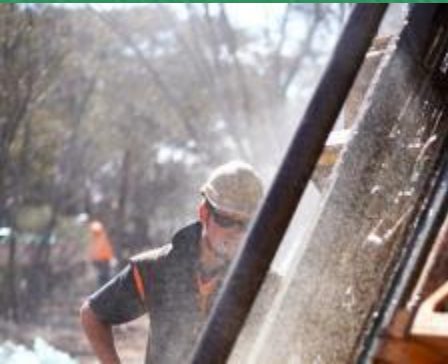




Heron Resources Limited

Kalgoorlie Nickel Project



KNP Project Update

July 2014

ASX: HRR

Disclaimer and Forward Looking Statements



- The material used in this presentation is intended to be a summary of selected geological data, current and proposed activities, as well as Mineral Resource estimates based on information available to Heron Resources Limited (Heron) at this time. It does not include all available information and should not be used in isolation as a basis to invest in Heron or the Heron projects. Any potential investor should refer to Heron ASX releases and statutory reports available at www.heronresources.com.au before considering investing in the Company.
- This presentation includes information relating to a completed independent scoping study, completed Mineral Resource estimates and a Pre-Feasibility Study completed by a former joint venture partner. This presentation contains “forward looking statements” which include, without limitation, estimates of potential nickel in concentrate production based on Mineral Resources and processing studies that are at an early stage of evaluation. 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, Mineral Resource uncertainty, processing flow-sheet uncertainty, 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.

JORC 2012 Compliancy Statements

- 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.

JORC 2012 Compliancy Statements (cont.)



- 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 undertaking 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 12 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 it’s 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.

Introduction



- Heron Resources Limited (**Heron** or **HRR**) is an Australian Securities Exchange (ASX) listed company focussed on developing its 100%-owned Kalgoorlie Nickel Project (**KNP** or the **Project**) located immediately north of Kalgoorlie in the Eastern Goldfields mining district of Western Australia
- The KNP, with a 2012 JORC-compliant Mineral Resource of **796Mt grading 0.70% nickel and 0.048% cobalt**, is one of the largest undeveloped nickel laterite deposits in the world
- Since completion of a 2009 Pre-Feasibility Study (**PFS**), Heron has been investigating alternative development options and in December 2013 announced an exclusive arrangement with Simulus Engineers (**Simulus**) to co-fund development of Simulus' Carbon Friendly Nickel Production (**CFNP**) reagent recovery technology
- The CFNP is an improved nickel production process that focuses on sulphuric acid recovery, regeneration and recycling measures to improve the operating costs and reduce the carbon emissions associated with nickel production
- The venture is based on successful bench-scale testwork results and a Scoping Study demonstrating the potential of the technology for the KNP, and will allow the technology to be progressed with a strong focus on meeting KNP requirements

Heron is now seeking to further advance the development of the KNP and seeks a high quality partner with an interest in long term nickel-cobalt production and off-take

KPMG Corporate Finance mandated as Heron adviser to coordinate the partnership process, with a focus on downstream nickel-cobalt end-users

CAPITAL STRUCTURE

Shares on Issue ¹	253.0m
Share Price (2/07/2014)	\$ 0.115
52 Week Range	\$ 0.105 – 0.17
Market Cap (2/07/2014)	\$ 29.1m
Cash and equivalents ²	\$ 40.0m

Note 1: there are no options 'in the money'

