



Heron Resources Limited

Mining NSW Conference, Orange



**Creation of a Well-Capitalised
Lachlan Fold Belt Focused
Base and Precious Metals Company**

26 August 2014

ASX: HRR | TSX: HER

Forward Looking and Compliance Statements



- The information contained in this presentation has been prepared using the information available to Heron Resources Ltd (Heron) at the time of preparation. This presentation also contains forward-looking statements that were based on expectations, estimates, projections and extrapolations as of the date of this presentation. Any forward-looking statement is subject to known and unknown factors which may cause actual results and developments to materially differ from those expressed by, or implied by the forward-looking statements in this presentation.
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- Competent Person/Qualified Person
 - (a) The technical information in this news release relating to the exploration results at the Woodlawn Project is based on information compiled by Mr Rod Arnold, who is a Member of the Australasian Institute of Geoscientists. Mr Arnold 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 2004 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 Arnold consents to the inclusion in this news release of the information in the form and context in which it appears.
 - (b) The technical information in this news release relating to the Woodlawn Mineral Resources is based on information compiled by Mr Robin Rankin, who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and accredited by the AusIMM since 2000 as a Chartered Professional (CP) in the geology discipline. Mr Rankin is Principal Consulting Geologist of independent geological consultancy GeoRes. He 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 2004 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 Rankin consents to the inclusion in this news release of the information in the form and context in which it appears.
 - (c) The information in this release that relates to Ore Reserves associated with the Woodlawn Retreatment Project is based on information compiled by qualified person, Mr Richard Lambert, P.E. a professional engineer and Registered Member of SME. Mr Richard Lambert is Principal Mining Engineer and Executive Vice President of Roscoe Postle Associates, Inc. He is independent of TriAusMin applying the test set out in Section 1.4 of NI 43-101. He has sufficient experience 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and by reason of his education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfils the requirements to be a "qualified person" for the purposes of NI 43-101.
- The material used in this presentation is intended to be a summary of selected geological data, current and proposed activities, as well as resource estimates based on information available to Heron Resources at the time. It does not include all available information and should not be used in isolation as a basis to invest in Heron Resources. Any potential investor should refer to Heron Resources' ASX releases and statutory reports before considering investing in the Company.
- This presentation includes information relating to a completed independent scoping study, completed independent resource estimate and a completed pre-feasibility study and includes "forward looking statements" which include, without limitation, estimates of potential nickel in concentrate production based on mineral resources and flow-sheets that are currently being evaluated. While the Company has a reasonable basis on which to express these estimates, any forward looking statement is subject to risk. Risks include, without limitation: nickel metal prices, foreign exchange rate movements, failure to meet project milestones, project funding capacity, concentrate off-take contracts and estimates of future capital and operating costs.
- The Company does not undertake to release publicly any revisions to forward looking statements included in this presentation to reflect events or results after the date of this presentation, except as may be required under applicable securities laws.
- The information in this presentation that is related to Exploration is based on information compiled by David von Perger who is a member of Australian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited. David von Perger has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity being undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David von Perger consents to the inclusion in this presentation of the matters based on his information in the form and context that it appears.
- Refer Heron Resources Limited 2013 Annual Report, page 62, Section 8.0, "Statement of Mineral Resources" and accompanying Attribution Statement. The information in this presentation that is related to Resources is based on information compiled by Steve Jones who is a member of Australian Institute of Mining and Metallurgy. Steve Jones is a full time employee of Heron Resources Limited. Steve Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity being undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Steve Jones consents to the inclusion in this presentation of the matters based on his information in the form and context that it appears.
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Forward Looking and Compliance Statements

(continued)

Kalgoorlie Nickel Project

- The information in this report that relates to Mineral Resources for the Highway, Goongarrie Hill, Goongarrie South, Big Four, Aubils and Boyce Creek Prospects is based on information originally compiled by a former Heron Resources Limited resource geologist and validated by Steve Jones a Heron employee in 2013. Both are Members of the Australasian Institute of Mining and Metallurgy. Steve Jones is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the resource estimation activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.
 - The information in this report that relates to Mineral Resources for the Siberia North, Bulong East, Siberia, Black Range, Taurus and Jump Up Dam Prospects is based on information compiled by Snowden Mining Industry Consultants by members of the Australian Institute of Mining and Metallurgy. Snowden Mining Industry Consultants had sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the resource estimation activity. All resources were internally audited by Snowden and signed off by a person of sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and reviewed by Steve Jones in 2013. Steve Jones a full time employee of Heron Resources Limited validated the Snowden Mining Siberia North estimate in 2013. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.
 - The information in this report that relates to exploration and resource data (including drilling data, database quality, geological interpretation and density modelling) is based on information originally compiled by previous full time employees of Heron Resources Limited and Steve Jones. Steve Jones is currently a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the exploration activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Steve Jones has validated the original resource estimates during 2013. Steve Jones consents to the inclusion in this report of the matters based on his information in the form and context that it appears.
 - The information in this report that relates to exploration is based on information compiled by Ian Buchhorn who is a Member of the Australasian Institute of Mining and Metallurgy. Ian Buchhorn is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to mineral economics and the style of mineralization and type of deposit under consideration, and to the exploration activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Ian Buchhorn has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.
- For previously reported (by Heron) Prefeasibility Studies (Slide 18, 27 in this presentation):
 - Information is extracted from the announcement entitled "Vale Delivers Strong KNP Pre-Feasibility Report" released on 9 February 2009 and from the announcement entitled "Completion of Kalgoorlie Nickel Project PFS Revision" released on 16 February 2010 which are available at www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
 - It should be noted (as it was noted in the originally reported Pre-Feasibility Study) that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resource or that the production target itself will be realized.
 - For previously reported (by Heron) Scoping Study (Slide 18 in this presentation):
 - Information is extracted from the announcement entitled "Simulus Scoping Study results - Step Change for KNP" released on 8 April 2014 and from the announcement entitled "Simulus Scoping Study Clarification" released on 22 April 2014 which is available at www.heronresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. The 2014 Simulus Study, with its focus on lower capital expenditure, supersedes the 2009 and 2010 Pre-feasibility Studies.
 - It should be noted that there is a low level of geological confidence associated with Inferred Mineral Resource and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realized.

Metal Equivalents

- Zinc metal equivalents (%Zneq) are used for certain drilling intercepts in this presentation and have been calculated on the following basis:
 - Metal prices (\$US): Cu \$3.10/lb, Pb \$0.95/lb, Zn \$0.95/lb, Au \$1,250/oz, Ag \$20/oz
 - Metallurgical recoveries: Cu 75%, Pb 64%, Zn 89%, Au 10%, Ag 51%
 - Formula: $Zneq = Zn\% + Cu\% * 0.75 * 3.26 + Pb\% * 0.64 + Au \text{ g/t} * 0.1 * 1.92 + Ag \text{ g/t} * 0.51 * 0.031$
 - The recoveries used in the calculation are based on recoveries achieved in the by the Woodlawn mining operation which ceased production in 1998, plus testwork conducted by TriAusMin Ltd as part of their tailing re-treatment project (2007-08) that included a fine grind circuit that would also be used for treating the future Woodlawn underground ore. The recoveries are approximate only and may be subject to change with future metallurgical testwork.

