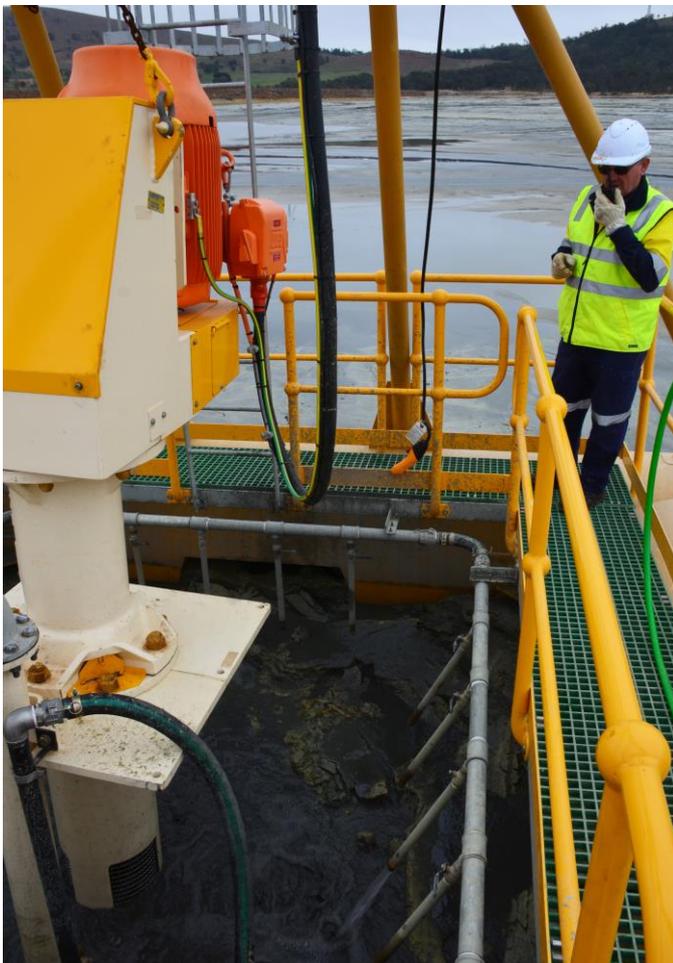




HERON COMMENCES COMMISSIONING ACTIVITIES AT WOODLAWN ZINC-COPPER MINE

- Commissioning activities are underway at the Woodlawn combined underground mine and tailings retreatment project.
- Heron and contractor commissioning teams in place.
- Hydraulic tailings retreatment preparations have commenced with infrastructure energised and water testing underway.
- Process plant commissioning has commenced with the testing of the plant control circuits.
- Commissioning of the water treatment plant is well advanced.
- First production scheduled for Qtr. 1 2019.

Heron Resources Limited (ASX:HRR) is pleased to announce the commencement of commissioning activities at the Company's 100% owned Woodlawn Zinc-Copper Project. This represents the start of the last major construction step prior to production activities.



The hydraulic mining operation, alongside the underground operations that commenced in September 2018, will provide a second ore source to be processed through the new processing plant. The hydraulic mining operation covers the recently arrived hydraulic monitors (Figure 1) and the associated high-pressure water, reclaim and slurry transfer pumps (Figure 2).

The commissioning activities have involved the functional testing of equipment in the circuit including the commissioning of the trash screen and transfer pumps at the transfer station.

Figure 1: Operational testing of the tailings reclaim barge on Tailings Dam South (TDS)



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Commissioning activities are expected to ramp up over a 4 to 8 week period and will include the hydraulic excavation of the main channels in preparation for ore commissioning of the process plant with progression to full production rates.



Figure 2: Hydraulic mining water reclaim, trash screen and transfer pump station

The EPC contractor has commenced its commissioning activities in the main process plant, with low voltage and control circuit testing underway. These activities (dry, wet and ore commissioning) will continue through stages into quarter 1 2019 when first production is expected. As at the end of November the EPC contractor reported commissioning at 5% complete.