Note 2: cash and equivalents balance as at 31 March 2014

12 MONTH SHARE PRICE PERFORMANCE

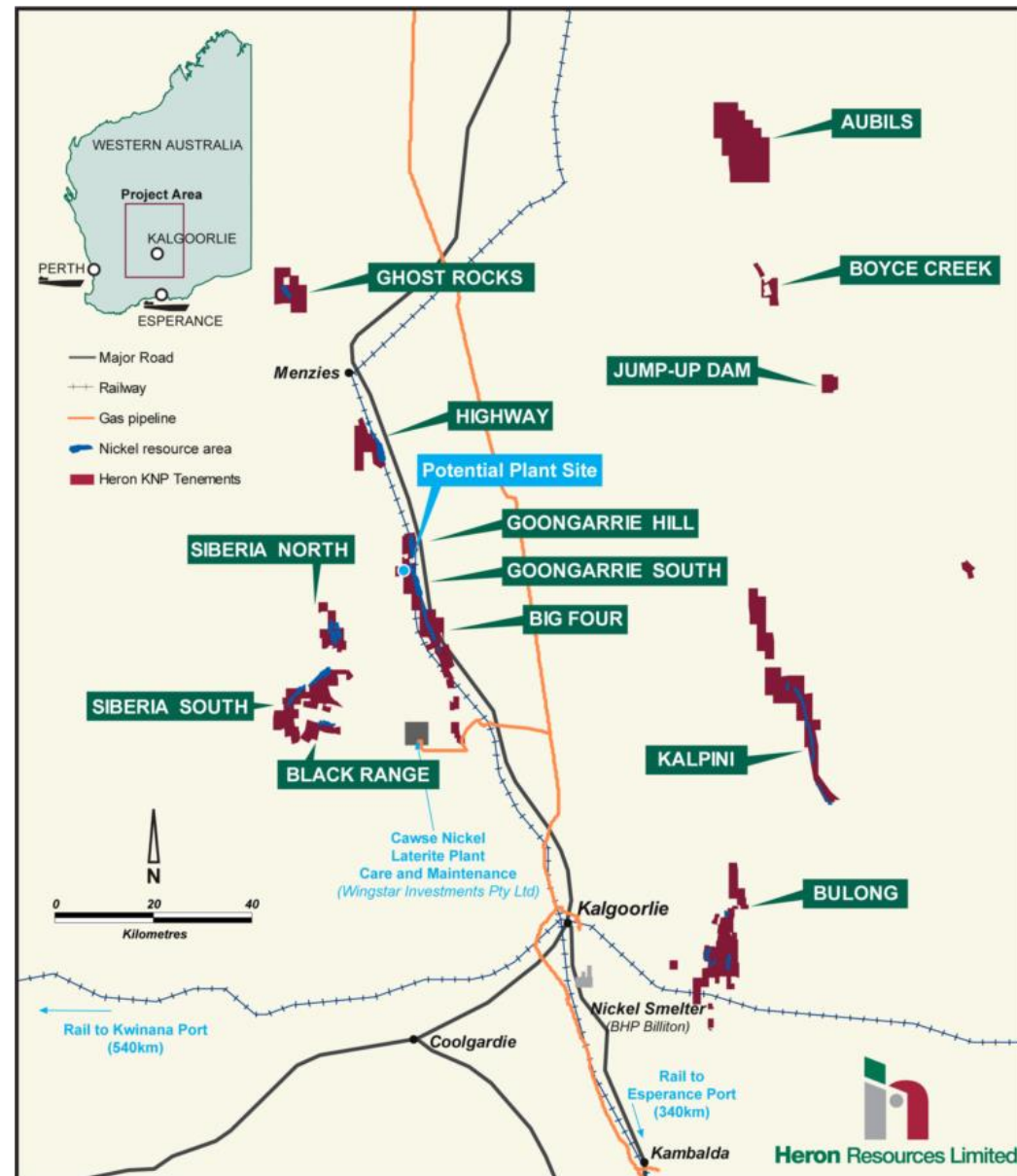


Project Overview

"One of the most prospective nickel laterite tenement packages in the world" – Vale Inco



- The **Kalgoorlie Nickel Project** is located in the Eastern Goldfields of Western Australia, 50-100km north and east from Kalgoorlie
- Tenement holding some 850km², Resources on granted Mining Leases - 100% Heron-held, unencumbered tenure
- Large resource base – with screen beneficiation for more siliceous material of the ore body giving a potential Leach Feed Grade of 1.1-1.5% nickel
- Benign environment, semi-arid climate (260mm rainfall), low gently undulating terrain, open eucalypt woodland
- All gas, road, rail, port-access infrastructure present adjacent to potential KNP plant site
- Kalgoorlie 30,000 population centre, airport for large jets, university, excellent recreation facilities
- Area of strong mining culture with several major gold and nickel mining camps
- Excellent local expertise, including nickel-laterite (Murrin Murrin, Ravensthorpe)
- Very low risk jurisdiction, and very strong support from local government – the next major mining project for Kalgoorlie
- More than \$50 million has been spent on the Resource drill-out and on previous technical studies considering nickel production of 20,000-37,000 tonnes pa in a Mixed Hydroxide Product (MHP) shipped as a 35-40% nickel concentrate with cobalt credits



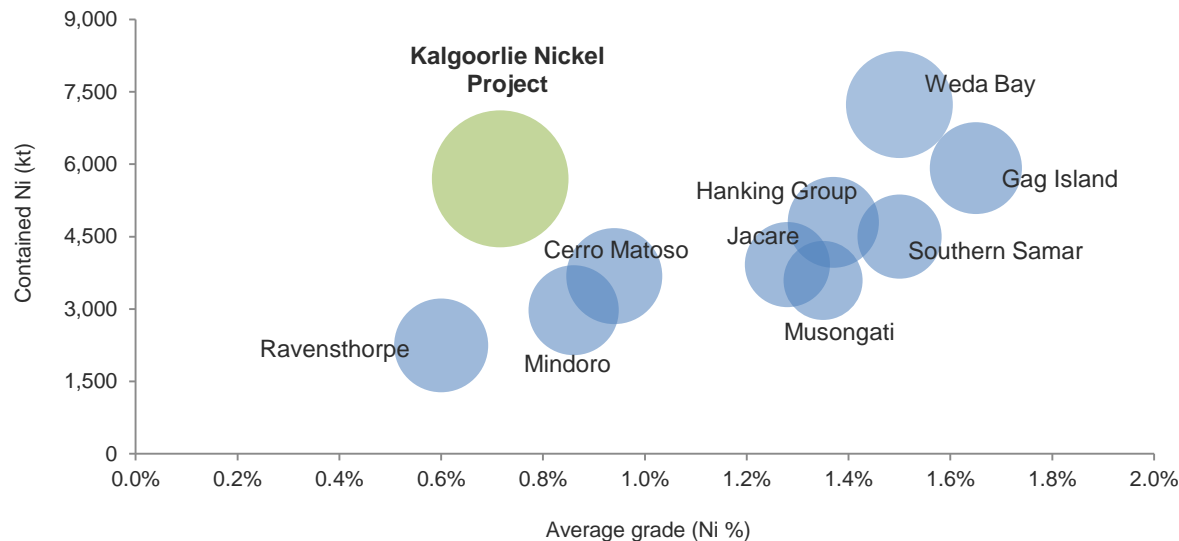
World Class Resource Base

Nickel Laterite Mineral Resource*

Resource Category	Mt	Ni %	Co %
Measured	5.8	1.08	0.105
Indicated	149.7	0.72	0.054
Inferred	174.8	0.63	0.044
Total	795.6	0.70	0.048

* Further detail of the KNP Mineral Resource, including a breakdown by deposit is shown in the Appendices to this presentation. Please refer to Heron's ASX announcement dated 18 October 2013 for details of the Mineral Resource estimation process including the Table 1 details in compliance with the JORC 2012 Code.

The 10 Largest Global Nickel Laterite Deposits



Note: bubble size is indicative of total resource size. Source: Intierra



Development History



- **2009 – Pre-Feasibility Study Completed by Vale Inco**
 - Future work substantially de-risked by \$35M Vale Inco PFS
 - Focussed on screen beneficiation and HPAL processing route (Vale Inco's Goro flowsheet)
 - Included mining, environment, processing (HPAL) and infrastructure studies
 - More than 98,000m of drilling completed, all JORC 2012 compliant
 - Water studies completed
- **2013-2014 – Simulus Flowsheet – Potential Step-Change for Nickel Laterite Processing**
 - Emphasis on recycling and recovery of acid, process water and neutralisation agents
 - Maintains screen beneficiation circuit for siliceous ore to provide project life Leach Feed Grades around 1.1 to 1.2% nickel
 - Mixed Hydroxide Product (35-40% Ni) – process can deliver Mixed Sulphide if required
 - April 2014 Scoping Study completed for 10,000tpa nickel operation
 - Further iteration nearing completion for 20,000tpa nickel operation
 - Optimisation of mining schedule being undertaken to feed into the revised Scoping Study
 - Design completed for 1.5tph KNP Demonstration Plant
- **2014 – Partnership for the Project is being sought**
 - Heron seeks a high quality partner with an interest in long term nickel-cobalt production
 - \$500M development opportunity (for 20Ktpa style plant), significant scale expansion available due to large resource size
 - Nickel-cobalt off-take rights available
 - Heron able to provide local technical, logistics and government/community relations support
 - Looking for a staged commitment to the project