Corporate Snapshot



- **A\$32.9M cash (June 2014)**
- **Listed investments A\$3.4M**
- **Share price A\$0.145**
- **Market cap: A\$52.3M**
- **Merger with TriAusMin Completed**
- **100% Ownership of High Grade Base-Metal Project at Woodlawn**
- **Advanced Development Options for Woodlawn**
- **Quality Pipeline of Projects in Lachlan Fold Belt (Zn, Cu-Au) & WA (Ni)**
- **Desirable Zinc Commodity Exposure**
- **Strong Combined Board and Management**
- **ASX (HRR) and TSX (HER) Listed**

Woodlawn Location – A Step Ahead



- 250km SW of Sydney and 50km NE of Canberra
- High quality supporting infrastructure and other inputs (labour, power, roads, water)

POWER – Various Options

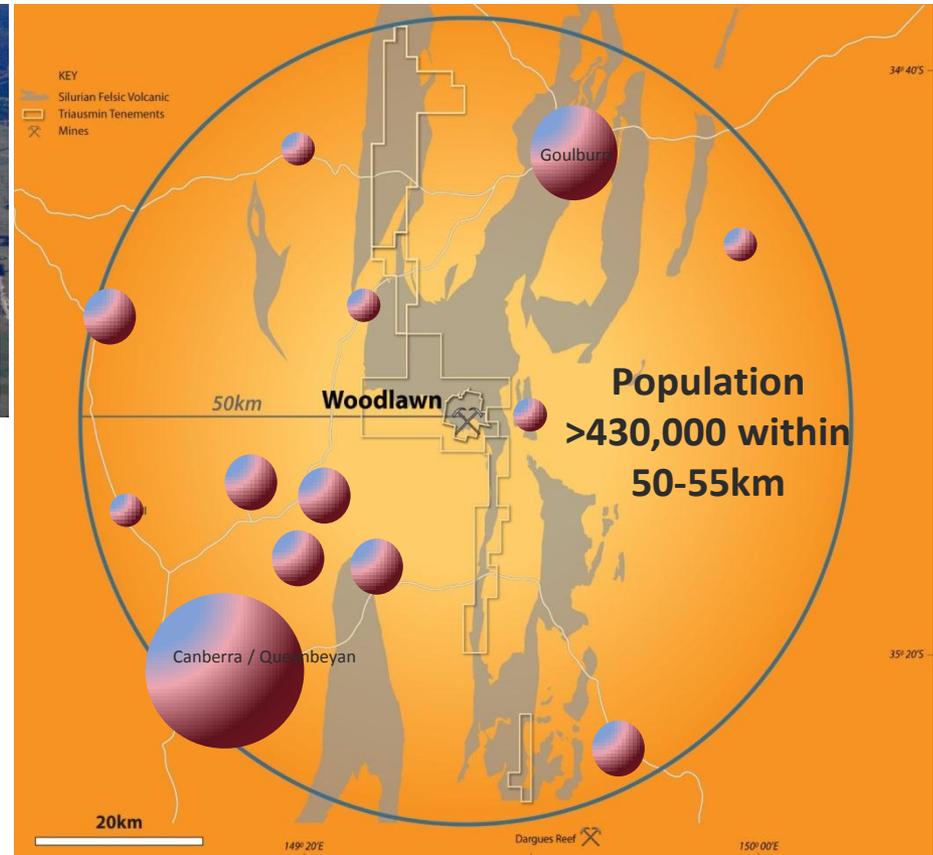


PORT

Access to Market

- #1 Port Kembla
211 km by Road
- #2 Port Botany
239 km by Road

PEOPLE - Sourcing a Workforce



Woodlawn Geology and History

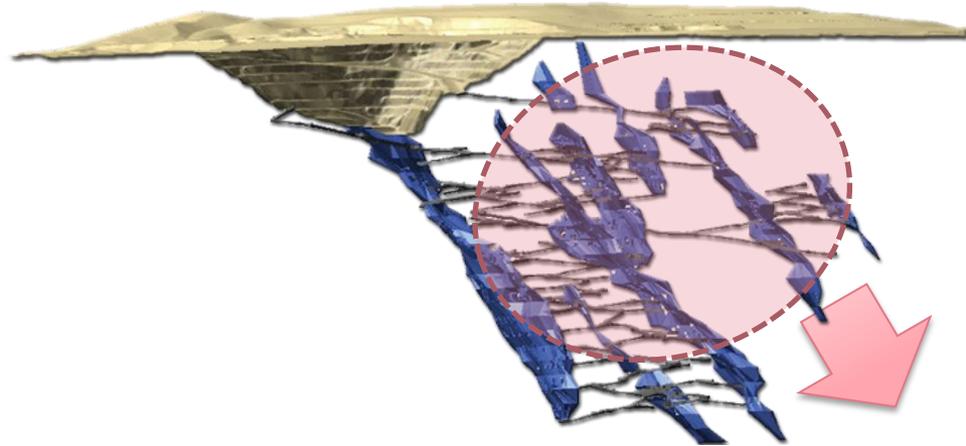


- **Hosted within late Silurian (423Ma) felsic volcanic and volcanoclastic rocks (Woodlawn Volcanics) of the Mt Fairy Group within the Goulburn Basin on the eastern side of the Lachlan Fold Belt**
- **Intruded by Early Devonian dolerites (Currawang Basalt)**
- **Located within the eastern limb of a synclinal fold with NW plunging and west dipping axial planar foliation**
- **High-grade VMS deposit – 2 distinct ore types:**
 - Complex ore (layered pyrite, sphalerite, galena and chalcopyrite)
 - Copper ore (massive and stringer chalcopyrite and pyrite)
- **Eleven lenses recognised (A-K) with numerous sub-lenses**
- **Discovered by the Jododex JV in 1966/67 through geochem sampling programs**
- **Open-pit mining: 1978-1987 – 8.0Mt of ore extracted**
- **Underground mining: 1988 to 1998 – 5.5Mt of ore extracted**
- **Collex/Veolia commenced waste disposal into the open-pit in 2004**
- **TriOrigin/TriAusMin bought the mineral rights in 1999 and conducted further studies and exploration through to 2013 including discovery of the Kate lens in 2013**
- **Heron merged with TriAusMin in August 2014**

The Woodlawn Project



Underground – High Grade Deposit



Historical Processing: 1978 to 1998
13.8Mt @ 9.1% Zn, 3.6% Pb, 1.6% Cu, 74g/t Ag, 0.5g/t Au

Woodlawn Underground Project (WUP)

- Current Measured+Indicated+Inferred Resources¹ of:
10.1Mt @ 10.2% Zn, 4.0% Pb, 1.8% Cu, 84g/t Ag, 0.6g/t Au
- Demonstrated extensions to high grade lenses
- Discovery of new high grade lenses (2012-13 drilling)

Tailings – Development Ready



Woodlawn Tailings Retreatment Project (WRP)

- Reserves² of:
11.2Mt @ 2.2% Zn, 1.3% Pb, 0.5% Cu, 31g/t Ag, 0.3g/t Au
- BFS & FEED completed
- Opportunities for project optimisation

Woodlawn Project = WUP + WRP

- Project Approvals Received from NSW DPI
- Established Infrastructure – Road, Power, Water, Labour
- Supportive Community
- Desirable Commodity Exposure – Zinc & Copper
- Development Capital Efficiencies
- Operating Flexibility – Decoupled Production Sources

