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6 March 2018

The following presentation is being delivered by Wayne Taylor, Heron Resources Managing Director and CEO, at the Prospectors and Developers Association of Canada (PDAC) on Tuesday 6th March 2018

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March 2018

PDAC Booth #2153



Heron Resources Limited

Corporate Presentation
Building an Australian zinc producer

TSX:HER

ASX:HRR

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Compliance Statement (JORC 2012 and NI 43-101)

This presentation incorporates by reference the complete ASX announcement relating to the Feasibility Study results which were released to the market on 29 June 2016 and is entitled "Heron Resources delivers robust Feasibility Study for Woodlawn Project" ("FS Announcement"). The FS Announcement is available from the Company's website at www.heronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Mineral Resources and Ore Reserves as well as the detailed technical and financial assumptions which underpin the FS results. These detail assumptions are included in the 'Technical Report (NI 43-101) Feasibility Study for the Woodlawn Project' as released on SEDAR 25 July 2016.

The technical information in this release relating to the exploration results and forward program at the Woodlawn Project 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 mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 edition) and "qualified person" as this term is defined in Canadian National Instrument 43-101 ("NI 43-101"). Mr von Perger has reviewed and approved the technical information this presentation.

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. These metal prices are based on Heron's long term view on average metal prices. It is Heron's view that all the metals within this formula are expected to be recovered and sold. Metallurgical metal recoveries used for the formula are: 88% Zn, 70% Pb, 70% Cu, 33% Au and 82% Ag; these are based on historical recoveries at Woodlawn and supported by metallurgical testwork undertaken during the 2015-16 feasibility study. Commodity prices and metallurgical recoveries are factored into the zinc equivalent calculation using a standard metal equivalent formula.



Heron Resources Limited

HERON RESOURCES INVESTMENT PROPOSITION

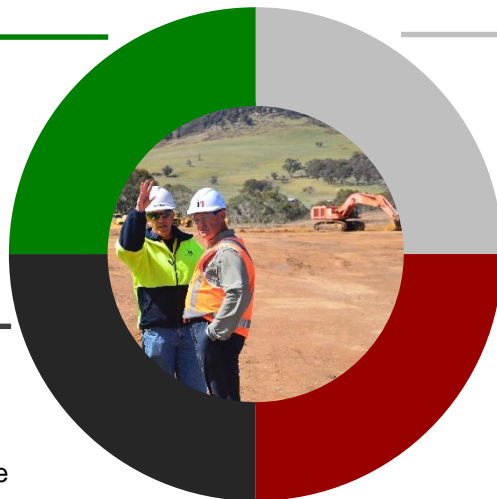
TSX: HER ASX:HRR

MARKET - ZINC

- Supply / demand fundamentals support price strength
- Woodlawn production timed to meet tight physical market

ASSET - WOODLAWN PROJECT

- High quality deposit
- Compelling 'starter' business case
- Favourable jurisdiction & excellent infrastructure
- Longevity through resource conversion & discovery



FINANCED - FOR DEVELOPMENT

- A\$240M full funding package
- Three supportive cornerstone investors

FOCUS - EXCLUSIVELY WOODLAWN

- 100% focus – Woodlawn production
- Construction underway
- First product shipment – Q1 2019
- Growth through strong regional position

WOODLAWN ZINC-COPPER PROJECT



Premier Location

- Access
- Export
- Support

HERON OVERVIEW

Company snapshot



CAPITAL STRUCTURE

Dual listing:	ASX: HRR TSX: HER
Shares:	242 million
Options:	2 million
Share Price:	C\$0.72
Market Cap:	C\$174 million
Cash: (31 Dec 2017)	A\$108 million (unrestricted)
Investments:	A\$17 million (Includes 10 million 25c ASX: ARL options)

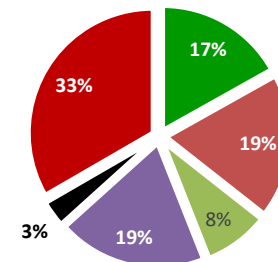


BOARD

Chairman	Stephen Dennis
MD & CEO	Wayne Taylor
Non-Executive Director	Borden Putnam III
Non-Executive Director	Fiona Robertson
Non-Executive Director	Mark Sawyer
Non-Executive Director	Peter Rozenauers
Non-Executive Director	Ricardo De Armas
Non-Executive Director	Ian Pattison