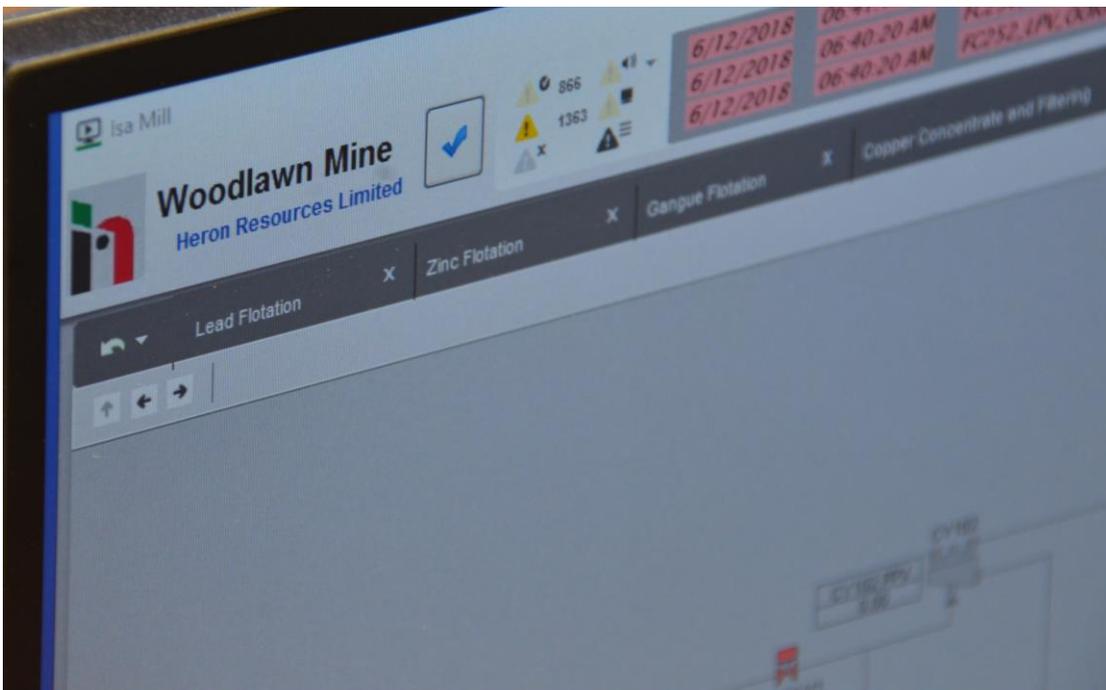


Figure 3: Control system testing in the processing plant control room



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An integral component of the Woodlawn process plant is the water treatment plant that is well into the commissioning phase. This important area has been configured to allow treatment of any out of specification surface and underground water into high-quality make up water suitable for use in the processing operations.



Figure 4: Water treatment plant commissioning well underway

In conjunction with the commissioning preparation related activities that have been occurring over the past few months, the Woodlawn site team have also been progressing production readiness preparations. First fill consumables orders have been placed, and the operation is at full manning requirements for initial commissioning.

Heron Resources Managing Director, Wayne Taylor commented:

“Commencement of the commissioning activities marks the start of the final phase in the construction program for the Woodlawn Project. We have now been under construction for 16 months and while there is still much to do, this is an exciting time as various components of the process plant are powered up. We have also been busy readying ourselves for the commencement of production activities to make our transition to becoming a significant new base metal producer early in 2019 as rapidly as possible.”

Further market updates will be provided as the operation progresses toward first production.



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About Heron Resources Limited (ASX:HRR)

Heron Resources Limited (ASX:HRR) is engaged in the exploration and development of base and precious metal deposits in Australia. Heron's primary focus is on its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia – one of the few new zinc projects that is fully-funded to production. With production due in early 2019, this places the Company on track to participate in the pricing environment supported by a strong zinc physical market. In addition, the Company has a number of significant high quality, base and precious metal tenements regional to the Woodlawn Project.

To learn more, please visit: www.heeronresources.com.au or contact:

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