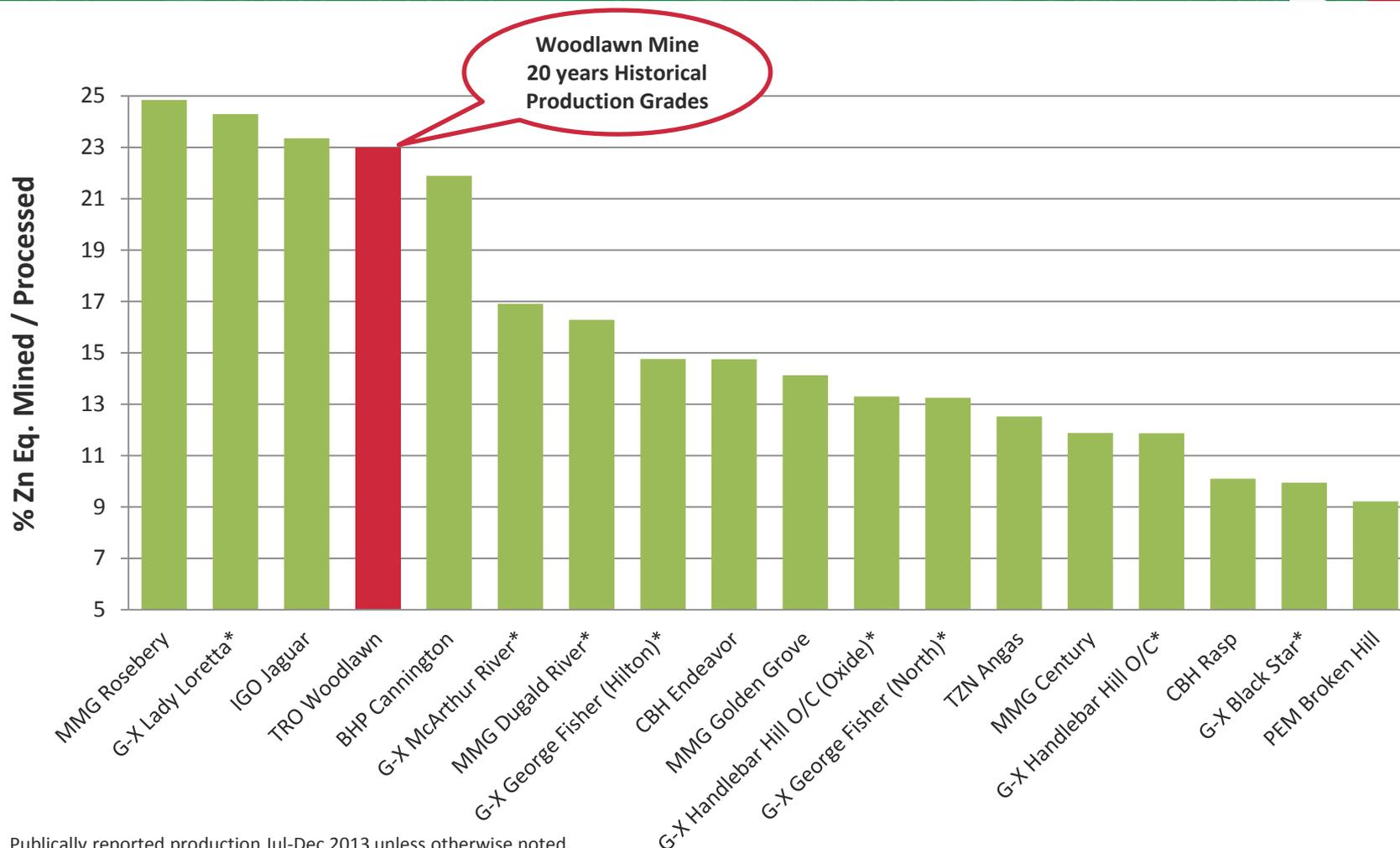
1) JORC 2012. The WUP Resource was disclosed originally in TriAusMin's 29 January 2014 release titled "Restatement of Woodlawn Underground Mineral Resources".

2) JORC 2004. The WRP Reserve is based on information contained within TriAusMin's 22 March 2012 release.

Neither Heron nor TriAusMin is aware of any new information or data that materially affects the information included in the above announcements and all material assumptions and technical parameters continue to apply.

Australian Zinc Production

Deposit or Production Grades vs Woodlawn Historical Production Grades

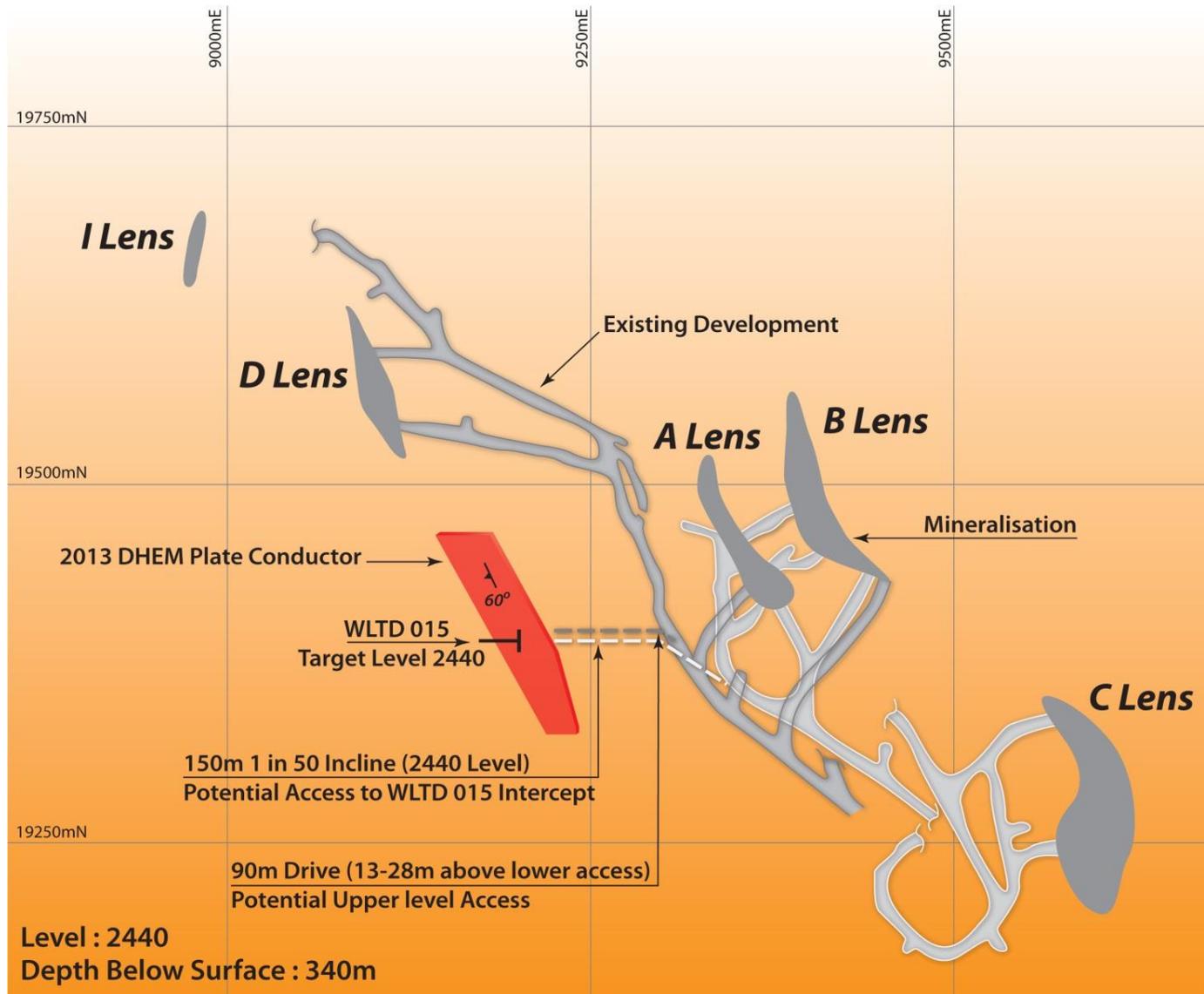


Notes:

1. Publicly reported production Jul-Dec 2013 unless otherwise noted.
2. CBH mines are estimates, PEM ceased reporting Q3 2013.
3. No allowance for process recoveries or realisation costs in the metal equivalent calculation
4. Commodity spot prices as at 29 October 2013 US\$.
5. % Zn Eq. = $(\$1933 \times \% \text{Zn} + \$2185 \times \% \text{Pb} + \$7202 \times \% \text{Cu} + \$22.31 \times \text{oz. Ag} + \$1349 \times \text{oz. Au}) / \1933
Information shown is comparative only – Zn Eq. is calculated on the basis of 100% metal recoveries