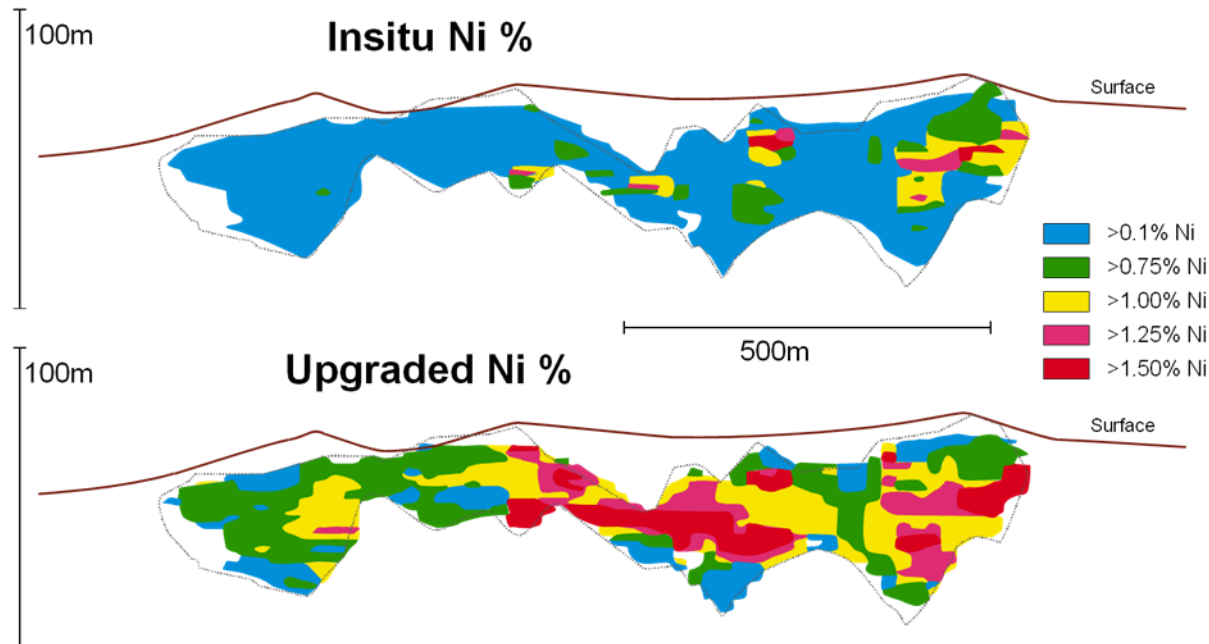
Extensive Drilling Completed



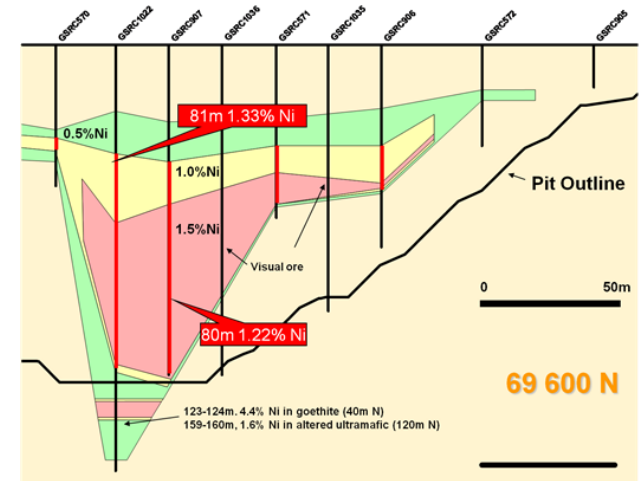
- **Drilling between 2005 and 2008 (Vale Inco)**
 - 90,000m of reverse circulation (RC)
 - 3,800m of diamond core
 - 5,000m of sonic core (150mm diameter)
 - 155Mt converted to Measured and Indicated Mineral Resource categories
- **Two geographic elements**
 - KNP West (Goongarrie centred)
 - High grade goethite (eg Pamela Jean)
 - Siliceous goethite (eg Highway)
 - KNP East (Bulong centred)
 - Saprolite/nontronite dominant
- **15 current defined resources areas**
 - Vale focussed on only four:
 - Goongarrie South
 - Goongarrie Hill
 - Highway
 - Siberia South

THE KNP IS NOT RESOURCE CONSTRAINED

Highway beneficiated resource before and after screen beneficiation illustrating beneficiation characteristics of siliceous goethite ore



The Goongarrie South deposit typically has thick zones (to 80m) of nickel laterite mineralization and displays good continuity between drill holes, particularly in the Pamela Jean Zone (shown)



The extensive high quality drilling to PFS level carried out mostly by Vale Inco significantly de-risks the future development of the KNP

Established Infrastructure



- **Transport options**

- The Vale Inco PFS assumed rail of the finished MHP product to port in Fremantle (bagged and shipped in 20t containers)
- Export is possible via Kwinana/Fremantle and Esperance, both connected to the project by established rail and road
- It is anticipated that a rail spur would be constructed immediately adjacent to the Goongarrie plant site