SHARE REGISTER



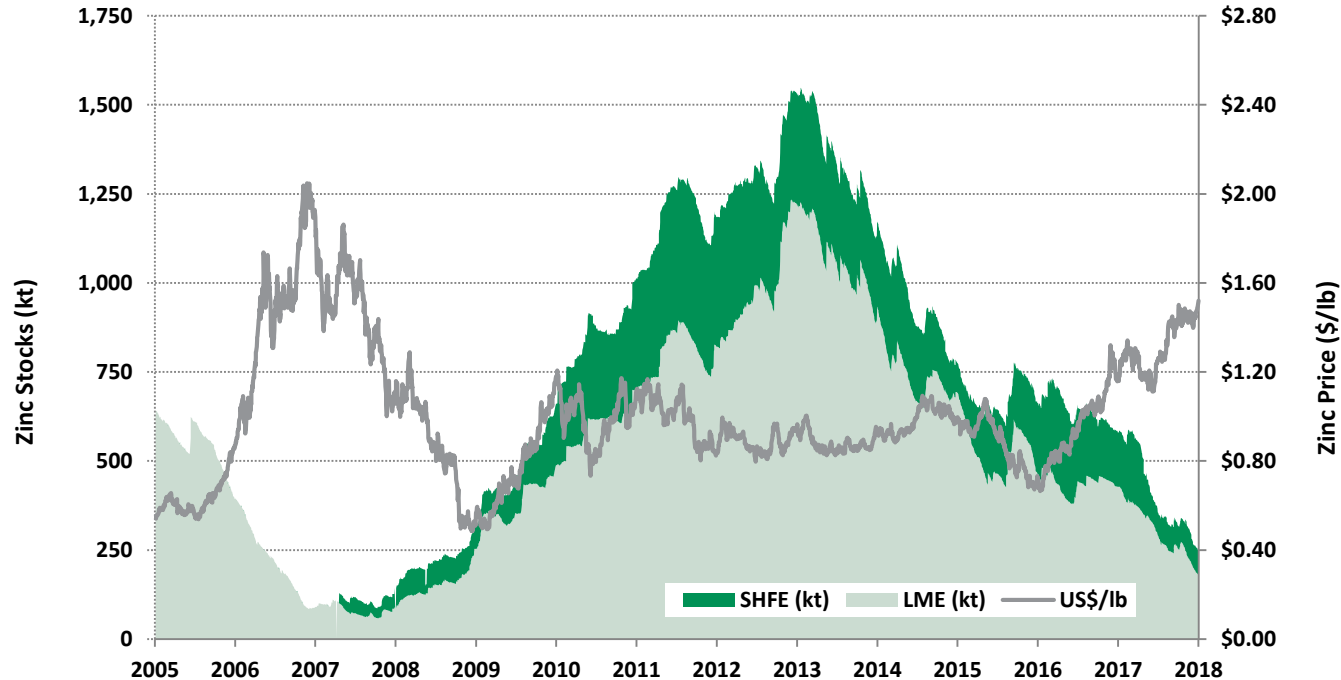
- Orion
- Greenstone
- Greenstone Aff
- Castlelake
- Canadian Register
- Australian Register



Heron Resources Limited

MARKET ZINC FUNDAMENTALS

Prices at 10-year highs with strong outlook



Market fundamentals provide the basis for extended pricing support

A Supply Side Story

Aging production base

+

Project pipeline lacking incentive

+

Producer discipline

&

Demand

Steady consumption growth



MARKET IMBALANCE

ASSET WOODLAWN ZINC-COPPER PROJECT

Unrivalled infrastructure



Feasibility Review

(Feasibility Study - June 2016)

1.5Mtpa Production Rate

9.3yr LOM (Reserves only)

- Significant Resource upside

Reserves

- UG 2.8Mt @ 14% ZnEq¹
- Reprocessing 9.5Mt @ 6% ZnEq

Steady State Gross Production

- 40ktpa Zn (88Mlbs)
- 10ktpa Cu (20Mlbs)
- 12ktpa Pb (25Mlbs)
- + Ag / + Au

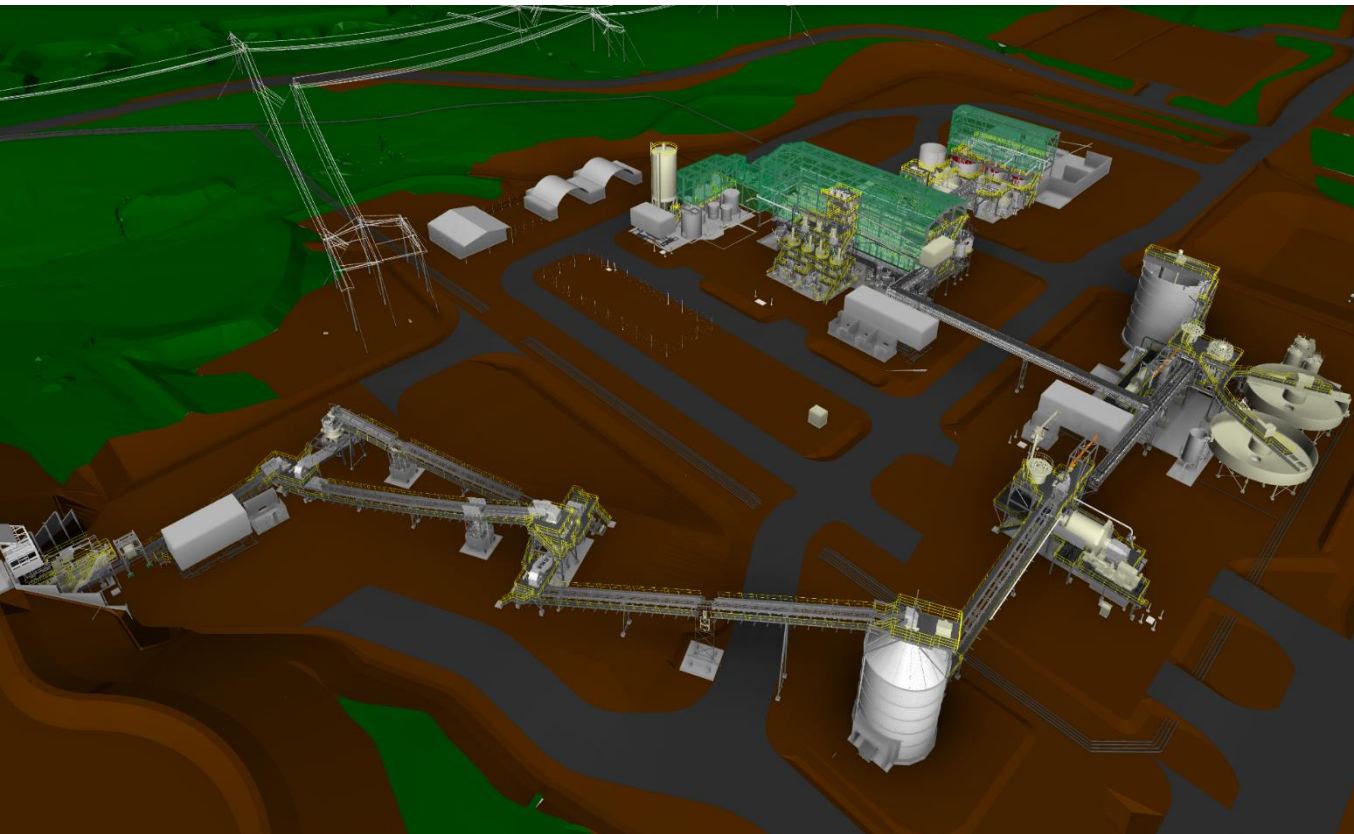
Infrastructure (In Place)