* 2013 Ore Reserve Statement

Woodlawn Plan View and Key Lenses

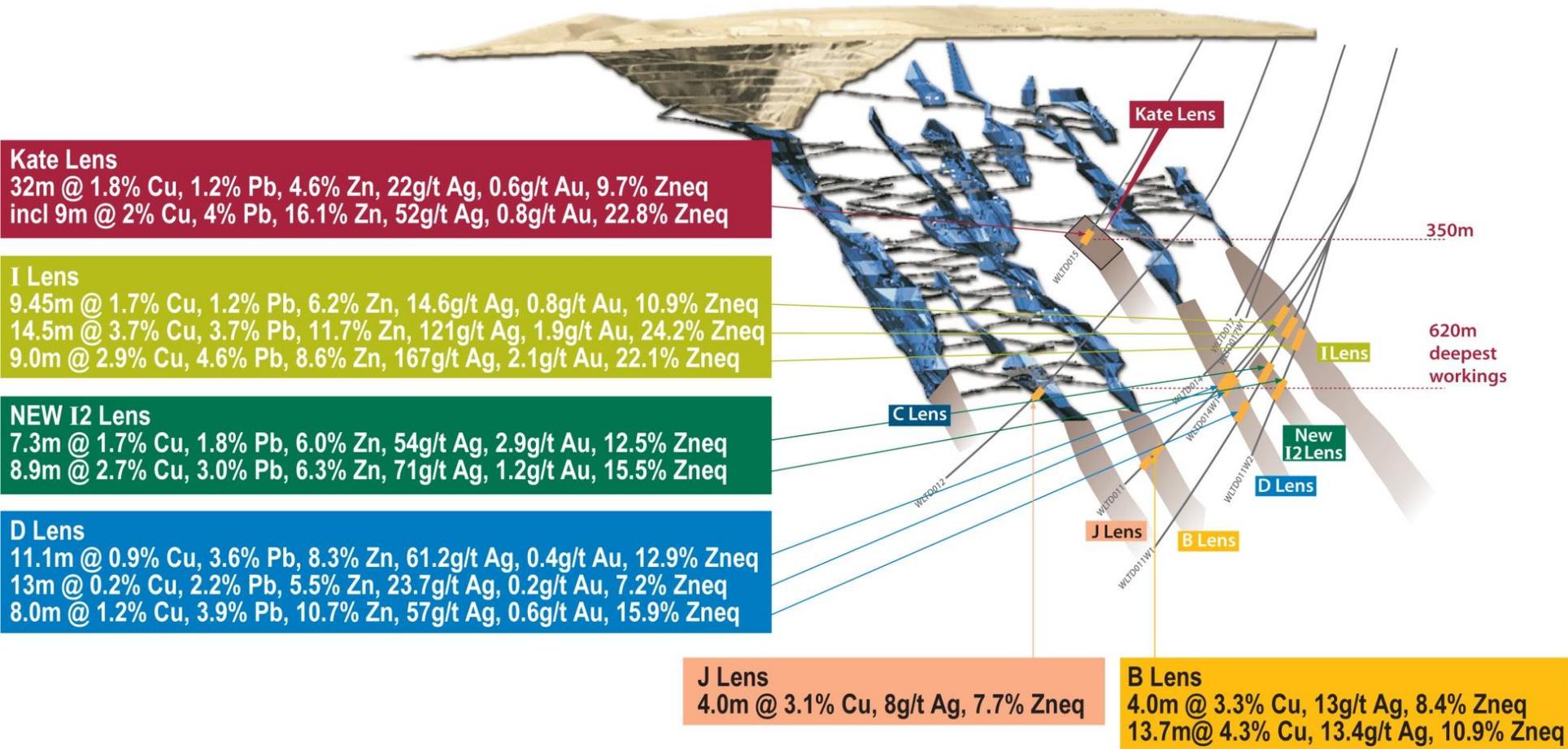


Woodlawn Underground

2012 & 2013 Drill Results

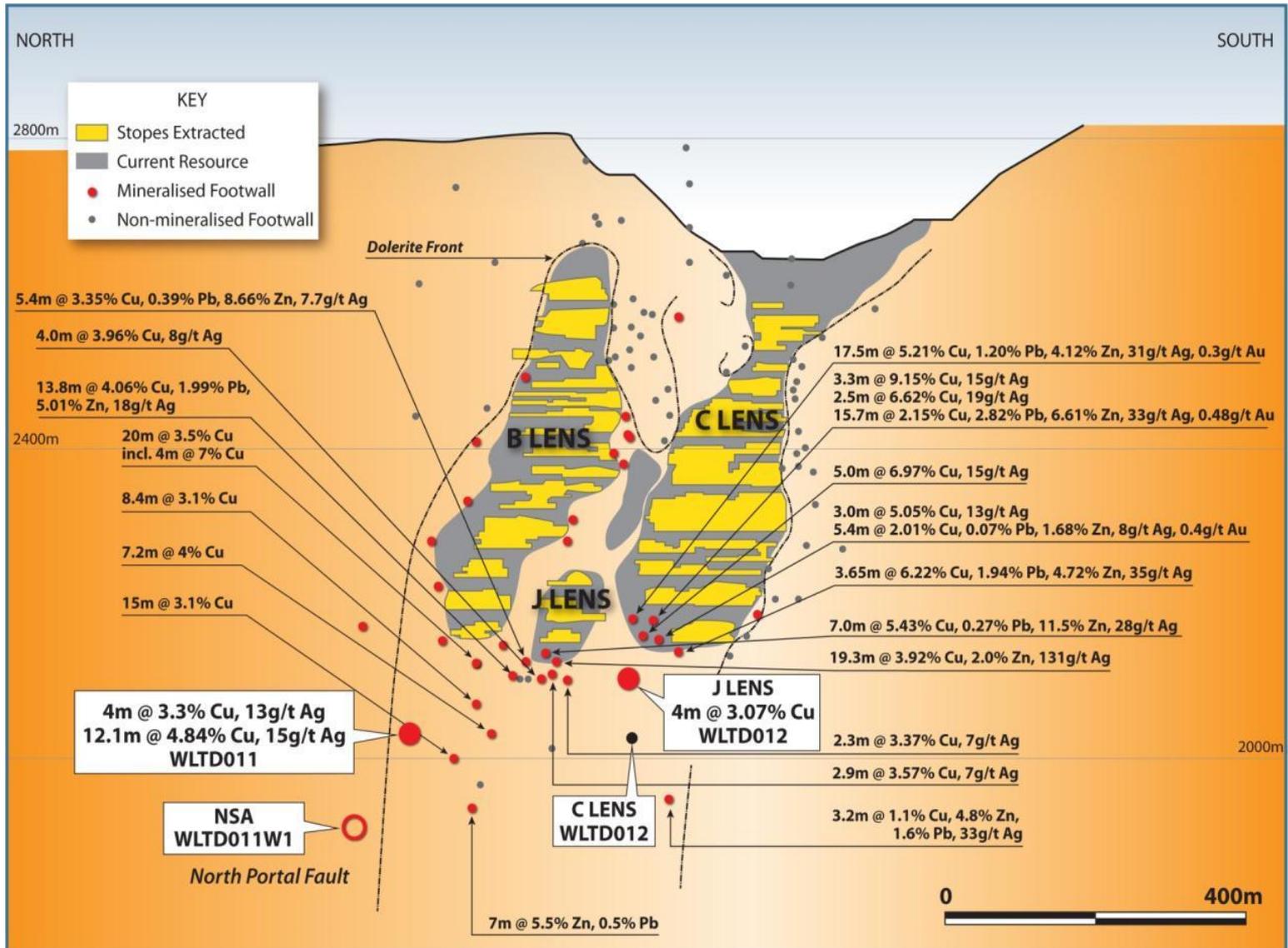


New High Grade Lenses & Extensions To Existing Lenses

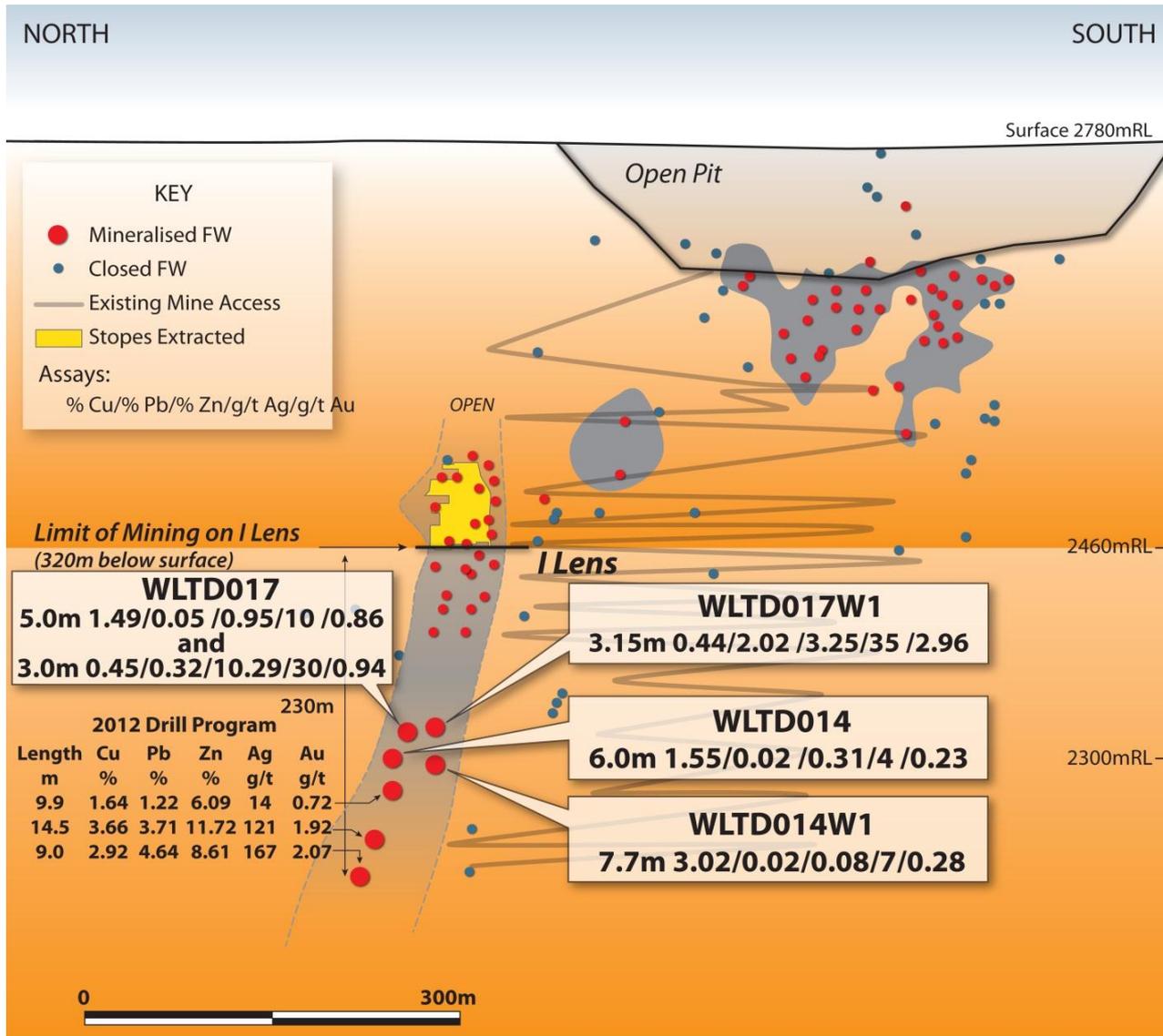


Selected 2012/2013 Intercepts only, Zneq = zinc equivalent grade as calculated by formula and parameters shown on page 3