- **Skilled labour**

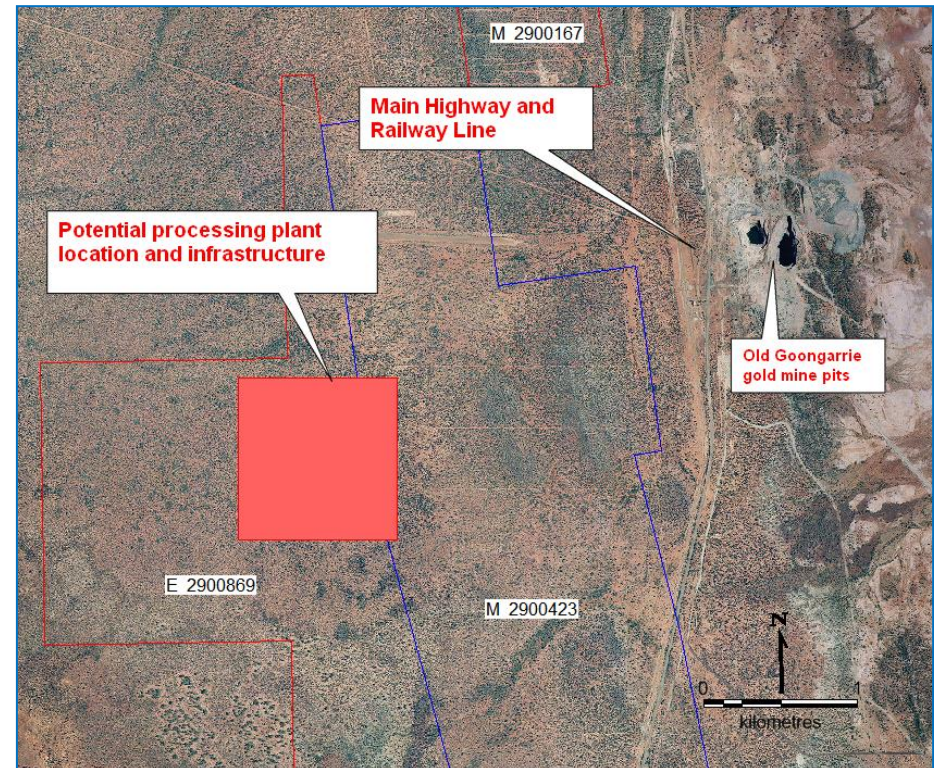
- The Kalgoorlie district is home to a large number of experienced mining personnel
- Workers will reside in Kalgoorlie or surrounding districts and either drive themselves or are transported by buses to and from the mine site – eliminating the need for an airstrip or a dedicated site village

- **Water**

- PFS water studies indicate availability of sufficient quality water from dedicated bore fields

- **Gas & power**

- There is an established gas pipeline within 24 km east of Goongarrie plant site
- A sulphuric acid plant will potentially provide the bulk of power needs for the site



The KNP is immediately adjacent to necessary infrastructure and has multiple available transport options for reagent import & export of the product

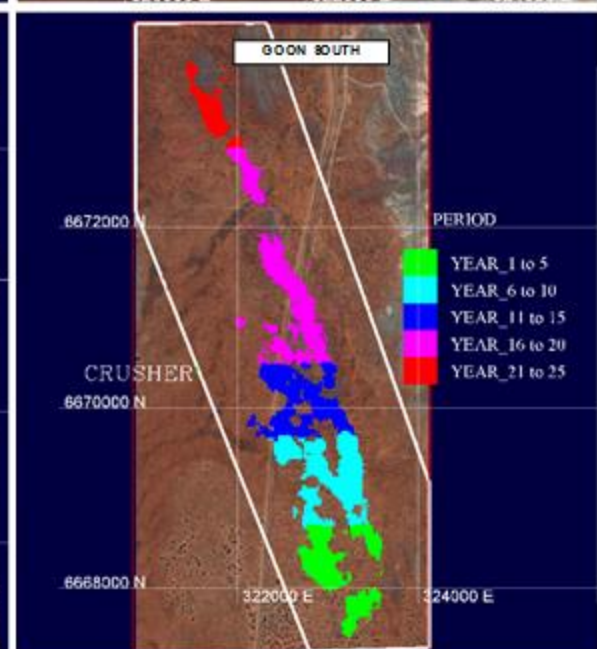
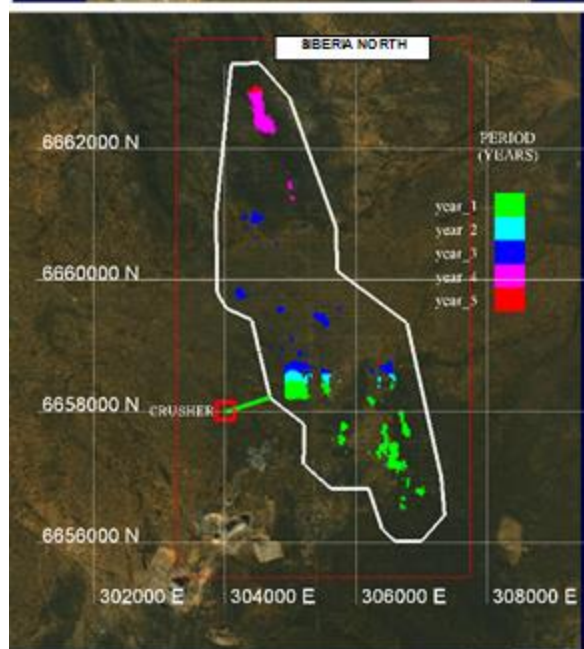
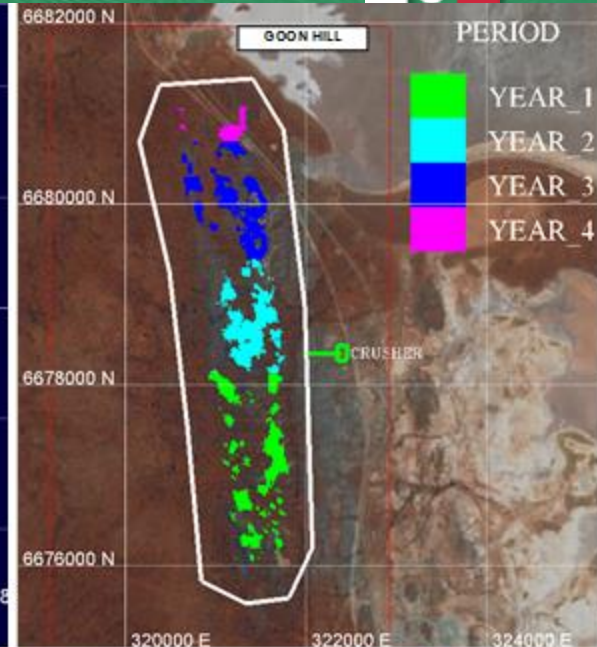
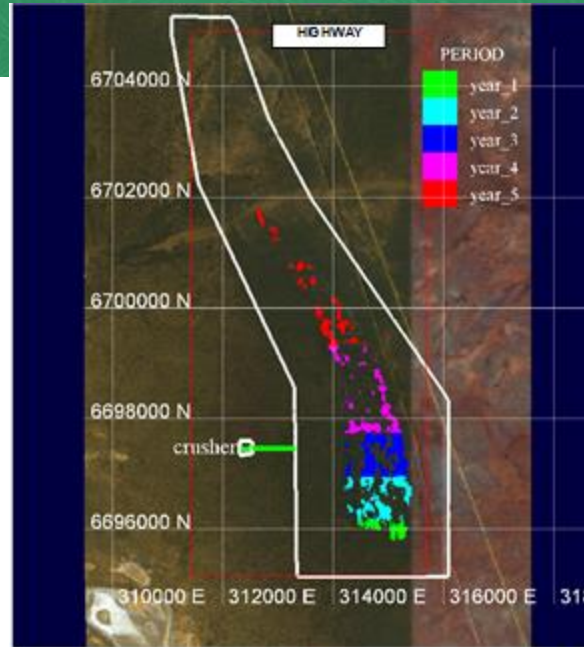
Mine Planning