- Access – sealed B-double rated road
- Power – NSW state grid sub-station
- Local Population Centres
- Port – Port Kembla 211km
- Water – Willaroo Bore Field

¹ Refer to Slide 2 for definition

FOCUS WOODLAWN EPC

Construction underway



Project Delivery

Contractor: Sedgman

Value: A\$107M GMP
(Guaranteed Max. Price)

Personnel: 50-75 FTE (current)
250 (peak)

Current Site Activities:

- Earthworks
- Detailed Design
- Equip Purchase
- Site Facilities
- Package Tenders
- Foundations

FOCUS WOODLAWN OPERATIONAL READINESS

Building strong foundations



Current Activities

UG Mining Contract	Awarded
Tails Mining Contract	Tendered
Port Contract	Awarded
Haulage Logistics	Tendered
Power Contract	Pre-tender
Compliance	Env. Monitoring
	Statutory Reporting
	Management Plan
Ops Team	Actively Recruiting

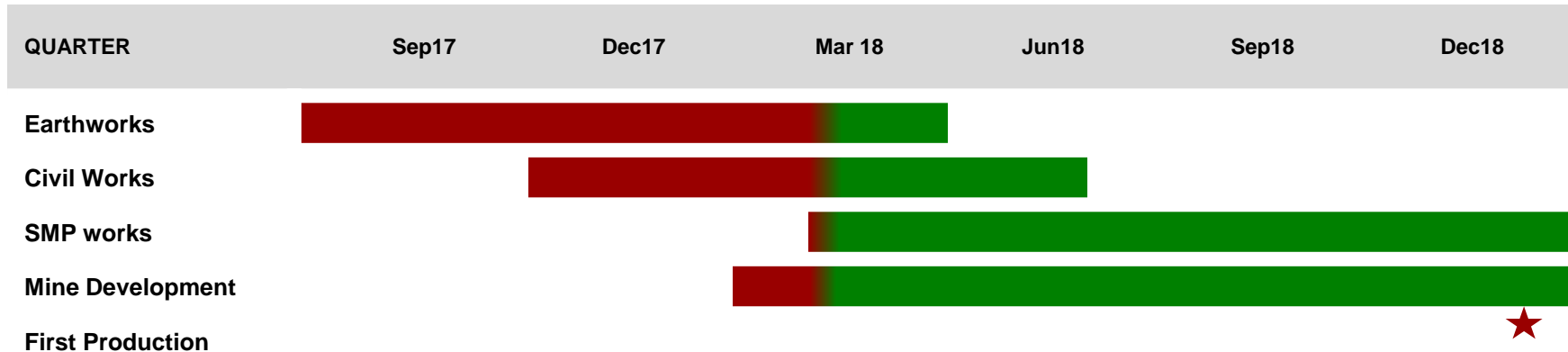
FOCUS EARTHWORKS & CONSTRUCTION PROGRESS



On Plan & On Budget

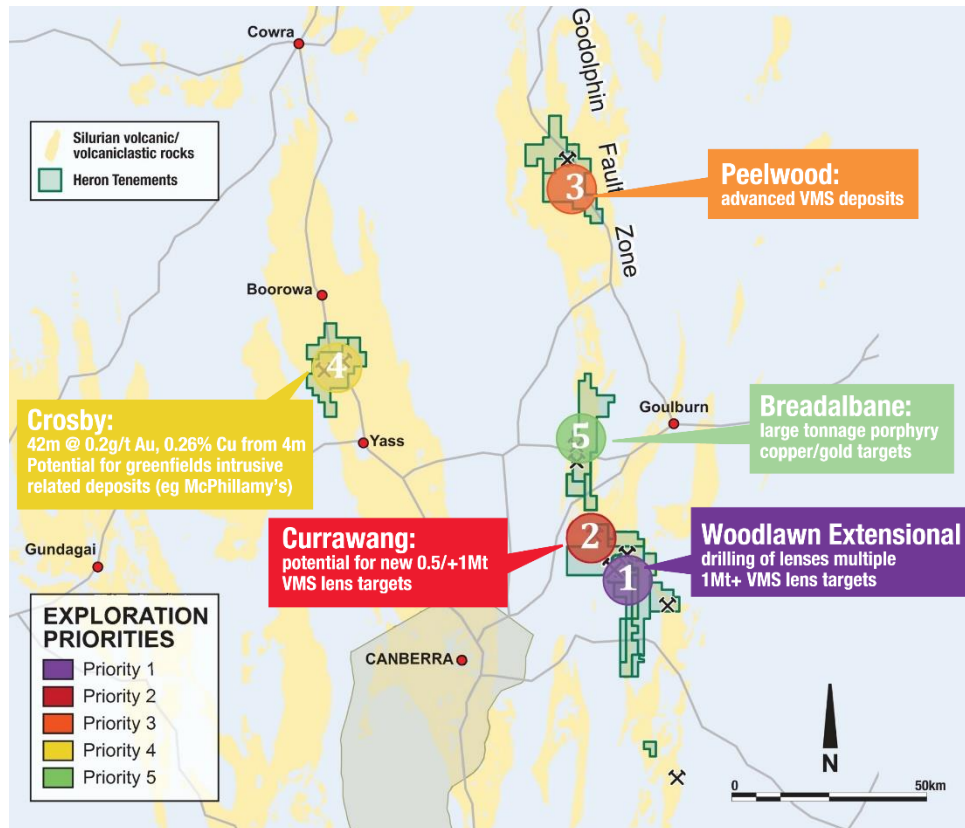
FOCUS WOODLAWN DELIVERY SCHEDULE

Expedited project schedule



GROWTH WOODLAWN EXPLORATION STRATEGY

Value Multiplier – building the business beyond the Feasibility Study ‘Starter Case’