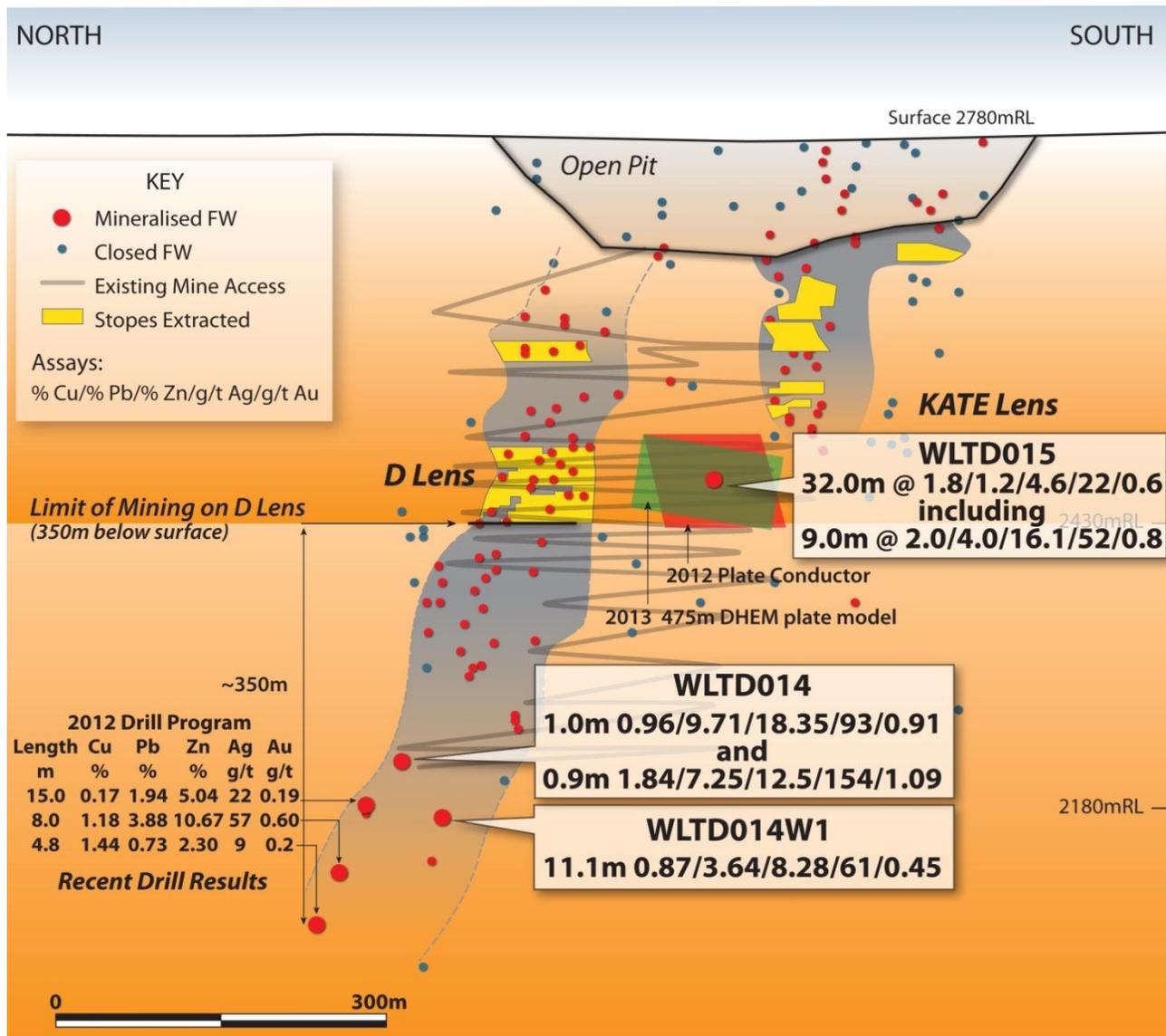
Long Section B, J, C Lenses



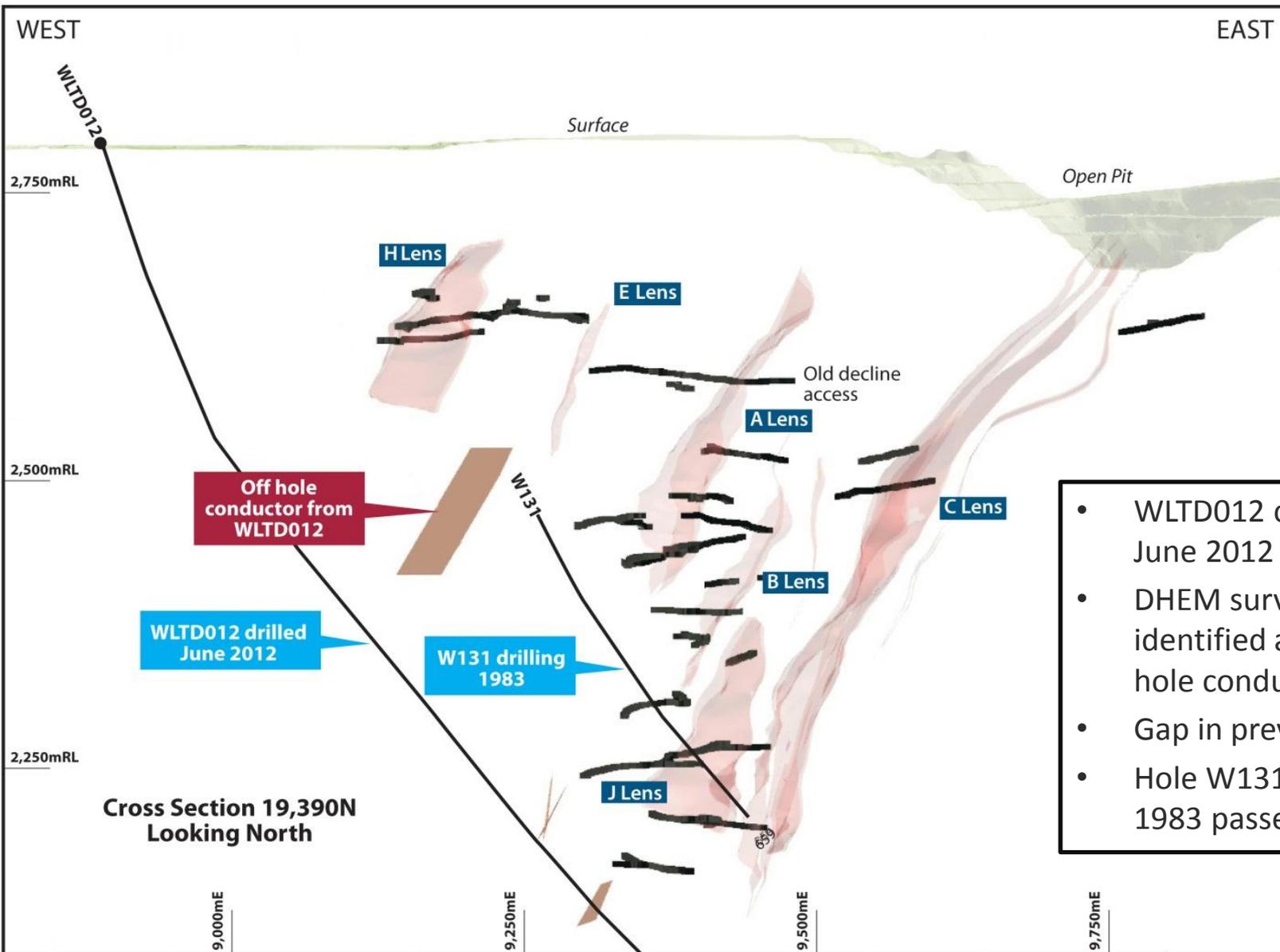
Long Section I Lens



Long Section D and Kate Lenses

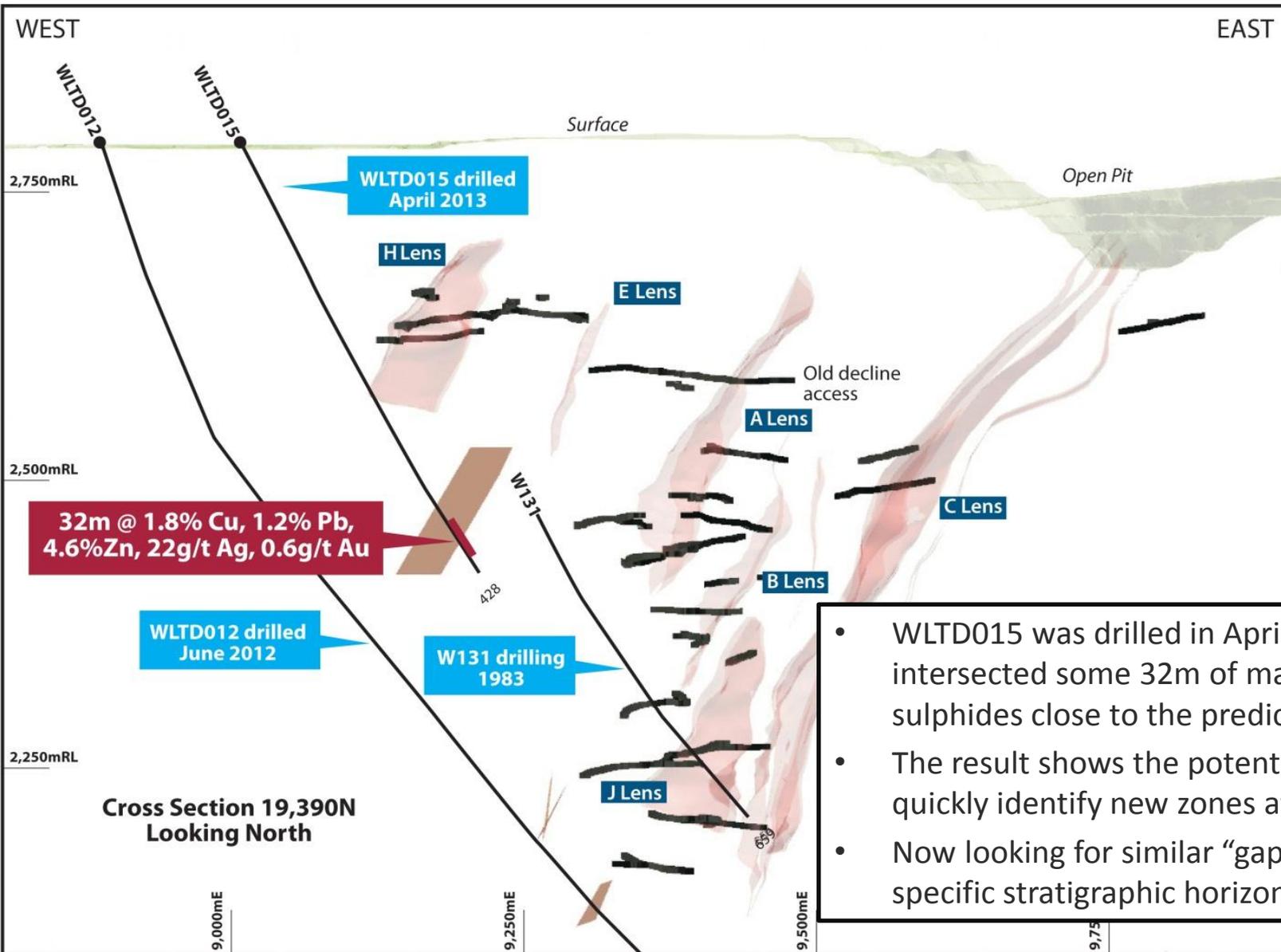


Kate Lens Significance



- WLTD012 completed in June 2012
- DHEM survey of the hole identified a strong off-hole conductor
- Gap in previous drilling
- Hole W131 drilling in 1983 passed over the top

Kate Lens Significance (continued)



- WLTD015 was drilled in April 2013 and intersected some 32m of massive sulphides close to the predicted position
- The result shows the potential of DHEM to quickly identify new zones at Woodlawn
- Now looking for similar “gaps” within specific stratigraphic horizons

