

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Heron Resources Limited

ACN/ARSN 068 263 098

1. Details of substantial holder (1)

Name CL V Investment Solutions LLC (Castlake V), Castlake III, L.P. (Castlake III), Castlake IV, L.P. (Castlake IV) and each of the related bodies corporate in the Castlake group worldwide (for more details please visit www.castlake.com), including the major subsidiaries and associated companies listed in Annexure A

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on 21/03/2019
The previous notice was given to the company on 15/08/2018
The previous notice was dated 10/08/2018

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests 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	53,920,145	22.31%	61,170,152	25.31%

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
09/08/2018	CL V Investment Solutions LLC	Acquisition of ordinary securities by virtue of an off market share sale between Castlake V and Pala Investments Limited, effected by a Share Sale Agreement (a copy of which is attached as Annexure B).	A\$4,368,129.21	7,250,007 ORD (post-consolidation)	7,250,007

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 (post consolidation)	Person's votes (post consolidation)
Castlake V	Castlake V	Castlake V	Registered holder	14,500,014 ORD	14,500,014

Castlelake III	Castlelake III	Castlelake III	Registered holder	23,335,069 ORD	23,335,069
Castlelake IV	Castlelake IV	Castlelake IV	Registered holder	23,335,069 ORD	23,335,069
Castlelake V, Castlelake III and Castlelake IV's related bodies corporate	Castlelake V, Castlelake III and Castlelake IV	Castlelake V, Castlelake III and Castlelake IV	Entities controlling Castlelake V, Castlelake III and Castlelake IV are deemed to have the same relevant interests as those entities, and other group entities are associates	61,170,152 ORD	61,170,152

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/ARSN (if applicable)	Nature of association
N/A	N/A

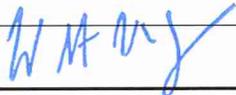
6. Addresses

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

Name	Address
Castlelake V	The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801 United States of America
Castlelake III	4600 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 United States of America
Castlelake IV	4600 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 United States of America
Castlelake V, Castlelake III and Castlelake IV's related bodies corporate	4600 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 United States of America

Signature

print name William Stephen Venable Jr., for Castlelake, L.P., Investment Manager for and on behalf of CL V Investment Solutions LLC, Castlelake III, L.P. and Castlelake IV, LP. capacity Vice President

sign here  date 21 March 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 on 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 2 pages referred to in Form 604 Notice of change of interests of substantial holder by CL V Investment Solutions LLC, Castl lake III, L.P., Castl lake IV, L.P. and their related corporate bodies.

Signed:



Name: William Stephen Venable Jr.
Capacity: Vice President for Castl lake, L.P., Investment Manager for and on behalf of CL V Investment Solutions LLC, Castl lake III, L.P. and Castl lake IV, L.P.
Date: 21 March 2019

CL V Investment Solutions LLC is associated with Castl lake L.P. (its investment manager) and Castl lake V, L.P. (its parent).

The following entities are major associated companies of CL V Investment Solutions LLC:

1. Castl lake III, L.P.;
2. Castl lake IV, L.P.;
3. CL V Investment Solutions TE (Offshore) LLC;
4. CL V Ventures Offshore LLC;
5. CL V Debt Solutions LLC;
6. CL V Investments Offshore LLC;
7. CL V Investments USA LLC; and
8. CL V Funding LLC.

Castl lake III, L.P. is associated with Castl lake III GP, L.P. (its General Partner) and Castl lake L.P. (its investment manager).

The following entities are major subsidiaries and associated companies of Castl lake III, L.P.:

1. CL III ES USA, LLC;
2. CL III Debt Solutions (Offshore) LLC;
3. CL III Debt Solutions 2 (Offshore) LLC;
4. CL III Investment Holding Company (Offshore) LLC;
5. CL III USA Investment Holding Company LLC;
6. CL III REO USA LLC;
7. CL III Funding Holding Company;
8. HFET REO USA, LLC; and
9. CL III REO (Offshore) LLC.

Castl lake IV, L.P. is associated with Castl lake IV GP, L.P. (its General Partner) and Castl lake L.P. (its investment manager).

The following entities are major subsidiaries and associated companies of Castlelake IV, L.P.:

1. CL IV ES USA, LLC;
2. CL IV REO (Offshore) LLC;
3. CL IV REO USA, LLC;
4. CL IV Debt Solutions (Offshore) LLC;
5. CL IV Debt Solutions 2 (Offshore) LLC;
6. CL IV Funding Holding Company LLC;
7. CL IV Investment Holding Company (Offshore) LLC; and
8. CL IV USA Investment Holding Company LLC.

Annexure B

This is Annexure B of 5 pages referred to in Form 604 Notice of change of interests of substantial holder by CL V Investment Solutions LLC, Castlake III, L.P., Castlake IV, L.P. and their related corporate bodies.

This Annexure B is a true copy of the original document.

Signed:

A handwritten signature in blue ink, appearing to read "W S Venable Jr.", written in a cursive style.

Name:

William Stephen Venable Jr.

Capacity:

Vice President for Castlake, L.P., Investment Manager for and on behalf of CL V Investment Solutions LLC, Castlake III, L.P. and Castlake IV, L.P.