- **PFS Mining Plan 2009**

- Mining method based on conventional open pit mining in benches with the use of diesel hydraulic excavators and front-end wheel loaders as the main equipment for loading off-highway rear-dump trucks
- Typically 10m overburden waste, ore thickness 20-50m, sharp lower ore cut-off facilitates waste back-fill, progressive strip mine, minimizes mine footprint
- The majority (85%) of the material assumed to be free-digging with the remaining 15% (mostly a surface hard cap) requiring drilling and blasting
- Integrated Vale Inco mine plan had a 34 year mine life with mining commencing at Highway and progressing to Goon Hill, Siberia North and Goon South (only assessed 4 of 15 deposits in PFS)
- Metal production rate is determined by the leaching capacity, with a variable ore mining rate based on the ore type and the mass recovery after beneficiation. ROM ore delivered to a primary crushing facility near each mine

- **Heron Scoping Studies 2014**

- 10Ktpa study used Vale Inco estimates for the mining plan and the costs, scaled appropriately
- 20Ktpa study (completion expected Q3 2014) is evaluating the mine plan in more detail together with a re-estimation of costs to Scoping Study level of accuracy



Environmental Studies Advanced



- Environmental assessment is well advanced
- Independent environmental assessment was undertaken as part of the 2009 PFS including:
 - extensive baseline environmental reviews
 - Vegetation
 - Terrestrial and migratory fauna
 - Subterranean fauna
 - Endemic species
 - hydrology review of the Goongarrie deposit
 - hydrology surveys of surface waters and lakes
 - flora and fauna survey studies
 - groundwater aquifers
 - highway/railway diversion corridors (not essential)
 - pit dewatering and disposal (to plant)
- Mullock and tailings to be dumped in exhausted pits (ore has a sharp basal contact)
- The flat terrain and high evaporation rates favour cost-effective Tailings Storage Facilities (contrast tropical wet laterite)
- Endemic Goldfields understory flora re-establishes readily in disturbed areas
- Recommended further work during the Study has been provided which will allow integration of environmental management control measures into future project planning activities
- With correct management disturbed areas are highly amenable to rapid rehabilitation - see photos opposite (all Vale Inco PFS field work fully rehabilitated with DMP sign-off)
- No legacy environmental issues

Big Four area regrowth following intensive drilling



KNP Prior Pre-Feasibility Studies



- Prior to the current Stimulus Scoping Studies, there have been two previous advanced feasibility assessments on the KNP:
 - **Vale Inco 2009 Pre-Feasibility Study (PFS)**, HPAL flow-sheet, 2.50 million tonnes per annum (Mtpa) leach feed, 366 million tonne (Mt) at 0.68% nickel and 0.05% cobalt (80% Indicated and 20% Inferred), pre-production capital costs of A\$2.1 billion for 22.2 thousand tonnes per annum (Ktpa) nickel production in Mixed Hydroxide Product (MHP) over 34 years, C1 operating costs of US\$4.54/lb nickel
 - **Heron (with consultants) 2010 PFS optimization**, HPAL flow-sheet, 3.75Mtpa leach feed sourced from high grade beneficiable ore (same Resource base and split as above), pre-production capital costs of A\$2.8 billion for 36.7Ktpa nickel production in MHP over 35 years, C1 operating costs of US\$4.17/lb nickel
- Based on reviews of the 2009 and 2010 studies, Heron has concluded that the most practical path towards economic production from the KNP is provided by:
 - **Atmospheric Leaching** under ambient to low pressure, to minimize high-cost materials of construction (as required for HPAL), and maximized use of “off-the-shelf” components
 - Maximization of process water and sulphuric acid **recycling and regeneration**

Historic PFS Results (note these are now superseded by the Stimulus Scoping Studies)	Vale PFS January 2009	HRR PFS Optimization February 2010
Capacity Leach Feed (Mtpa)	2.5	3.75
Mine Life (years)	34	35
Average Ni Production tpa (in MHP)	22,200	36,700
Overall Opex US\$/lb Ni (C1 cost)	4.54	4.17
Pre-production Capex A\$M	2,102	2,834
Overall Capex US\$/annual lb Ni	40.45	36.10

2013-14 Simulus Partnership & Testwork



- Heron commitment to Simulus Engineers nickel laterite flowsheet, Carbon Friendly Nickel Production (**CFNP**)
- Simulus is a Perth-based metallurgical engineering firm specialising in developing innovative and cost effective solutions to complex metallurgical processes
- Simulus is developing CFNP, an **improved nickel production process that focuses on sulphuric acid recovery, regeneration and recycling measures to improve the operating costs** and reduce the carbon emissions associated with nickel production.
- In December 2013, Heron announced that it had entered into an exclusive arrangement with Simulus co-fund the development of Simulus' reagent recovery technology
- The venture is based upon the successful bench-scale testwork results demonstrating the potential of the technology for the KNP, and will allow the technology to be progressed with a strong focus on meeting KNP requirements
- Heron will earn equity in the CFNP entity through staged investments. The staged investments are subject to Heron Board approval which will consider the outcomes of previous stages, currently including the announced Scoping Study and additional testwork of the goethite ore (improved recoveries expected)

CFNP Testwork Results Summary (2 Dec 13, 8 Apr 14)

Scoping Study Summary Results	Boulder Block (sapolite)	Jump Up Dam (nontronite)	Siberia (goethite)
Ni extraction (%)	94%	97%	85%
Net acid consumption (kg/t)	350		
Leach residence time (hrs)	24		
Single stage nickel MHP precipitation efficiency (%)	96%		

The CFNP process targets net acid consumption of 200-250 kg/t for all KNP ore sources, equivalent to a recycling recovery for the acid of 65-70%

Refer to Heron announcements dated 2 December 2013, 8 April 2014, and 22 April 2014 for full details.