Kate Lens – Mineralisation Style

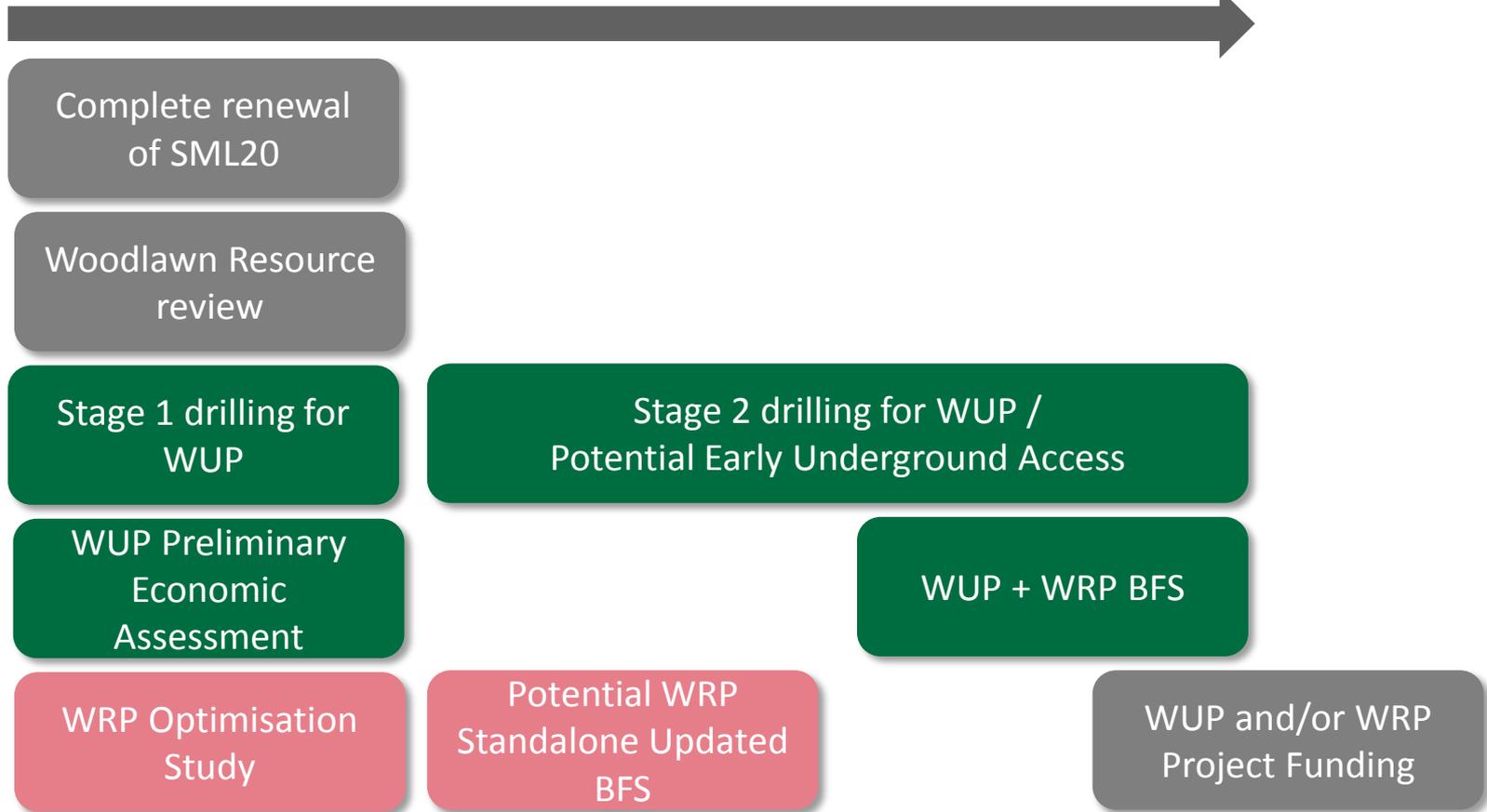


Depth (m)	Assay Data
396 m	0.72% Cu, 0.06% Pb, 0.17% Zn, 6.7g/t Ag, 0.86g/t Au
397 m	0.93% Cu, 0.07% Pb, 0.42% Zn, 9.9g/t Ag, 0.37g/t Au
400 m	1.22% Cu, 4.19% Pb, 11.8% Zn, 44.2g/t Ag, 1.01g/t Au
401 m	1.57% Cu, 4.47% Pb, 17.65% Zn, 65.3g/t Ag, 1.14g/t Au
402 m	2.21% Cu, 1.08% Pb, 12.2% Zn, 20.7g/t Ag, 0.86g/t Au
403 m	3.09% Cu, 0.2% Pb, 4.77% Zn, 19g/t Ag, 0.87g/t Au
404 m	2.92% Cu, 1.02% Pb, 7.64% Zn, 59.9g/t Ag, 0.76g/t Au
405 m	2.93% Cu, 3.12% Pb, 24.5% Zn, 89.2g/t Ag, 0.69g/t Au
406 m	0.97% Cu, 6.13% Pb, 25.9% Zn, 62g/t Ag, 0.68g/t Au
407 m	1.21% Cu, 10.5% Pb, 25.3% Zn, 63.6g/t Ag, 0.95g/t Au
408 m	1.98% Cu, 5.34% Pb, 14.9% Zn, 45.5g/t Ag, 0.59g/t Au

Forward Strategy for Woodlawn



18-24 month timeframe



Exploration Portfolio

Complementary exploration portfolio with strong focus on Lachlan Fold Belt

- **Lewis Ponds**

- Indicated and Inferred Mineral Resource 6.6Mt at 0.2%Cu, 1.4%Pb, 2.4%Zn, 1.5g/t Au and 69g/t Ag¹
- Broad zones of near surface mineralisation identified in 2011 drilling - open pit potential
- Excellent gold target, immediately along strike Regis McPhillamy gold deposit

- **Overflow**

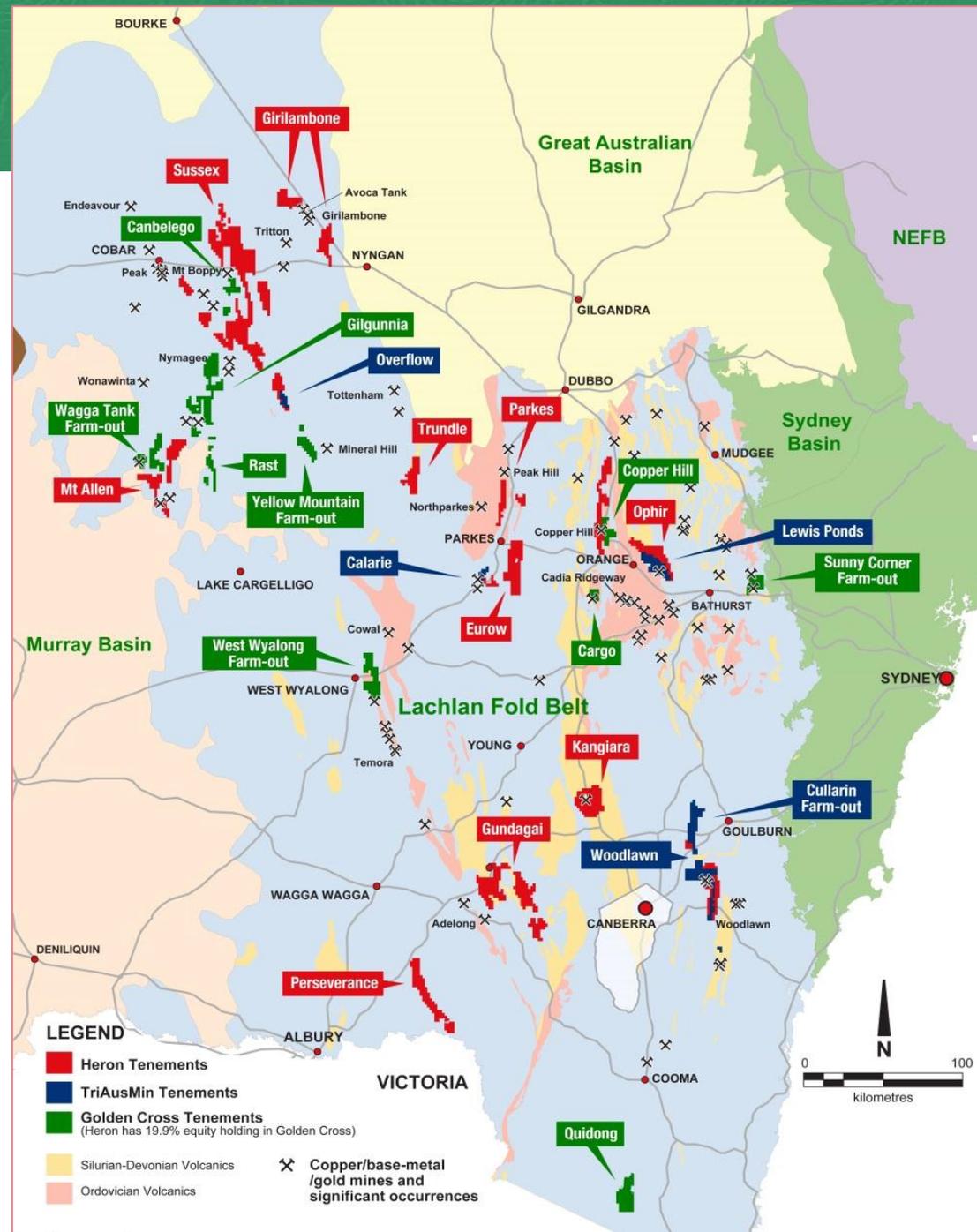
- 40km along strike from the Mineral Hill operation with potential for epithermal high grade gold and base-metal mineralisation
- Significant drilling results include:
 - 4.7m @ 8.5g/t Au, 13.5% Zn, 7.1% Pb from 185m
 - 6.0m @ 7.6g/t Au, 3.6% Zn, 1.6% Pb from 136m
 - 7.0m @ 6.7g/t Au, 1.9% Zn, 1.4% Pb from 236m

