

8 April 2022

Circular to creditors and shareholders

Heron Resources Limited ACN 068 263 098 (Subject to Deed of Company Arrangement) Section 444GA Application – Explanatory Statement and Independent Expert’s Report

Background

Christopher Hill, David McGrath and Michael Ryan in their capacity as administrators (“**Deed Administrators**”) of the Deed of Company Arrangement (“**DOCA**”) proposed by Develop Global Limited (“**DEVELOP**”) and executed on 25 February 2022 in relation to Heron Resources Limited (Subject to Deed of Company Arrangement) (“**Heron**”) and its subsidiaries as listed in Schedule 1 (all Subject to Deed of Company Arrangement) (collectively “**the Group**”) refer to the DOCA and previous announcements in relation to the DOCA. The DOCA is to effect a restructure and recapitalisation of the Group, which includes the transfer of all the shares in Heron to DEVELOP (or its nominee).

One of the conditions which must be satisfied for the completion and effectuation of the DOCA is that the Deed Administrators obtain leave from the Supreme Court of New South Wales (“**Court**”) pursuant to section 444GA(1)(b) of the *Corporations Act 2001* (Cth) (“**Corporations Act**”) to permit the Deed Administrators to transfer all of the issued shares in Heron to DEVELOP (or its nominee) (“**Section 444GA Order**”).

Section 444GA Application to Court

As announced by Heron on the ASX on 5 April 2022, the Deed Administrators filed an originating process in the Court applying for, amongst other things, the Section 444GA Order (“**Section 444GA Application**”).

A directions hearing in respect of the Section 444GA Application has been set at 10am (Sydney time) on 26 April 2022 (“**Directions Hearing**”). The final hearing, at which the Court will determine whether to make the 444GA Order (“**Final Hearing**”), is expected to be held in early-mid May 2022 (though this is subject to change following the Directions Hearing).

If the Court makes the Section 444GA Order, all of the shares in Heron will be transferred to DEVELOP (or its nominee) for nil consideration. The Section 444GA Application is made on the basis that the transfer would not unfairly prejudice the interests of Heron’s shareholders as the shares in Heron are of no value.

Shareholders and creditors of the Group, the Australian Securities and Investments Commission (“**ASIC**”) and other interested persons are entitled to object to the Section 444GA Application. Any shareholder of Heron or Creditor of the Group who wishes to appear at the Directions Hearing and/or intends to oppose the Section 444GA Application at the Final Hearing must file with the Court and serve on the Deed Administrators a notice of appearance in the Court’s prescribed form, which

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indicates their grounds of opposition, by no later than 4pm (Sydney time) on 22 April 2022. The Deed Administrators will accept service of any notice of appearance at:

- a) by post: c/- King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 (attention: Tim Klineberg and Jeremy Yam); or
- b) by email: heron@au.kwm.com.

Independent Expert Report and Explanatory Statement

In order to determine the value of Heron shares, the Deed Administrators engaged Deloitte Financial Advisory Pty Ltd to prepare an expert report ("**Independent Expert's Report**"). The Independent Expert's Report concludes that the residual equity value of shareholders in Heron is nil.

We have made available an Explanatory Statement for the benefit of Heron shareholders, which:

- provides more detailed information about the Section 444GA Application, including further information about the process for opposing the Section 444GA Application; and
- contains information about an application for relief from section 606 of the Corporations Act that the Deed Administrators have made to ASIC to enable the transfer of shares in Heron to DEVELOP (or its nominee) under the DOCA.

Enclosed with the Explanatory Statement are:

- the Independent Expert's Report; and
- copies of the Court documents filed by the Deed Administrators to initiate the Section 444GA Application ("**Court Documents**").

The Explanatory Statement (enclosing the Independent Expert's Report and Court Documents) have been released to the ASX and are also available on the ASX website (www.asx.com.au) using the issuer code "HRR".

The documents are also available on the FTI Consulting website in the "Public Documents" section:

<https://www.fticonsulting.com/creditors/heron-resources-limited-and-its-subsiaries>

Any orders made by the Court in relation to the Section 444GA Application will be made available on the FTI Consulting website.

We can provide you, via email, with copies of the Explanatory Statement and Independent Expert's Report free of charge, upon request. Please contact the FTI Consulting team on +61 8247 8000 or Muskaan.Gupta@fticonsulting.com if you would like copies of these documents.

Should you have any queries regarding the Explanatory Statement, the Independent Expert's Report or the Section 444GA Application, please contact the FTI Consulting team on +61 8247 8000 or Muskaan.Gupta@fticonsulting.com.

Yours faithfully

Heron Resources Limited ACN 068 263 098 (Subject to Deed of Company Arrangement)



David McGrath
Deed Administrator

SCHEDULE 1
SCHEDULE OF COMPANIES
(ALL SUBJECT TO DEED OF COMPANY ARRANGEMENT)

Company Name	ACN
Heron Resources Limited	068 263 098
Hampton Nickel Pty Limited	100 180 498
Ochre Resources Pty Limited	112 833 351
Tarago Exploration Pty Ltd	115 529 112
Tarago Operations Pty Ltd	127 810 413
Woodlawn Mine Holdings Pty Ltd	612 657 164