Prioritised Organic Growth

1

In Mine Exploration

- Advancing Inferred Resources
 - UG 2.6Mt @ 15% ZnEq
 - Tailings 1.1Mt @ 5.8% ZnEq
- Shallow extensions – G, G2, Lisa, D lenses
- Adjacent trends & step out targets
- Deeper extensions – all 12 lenses

2

Near Mine (Regional) Exploration

- Historical satellite production sources
- Advanced regional deposits
- Regional prospects
- Commanding land tenure position

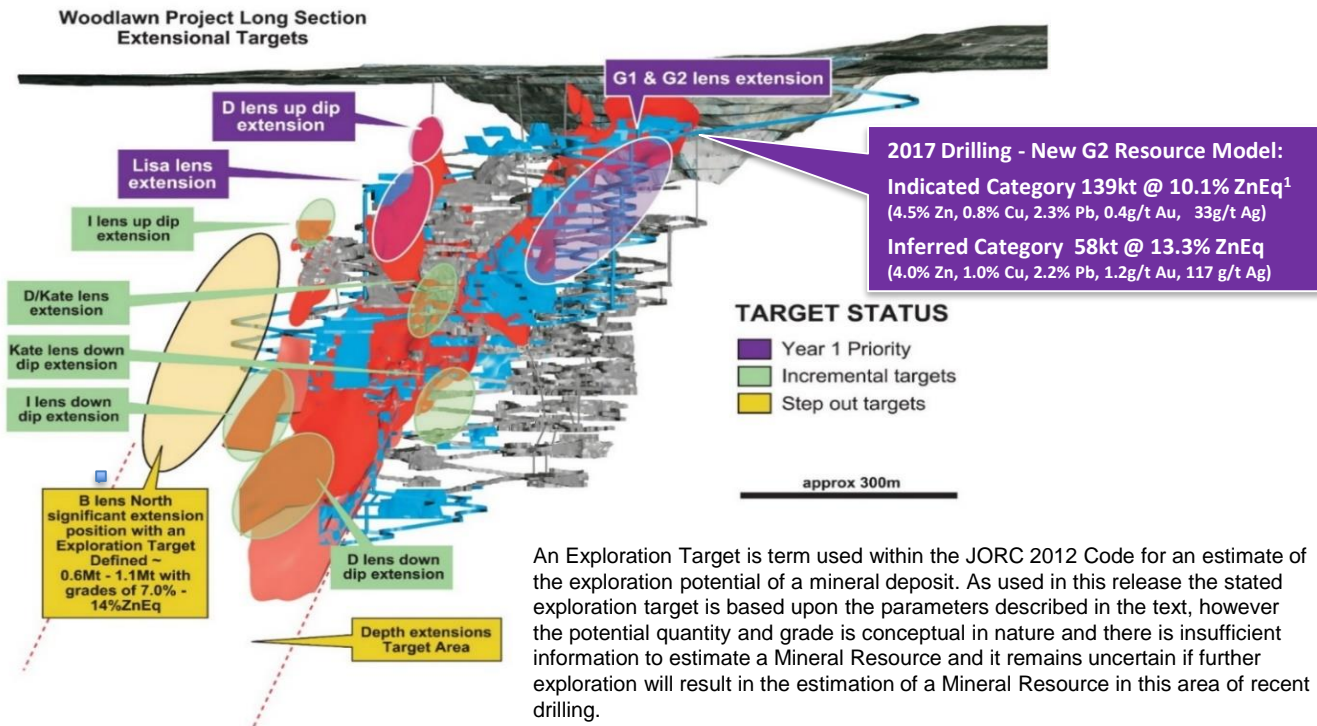
3

4

5

GROWTH WOODLAWN IN-MINE EXPLORATION

Targeted additions to the Mine Plan



An Exploration Target is term used within the JORC 2012 Code for an estimate of the exploration potential of a mineral deposit. As used in this release the stated exploration target is based upon the parameters described in the text, however the potential quantity and grade is conceptual in nature and there is insufficient information to estimate a Mineral Resource and it remains uncertain if further exploration will result in the estimation of a Mineral Resource in this area of recent drilling.

¹ Refer to page 2 for the ZnEq calculation assumptions.

Immediate Value-Add

Significant untapped potential remains 'in-mine'