CFNP Testwork



100 litre reaction vessels which form the Atmospheric Leach stage of the flowsheet



Autoclave used for intermediate stage hydrolysis of iron sulphate for sulphuric acid regeneration. This stage follows the Atmospheric Leach



KNP Pregnant Liquor Solution (PLS) following sulphuric acid leaching, purification and acid recovery, from which Mixed Hydroxide Product can be crystallized. The distinctive green coloration in the PLS samples reflects the amount of nickel in solution



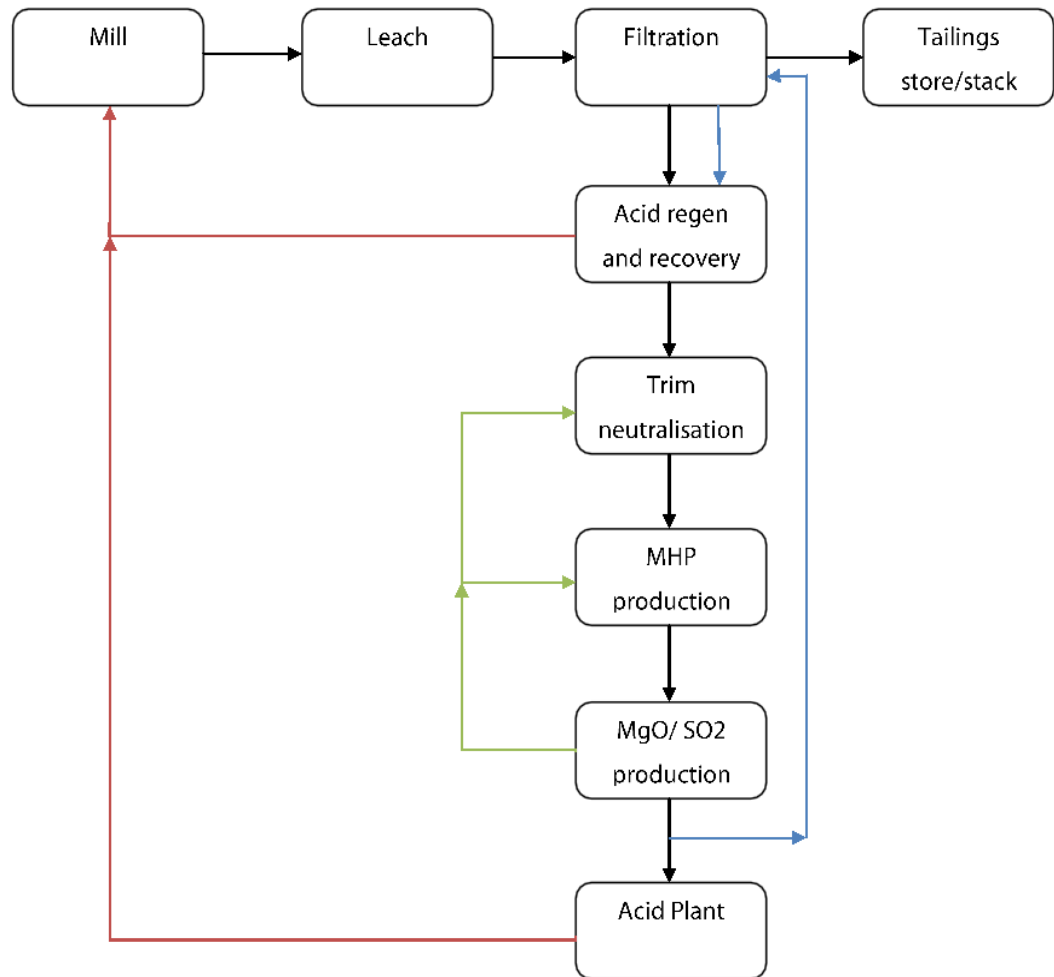
Dialysis unit used to remove sulphuric acid from the Pregnant Liquor Solution as part of reagent regeneration process



Proposed Processing Plant Overview



- **Mill:**
 - Single stage crushing
 - Beneficiation & scrubbing
 - Ball mill
- **Leach :**
 - Atmospheric Leach – agitated tanks
- **Filtration**
- **Acid recovery :**
 - Dialysis membranes
 - Iron removal
 - Thickener
 - Scrubber
- **Trim neutralisation :**
 - Neutralisation tanks
- **MHP production :**
 - Precipitation tanks
 - Thickening & filtration
 - Bagging and storage
- **Supporting processes :**
 - Raw & process water supply & distribution
 - Magnesium sulphate water recovery
 - Magnesia recovery
 - Acid plant
 - Magnesia preparation plant
 - Flocculent preparation plant
 - Power plant



- Main process
- Recovered magnesia
- Recovered water
- Recovered/ regenerated acid

10Ktpa Scoping Study Capital Estimates



Under the 10Ktpa Scoping Study (released 8 April and 22 April 2014), the capital cost estimate was based on the Stimulus processing plant plus scaled capital from the Heron 2010 PFS Review for the remainder of the capital items, with 20% contingency added. Capital estimates (including the scaled items) are being reviewed for the 20ktpa Scoping Study currently under way.