Date:

21 March 2019

Share Sale Agreement dated 21 March 2019

Parties **Pala Investments Limited**
of 12 Castle Street, Jersey JE2 3RT, Channel Islands
(**Seller**)

CL V Investment Solutions LLC
of The Corporation Trust Company Corporation Trust Center, 1209 Orange Street,
Wilmington, Delaware 19801, United States of America
(**Buyer**)

Introduction

- A** The Seller is the beneficial owner of shares in Heron Resources Limited ACN 068 263 098 (**Heron**), a company listed on the Australian Securities Exchange. The Buyer is also the owner of shares in Heron.
- B** The Seller has agreed to sell, and the Buyer has agreed to purchase, 7,250,007 fully paid ordinary shares in Heron (**Shares**) on the terms and conditions of this agreement.

It is agreed

1 Definitions

In this agreement:

- (1) **Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;
- (2) **Completion** means completion of the sale and purchase of the Shares in accordance with clause 5.2;
- (3) **Heron** has the meaning given in paragraph A of the Introduction.
- (4) **Purchase Price** means \$4,368,129.21, at a purchase price per Share of \$0.6025; and
- (5) **Shares** has the meaning given in paragraph B of the Introduction.

2 Interpretation

- (1) Reference to:
 - (a) the singular includes the plural and the plural includes the singular;
 - (b) time is to time in Perth, Western Australia; and
 - (c) money is to Australian dollars, unless otherwise stated.

- (2) A provision of this agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the agreement or the inclusion of the provision in the agreement.
- (3) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.

3 Sale and purchase

Seller agrees to sell the Shares to the Buyer and the Buyer agrees to purchase the Shares from the Seller on and subject to and on the terms and conditions of this agreement.

4 Purchase Price

The consideration payable by the Buyer to the Seller for the Shares is the Purchase Price.

5 Completion

- 5.1 Completion shall take place three (3) Business Days after the date of this agreement (or such other later date as may be agreed by the parties).
- 5.2 At Completion:
 - (1) subject to the Buyer first complying with its obligations under clause 5.2(2), the Seller must procure the transfer of the Shares to Buyer and arrange for the Shares to be transferred (at Completion) within the CHES system to the account of the Buyer (provided that the Buyer has, prior to Completion, provided the Seller with all relevant details, including details of its CHES sponsor, and any other documentation reasonably required by the Seller to arrange for the transfer); and
 - (2) the Buyer must pay to Seller the Purchase Price in full by electronic funds transfer to the Seller (or as the Seller may otherwise direct) provided that the Seller has, prior to Completion, provided the Buyer with details of the account into which the Purchase Price is to be paid.
- 5.3 All actions at Completion will be taken to take place simultaneously and a delivery or payment will not be regarded as having been made until all deliveries and payments to be made at Completion have been made.

6 Buyer warranties

- 6.1 The Buyer warrants that, as at the date of this agreement and the date of Completion:
 - (1) the execution of this agreement and the implementation of the transactions contemplated by it does not contravene any law or order binding upon the Buyer; and
 - (2) it is not wound up, no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose.
- 6.2 The Buyer indemnifies the Seller against all damage, loss, cost, liability or expense incurred by the Seller arising from or connected with a breach of any of the warranties in clause 6.1.

7 Seller warranties

- 7.1 The Seller warrants that, as at the date of this agreement and the date of Completion:
- (1) the execution of this agreement and the implementation of the transactions contemplated by it does not contravene any law or order binding upon the Seller;
 - (2) it is not, and at no time has been, a holder of 10% or more of the issued shares in Heron;
 - (3) it is not wound up, no resolution for its winding up has been passed and no meeting of members or creditors has been convened for that purpose; and
 - (4) the Shares are free from any security interest (as defined under the *Personal Property Securities Act 2009* (Cth)) or any other form of encumbrance and no person has claimed an interest of that kind in respect of the Shares.
- 7.2 The Seller indemnifies the Buyer against all damage, loss, cost, liability or expense incurred by the Buyer arising from or connected with a breach of any of the warranties in clause 7.1.

8 General provisions

- 8.1 The law of Western Australia governs this agreement.
- 8.2 The parties submit to the non-exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.
- 8.3 This agreement may be executed in any number of counterparts. Each counterpart is an original but the counterparts together are one and the same agreement.
- 8.4 This agreement constitutes the entire agreement between the parties as to its subject matter. An amendment or variation to this agreement is not effective unless it is in writing and signed by the parties.
- 8.5 No party may assign or otherwise deal with its rights under this agreement without the prior consent of the other.
- 8.6 Each party must pay its own costs and outlays connected with the negotiation, preparation and execution of this agreement. Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this agreement or any transaction contemplated by this agreement, must be paid by the Buyer.

[Signing page follows]

Executed as an agreement.

Signed by **Pala Investments Limited**:



Signature of Director



Print Name of Director

Signed for and on behalf of **CL V Investment Solutions LLC** by its authorised representative in the presence of:

Signature of witness

Signature of authorised representative

Name of witness
(BLOCK LETTERS)

Name of authorised representative
(BLOCK LETTERS)

Address of witness

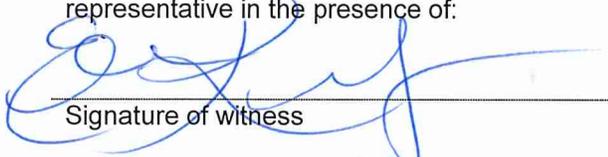
Executed as an agreement.

Signed by **Pala Investments Limited**:

Signature of Director

Print Name of Director

Signed for and on behalf of **CL V Investment Solutions LLC** by its authorised representative in the presence of:



Signature of witness
Ellen Krumholz

Name of witness

**4600 Wells Fargo Center
90 South 7th Street
Minneapolis, MN 55402**

Address of witness



Signature of authorised representative

**William Stephen Venable JR
Vice President**

Name of authorised representative