Numerous extensional positions

Majority supported by existing planned capital development

Initial step – G2 Lens resource addition first mineralisation to be mined

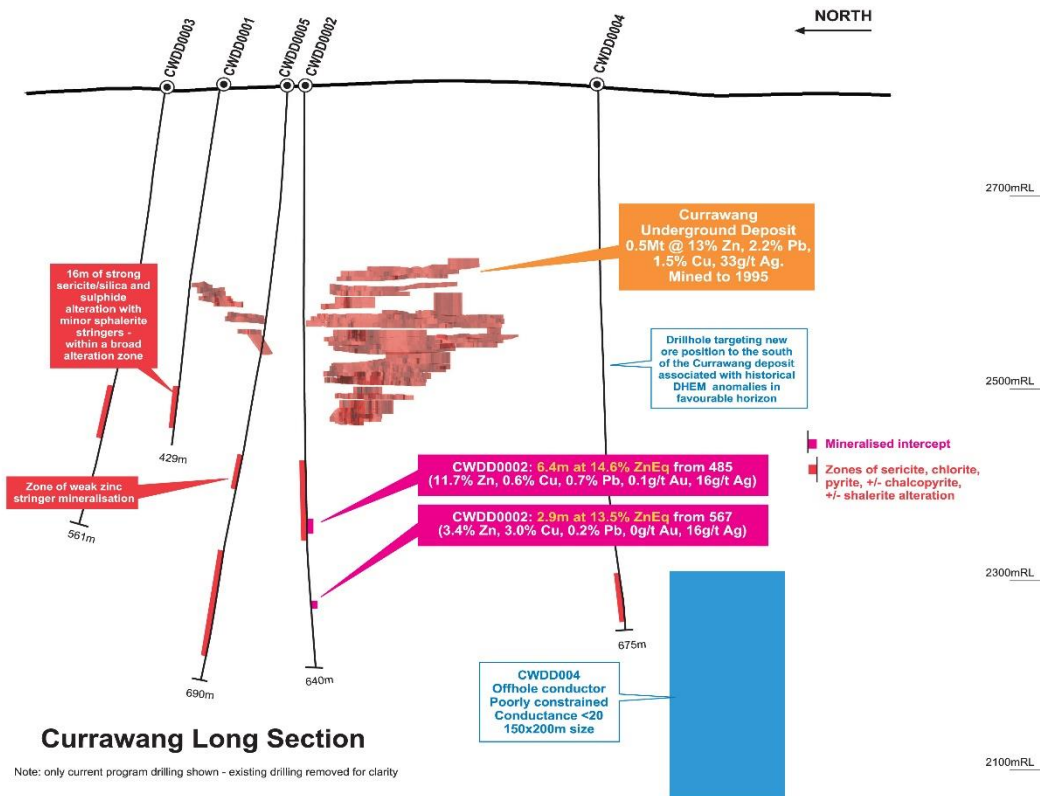
Short term focus turning to the next shallow positions:

- D Lens
- Lisa Lens (drilling Q1 2018)

Progressively targeting to optimise mine development

GROWTH CURRAWANG

Success with the first exploration program in 20 years



Regional Priority

10km NW of Woodlawn

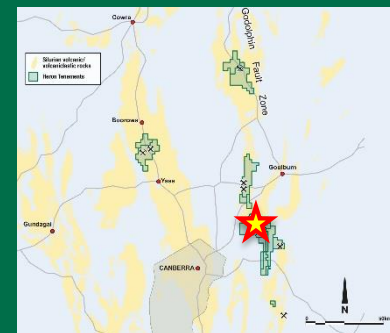
Mined 1992-1996:

- 0.5Mt @ 13% Zn, 1.5% Cu, 2.2% Pb, 33g/t Ag

2017 – Completed 5 hole drilling program

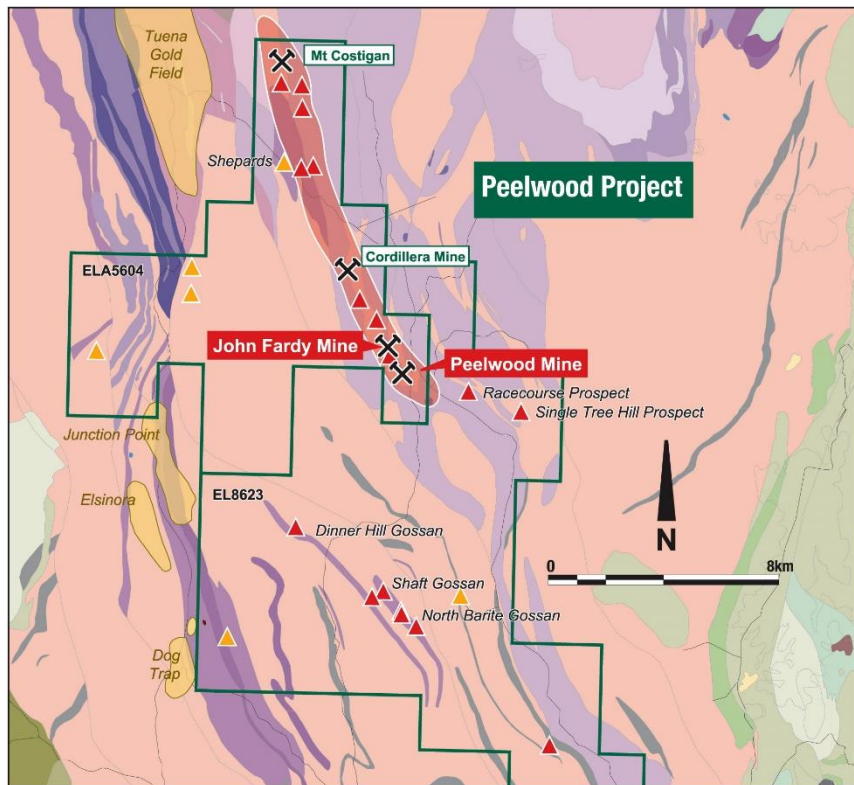
Intercepted semi-massive zinc and copper sulphides:

- 6.4m @ 14.6% ZnEq from 485m (11.7% Zn, 0.6% Cu, 0.7% Pb, 0.1g/t Au, 16g/t Ag)
- 2.9m @ 13.5% ZnEq from 567m (3.4% Zn, 3.0% Cu, 0.2% Pb, 16g/t Ag)