Capital Item	Source	A\$
Processing plant	Stimulus	258.0
Infrastructure (incl. Road, buildings, ponds)	PFS (scaled)	21.4
Services (incl. power, water, gas, fuel, air)	PFS (scaled)	45.4
Mining & Feed prep	PFS (scaled)	4.9
Additional EPCM	PFS (scaled)	12.9
Owners costs	PFS (scaled)	13.7
Total	-	356

20% contingency has been included on all items

PFS scaling generally based on 0.456 factor, adjusted where required for other factors specific to the Stimulus processing route

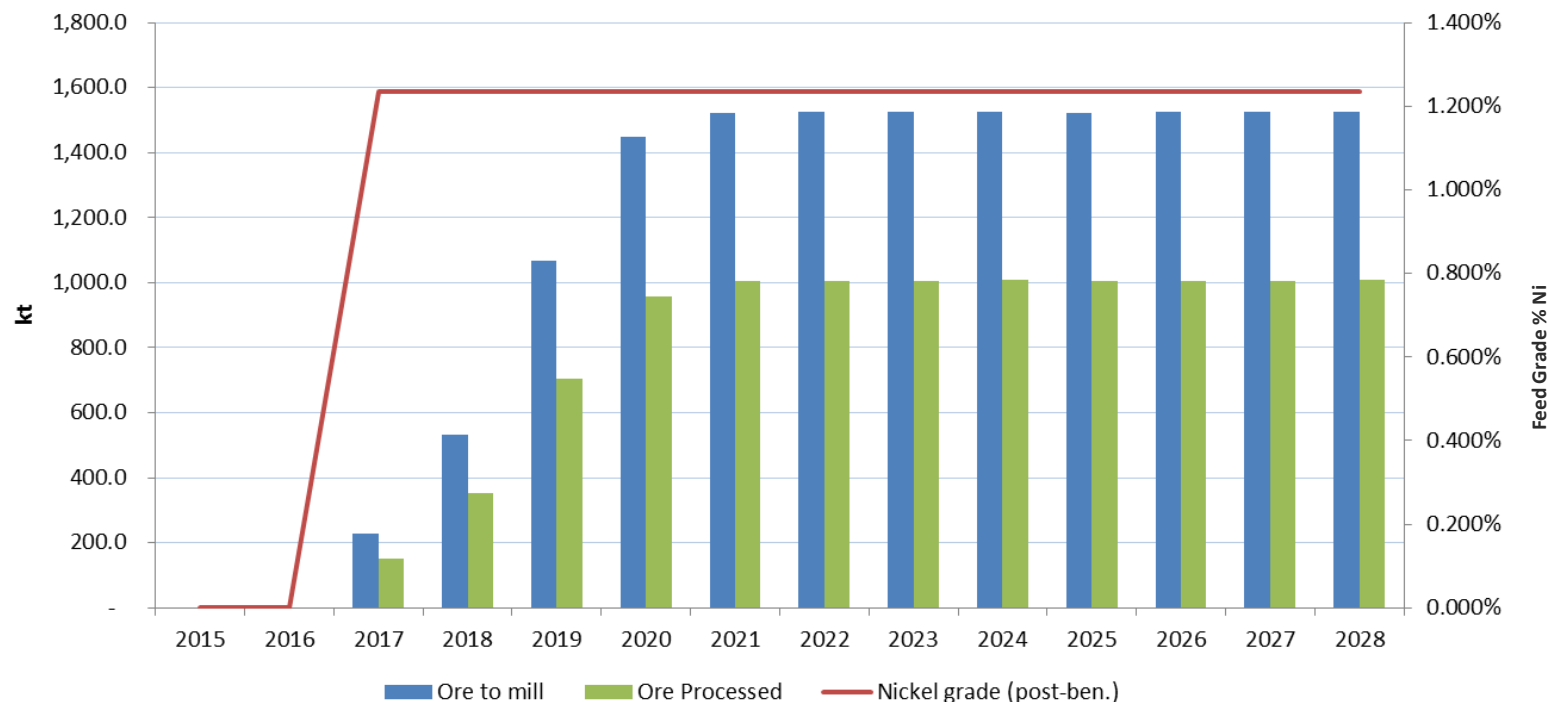
For the base case 10Ktpa of nickel production, the estimated capital intensity is US\$14.54/annual pound of nickel production, which is a “step-change” improvement in the overall KNP economics¹

1: Compares to US\$40.45/annual lb Ni production for the Vale PFS, and US\$36.10 for the Heron PFS Review. Refer to Heron announcement of 8 April 2014 and 22 April 2014 for further information.

10Ktpa Mill Feed and Beneficiation



Under the 10Ktpa Scoping Study (released 8 April and 22 April 2014), 1.5Mtpa ore is fed to the mill and beneficiation circuit resulting in a 1Mtpa feed into the process plant at an average grade of 1.24% nickel and 0.07% cobalt. Mining blocks and feed grades were scaled from the Heron 2010 PFS Review mining schedule and averaged over the project schedule, with a review of mine planning currently under way for the 20ktpa Scoping Study.



LOM Averages		To Mill	To Processing
Nickel grade	%	0.970%	1.236%
Cobalt grade	%	0.059%	0.070%

Beneficiation		Grade Increase	Metal Loss
Nickel	%	27%	16%
Cobalt	%	18%	22%

Simulus Scoping Study Outcomes



- The initial Simulus Scoping Study comprised process design criteria, process flow diagrams, a mass balance, a capital and operating cost assessment (for the processing plant only), and recommendations for future optimization work
- An independent peer review of the study was completed on 18 March 2014, confirming the favourable capital and operating cost estimates from the study and describing the flowsheet as encouraging. This review also highlighted several further optimization options
- As a result, Heron committed to undertake further work on the KNP including:
 - Up-scaling of the study from 10Ktpa to 20Ktpa to assess the impact of economies of scale on both operating costs and capital costs, including a revised mining plan and estimates for mining capital and operating costs
 - Additional bench-scale acid leach tests to be carried out at the Simulus Kewdale facility on the mining inventory identified in the up-scale study on the full range of KNP ore types, aiming to better characterize geo-metallurgical performance under Atmospheric Leaching conditions
- Heron is considering options for a KNP Demonstration Plant to demonstrate the process to Feasibility Study level

