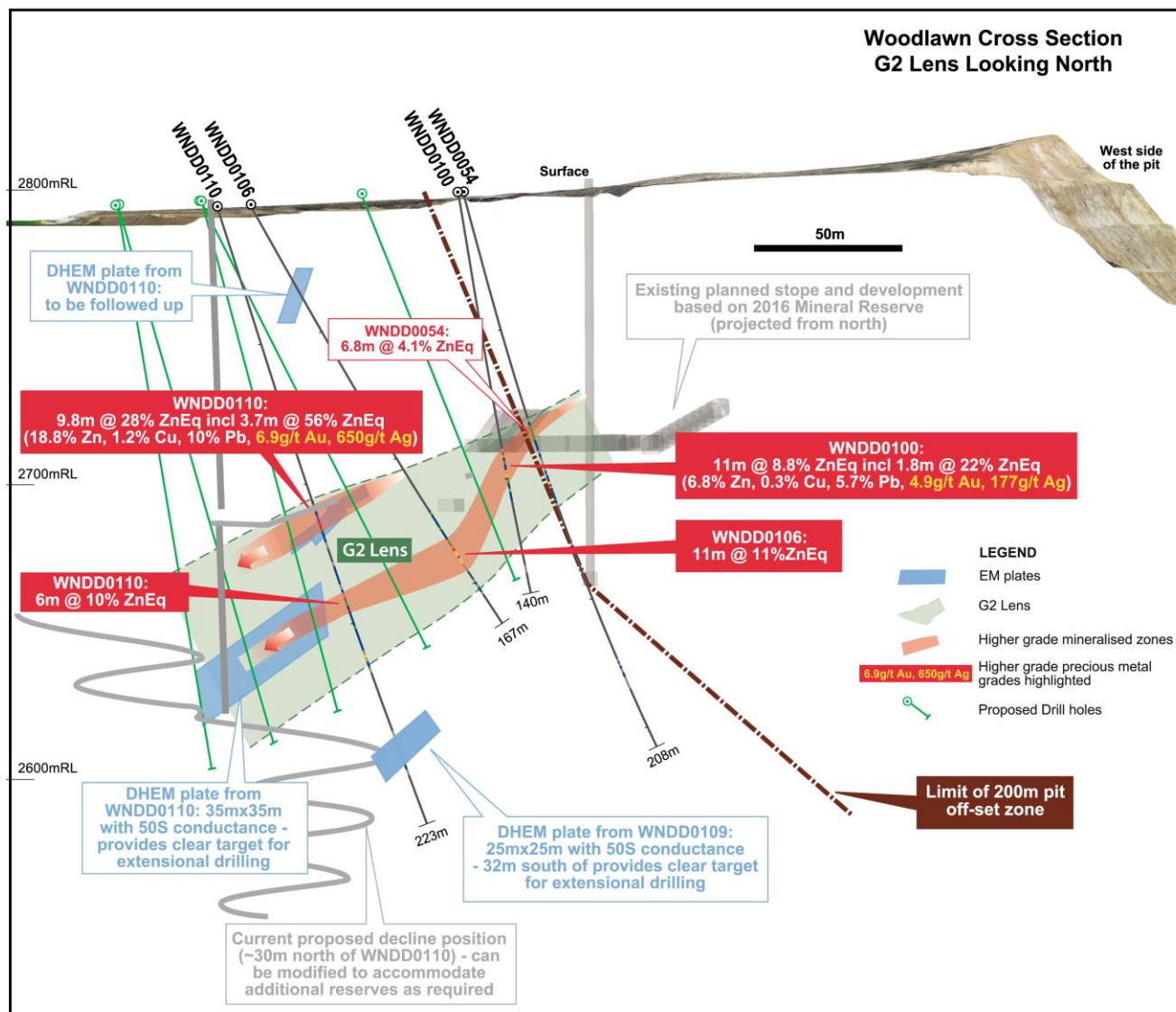


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Figure 2: Woodlawn G2 Lens cross-section showing lens position and location of DHEM modelled plates.



About Heron Resources Limited:

Heron's primary focus is the development of its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia.

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Compliance Statement (JORC 2012 and NI43-101)

The technical information in this report 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 approved the scientific and technical disclosure in the news release.

Zinc equivalent calculation

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 Au, Ag, Cu, Pb and Zn. $ZnEq = Zn\% + Cu\% \times 3.12 + Pb\% \times 0.81 + Au\text{ g/t} \times 0.86 + Ag\text{ g/t} \times 0.03$. 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This report 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 report. 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 report 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 report.**