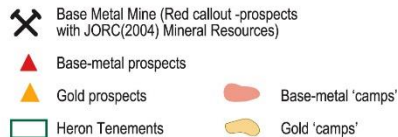


GROWTH PEELWOOD

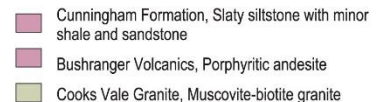
Advanced VMS deposits



LEGEND



Devonian



Silurian



Regional Priority

105km north of Woodlawn

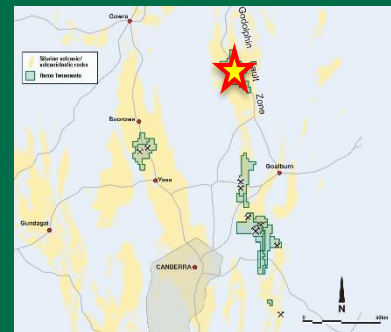
New ELA5604 – VMS camp coverage

John Fardy & Peelwood Mines – a 'forgotten' asset

High grade VMS drill results:

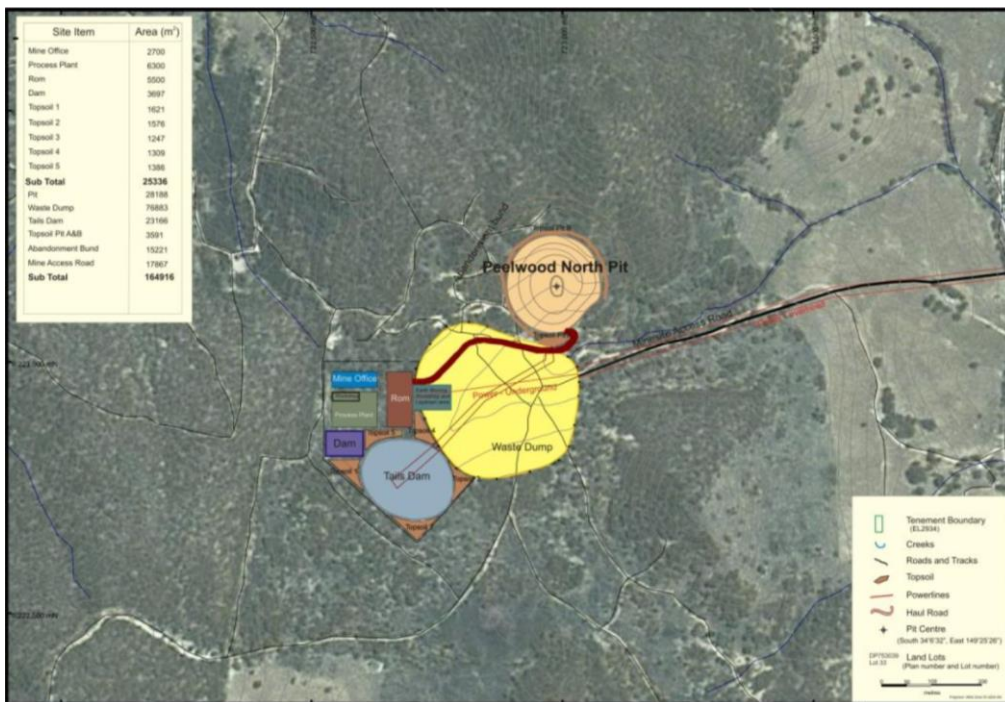
- 8.4m @ from 36m (JF16) (23.5% Zn, 2.6% Cu, 0.6% Pb, 41g/t Ag)
- 6.1m @ from 45m (JF38) (22.7% Zn, 1.2% Cu, 1.5% Pb, 23g/t Ag)

Previously defined resources, reserves and project studies – Balamara 2009

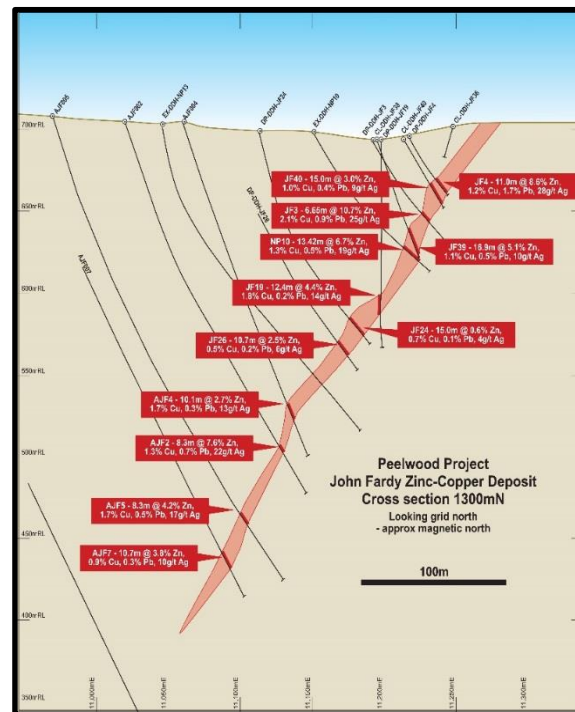


GROWTH PEELWOOD

Accelerated start position – leveraging previous work



Balamara Resources Ltd – Peelwood Mine Design (2 Jan 2014)



Balamara's full Peelwood Project dataset acquired



**WOODLAWN IS ONE OF THE FEW NEW ZINC PROJECTS FULLY FUNDED TO PRODUCTION
&
ON TRACK TO TAKE ADVANTAGE OF A HIGHLY ATTRACTIVE PRICING ENVIRONMENT**

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2016 WOODLAWN MINERAL RESOURCES