- **Calarie**

- Farmed out to Kimberley Diamonds Ltd who are earning up to 75% over next two years
- Inferred Mineral Resource of 0.5Mt at 2.2g/t Au at 1.0g/t cut-off

- **Other Projects**

- Pipeline of grass roots projects at Sussex, Eurow, Kamandra, Gundagai and elsewhere



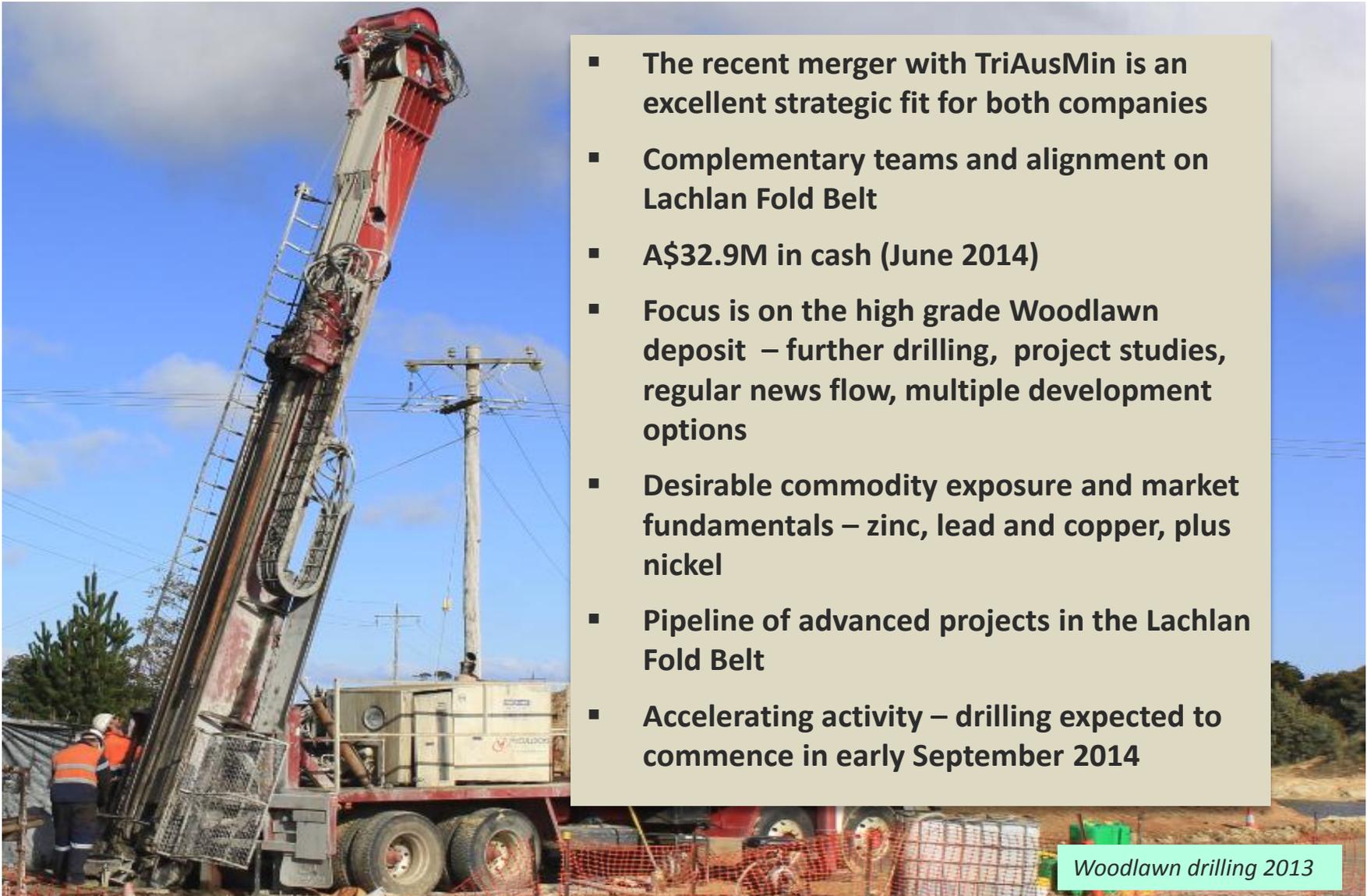
1) JORC 2004. Refer to TriAusMin release of 4 March 2014 for details. Cut-off grades applied in the Resource definition were based on a 3% Zn equivalent grade based on the following formula: $(1240 \times \%Zn + 900 \times \%Pb + 2860 \times \%Cu + 430 \times g/tAu \times 0.03215 + 6.75 \times g/tAg \times 0.03215) / 1240$



- **19.9% Investment in Golden Cross Resources Ltd (ASX: GCR)**
 - GCR have a current drill program at the Copper Hill porphyry copper/gold deposit located 40km north west of Orange in central NSW – recently reported results into the porphyry copper complex include¹:
 - Hole GCHD469: 178m @ 0.26% Cu and 0.24g/t Au from 487m downhole depth;
 - Hole GCHD469: 30m @ 0.26% Cu and 0.70g/t Au from 713m downhole depth;
 - Hole GCHD470: **60m @ 1.83% Cu and 5.41g/t Au** from 11m downhole depth.
- **100% Interest in Kalgoorlie Nickel Laterite Project**
 - Located in 150km radius from Kalgoorlie, Western Australia;
 - Mineral Resource of approximately 796Mt grading 0.70% nickel and 0.048% cobalt (at 0.5% Ni cog, 2012 JORC);
 - Simulus 20Ktpa Scoping Study complete – showing attractive economics;
 - KPMG mandated to coordinate partner search, data room being prepared;
 - KNP corporate options include sale, spin-out or joint venture – all of which have the potential to crystalize significant shareholder value.

Note 1 refer to Golden Cross Resources Ltd ASX announcements dated: 29 July 2014, and 25 August 2014 for full details.

Summary



- The recent merger with TriAusMin is an excellent strategic fit for both companies
- Complementary teams and alignment on Lachlan Fold Belt
- A\$32.9M in cash (June 2014)
- Focus is on the high grade Woodlawn deposit – further drilling, project studies, regular news flow, multiple development options
- Desirable commodity exposure and market fundamentals – zinc, lead and copper, plus nickel
- Pipeline of advanced projects in the Lachlan Fold Belt
- Accelerating activity – drilling expected to commence in early September 2014

Woodlawn drilling 2013

Directory

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