Retreatment

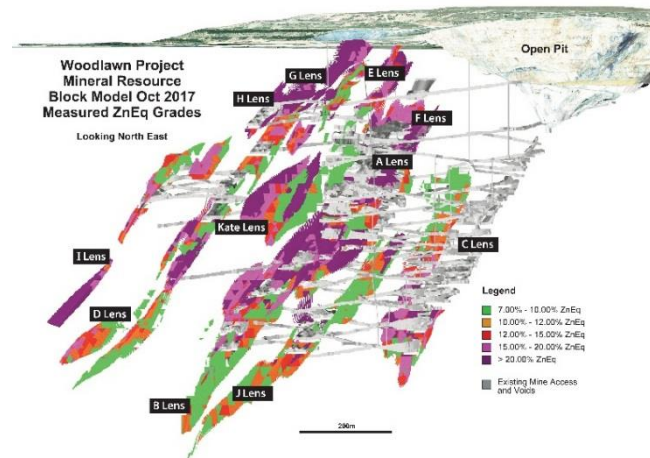


Woodlawn Reclaimed Tailings Mineral Resource – All Dams

Resource Category	Tonnes (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Mea+Ind	9.8	6.2	2.3	0.51	1.3	0.31	32
Inferred	1.1	5.8	2.3	0.47	1.2	0.25	27

Notes: Refer to Slide 2 for ZnEq (%) calculation. Mineral Resources are inclusive of Mineral Reserves.

Underground



7% ZnEq cog for Polymetallic & 1% Cu cog for Copper

Type	Resource Category	Quantity (Mt)	ZnEq (%)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
Poly-metallic	Mea+Ind	2.7	22	11	1.5	4.0	0.7	79
Copper	Indicated	1.9	10	0.7	2.6	0.1	0.2	14
All Total	Mea+Ind	4.6	17	6.7	1.9	2.4	0.5	52
All Total	Inferred	2.6	15	5.6	1.8	2.2	0.6	48

WOODLAWN MINERAL RESERVES & MINE PLANNING

A new high grade underground mine



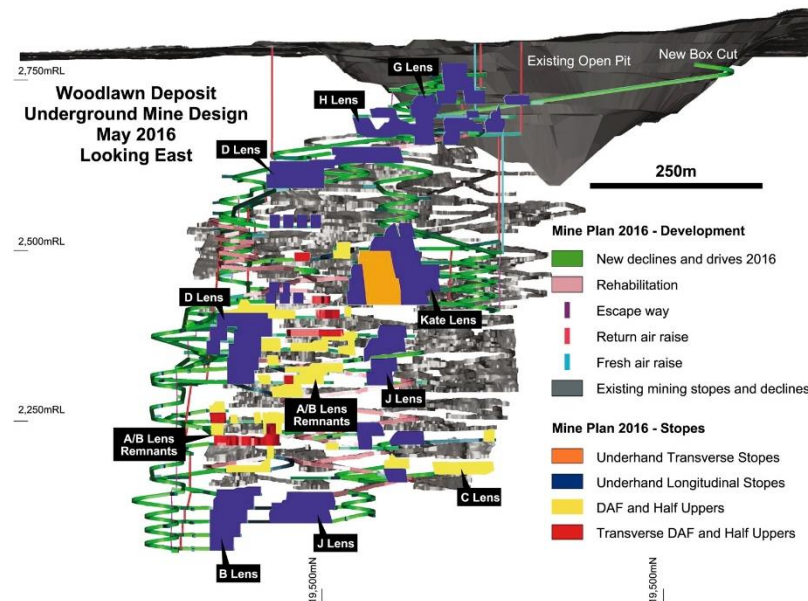
Reclaimed Tailings Mineral Reserves - 9.5Mt

9.5Mt @ 6% ZnEq
(2.2% Zn, 0.5% Cu, 1.3% Pb, 0.31g/t Au, 31g/t Ag)



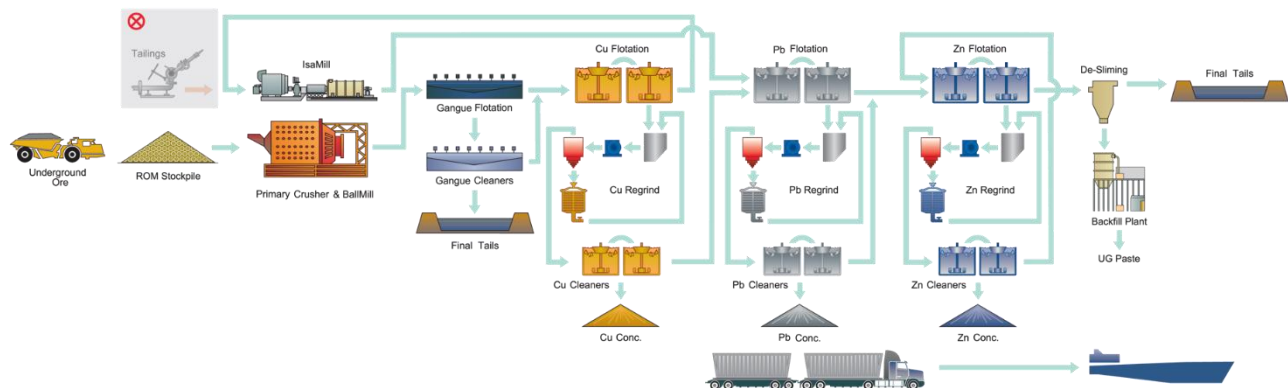
Underground Mineral Reserves - 2.8Mt

Polymetallic: 1.8Mt @ 16% ZnEq (8.1% Zn, 1.2% Cu, 2.9% Pb, 0.56g/t Au, 57g/t Ag)
Copper: 1.0 Mt @ 9% ZnEq (0.6% Zn, 2.4% Cu, 0.1% Pb, 0.23g/t Au, 14g/t Ag)
TOTAL: 2.8Mt @ 14% ZnEq (5.5% Zn, 1.6% Cu, 1.9% Pb, 0.45g/t Au, 42g/t Ag)

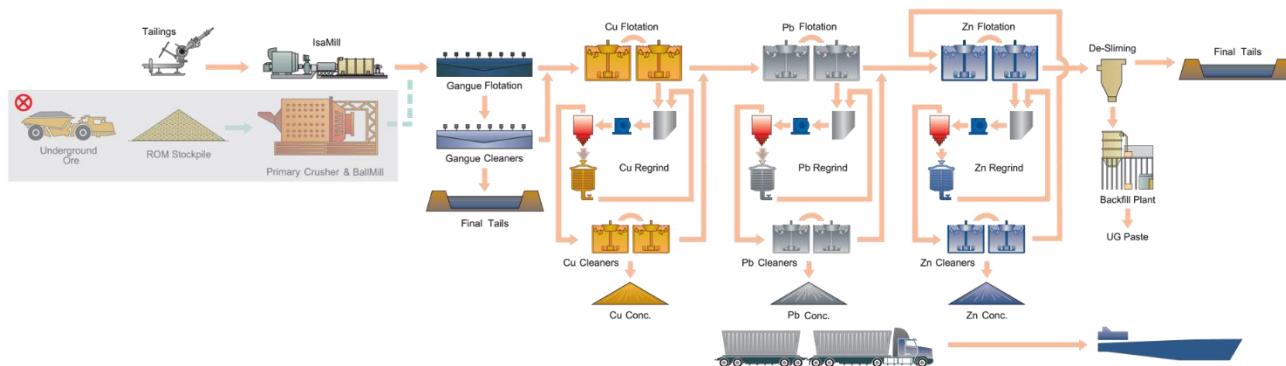


WOODLAWN PROCESS PLANT

Campaign treatment from two de-coupled ore sources



Underground
Ore Configuration

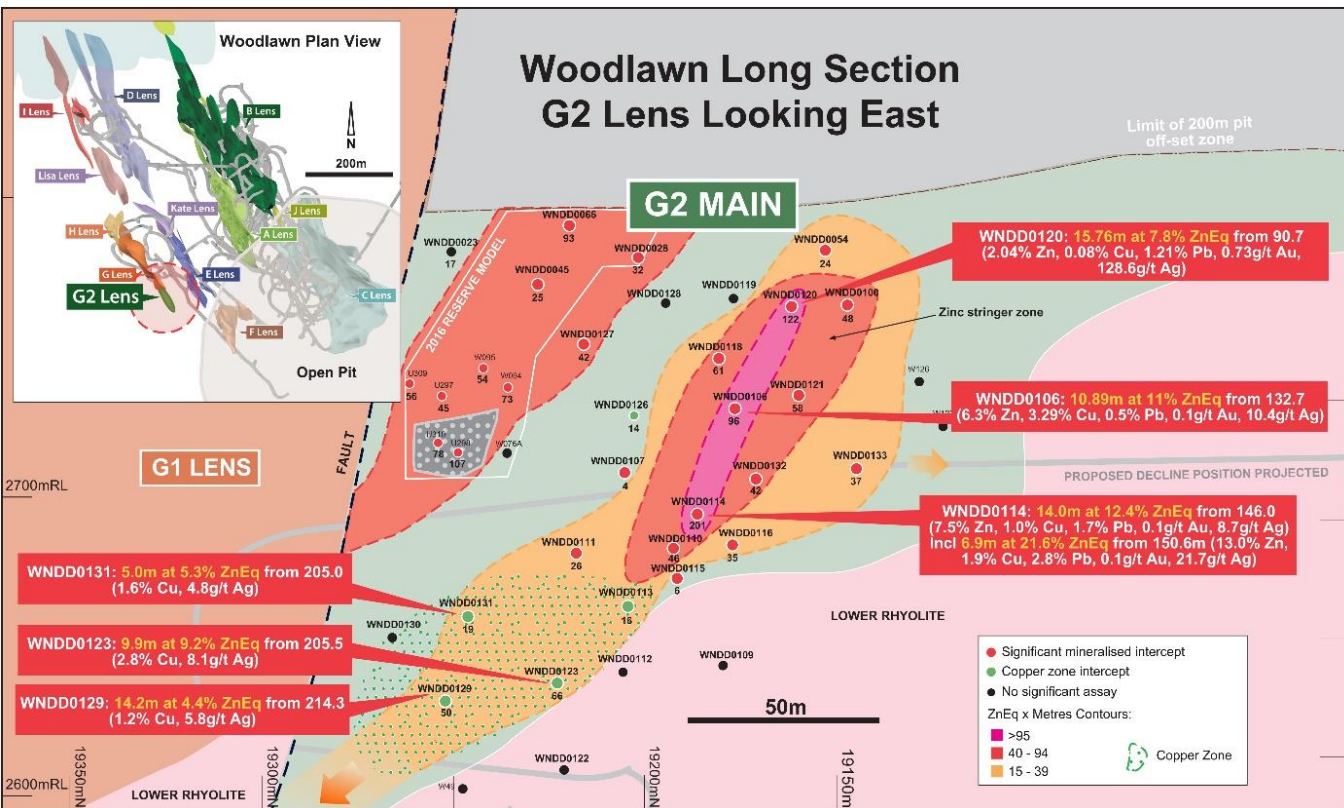


Reclaimed Tailings
Ore Configuration



GROWTH WOODLAWN IN-MINE EXPLORATION

G2 Lens – early stage mine plan addition



Immediate Value-Add

First mineralisation to be accessed underground

Returned high grade results from G2 & G2 H/W

New Resource model:

- Indicated Category 139kt @ 10.1% ZnEq1 (4.5% Zn, 0.8% Cu, 2.3% Pb, 0.4g/t Au, 33g/t Ag)
- Inferred Category 58kt @ 13.3% ZnEq (4.0% Zn, 1.0% Cu, 2.2% Pb, 1.2g/t Au, 117 g/t Ag)

Metallurgical test work program

Extension potential (not closed off)