Scoping Study Summary Results	Simulus Scoping Study April 2014	Simulus Scoping Study Due Q3 2014
Capacity Leach Feed (Mtpa)	1.0	[TBC]
Mine Life (years)	22	[TBC]
Average Ni Production tpa (in MHP)	10,000	[20,000]
Overall Opex US\$/lb Ni (C1 cost)	3.56	[TBC]
Pre-production Capex A\$M	356	[TBC]
Overall Capex US\$/annual lb Ni	14.54	[TBC]

KNP Partnership & Development Outline



Indicative
Cost Target (A\$)

18-24 month timeframe



\$170K

20Ktpa Scoping Study

Study under way,
expected completion
Q3 2014

Partnership Identification

Partners currently being
identified and approached,
KPMG Corporate Finance
mandated

\$5-10M

Design work
in progress

KNP Demonstration
Plant

\$10-20M

KNP Feasibility Study

\$500M+

Project Funding



Table 1: Mineral Resource Estimates for Heron nickel laterite deposits (0.5% nickel cut-off grade)



Region	Prospect	Million Tonnes	Ni %	Co %		Resource Category	Estimation Method	Estimate Source	Study Period
Goongarrie	Goongarrie South*	5.8	1.08	0.105		Measured	Krige	Heron	Post PFS
	Goongarrie South*	54.2	0.79	0.066		Indicated	Krige	Heron	Post PFS
	Goongarrie South*	34.4	0.63	0.042		Inferred	Krige	Heron	Post PFS
	Highway	52.9	0.66	0.042		Indicated	Krige	Heron	Post PFS
	Highway	38.4	0.63	0.040		Inferred	Krige	Heron	Post PFS
	Ghost Rocks	24.8	0.67	0.047		Inferred	Krige	Snowden	Pre PFS
	Goongarrie Hill	53.6	0.60	0.037		Inferred	Krige	Heron	Post PFS
	Big Four	42.6	0.69	0.052		Indicated	Krige	Heron	Post PFS
	Big Four	12.4	0.54	0.054		Inferred	Krige	Heron	Post PFS
	Scotia	11.2	0.77	0.080		Inferred	Krige	Snowden	Pre PFS
	Sub-total	330.3	0.68	0.049					
Siberia	Siberia South	104.4	0.66	0.035		Inferred	Krige	Snowden	Pre PFS
	Siberia North	10.8	0.64	0.051		Indicated	Krige	Snowden	Post PFS
	Siberia North	60.0	0.66	0.040		Inferred	Krige	Snowden	Post PFS
	Black Range	20.1	0.75	0.103		Inferred	Krige	Snowden	Pre PFS
	Sub-total	195.3	0.66	0.043					
KNP West	Total	525.6	0.67	0.047					
Bulong	Taurus	14.2	0.83	0.051		Inferred	Krige	Snowden	Pre PFS
	East	15.9	0.89	0.046		Indicated	Krige	Snowden	Pre PFS
	East	24.3	0.78	0.053		Inferred	Krige	Snowden	Pre PFS
	Sub-total	54.4	0.87	0.054					
Hampton	Kalpini	75.4	0.73	0.044		Inferred	Krige	Snowden	Pre PFS
	Sub-total	75.4	0.73	0.044					
KNP East	Total	129.8	0.79	0.048					
	Jump Up Dam‡	3.8	0.94	0.048		Measured	Krige	Snowden	PFS
	Jump Up Dam	41.7	0.79	0.044		Indicated	Krige	Snowden	PFS
Yerilla	Jump Up Dam	18.5	0.64	0.035		Inferred	Krige	Snowden	PFS
	Boyce Creek	26.8	0.77	0.058		Inferred	Krige	Heron	PFS
	Aubils**	49.4	0.70	0.066		Inferred	Krige	Heron	PFS
KNP Yerilla	Total	140.2	0.73	0.052					
Company Total		795.6	0.70	0.048					

* Includes 33.4 million tonnes at 0.70% nickel and 0.040% cobalt located on a pending mining tenement.

** Includes 49.4 million tonnes at 0.70% nickel and 0.066% cobalt located on a pending mining tenement.

‡ Includes approximately 20,000 tonnes at 1.3% nickel and 0.050% cobalt in stockpiles from the 2008 trial pit.

Notes:

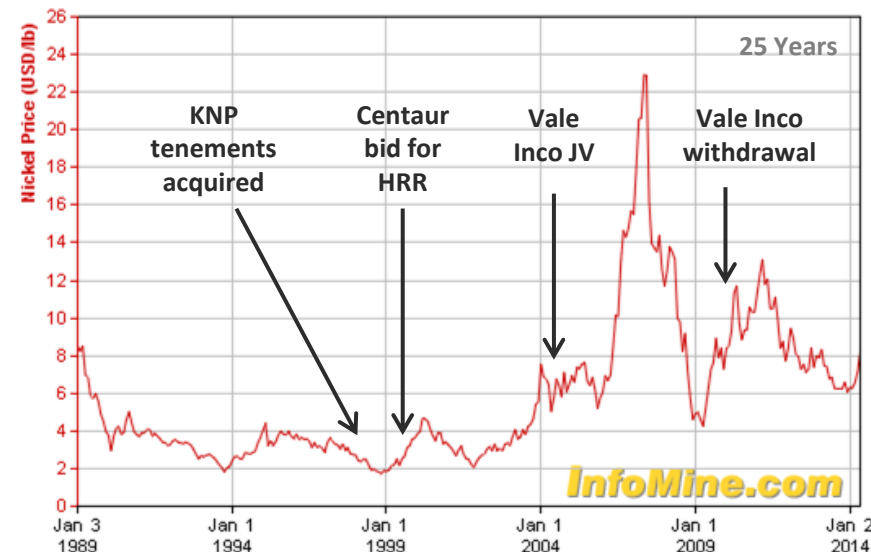
1. Tonnage (dry) and grade estimates have been rounded to reflect the estimation precision.
2. Economic parameters for the KNP are based on a Pre-Feasibility Study completed by Vale Inco under farm-in arrangements between April 2005 and July 2009, and re-optimized by Heron between August 2009 and January 2010. The Vale Inco farm-in ended in July 2009 and Vale Inco has no retained rights in respect of the KNP tenements.
3. Economic parameters for Yerilla are based on a Pre-Feasibility Study completed by Heron between June 2006 and April 2009, and re-optimized by Shanshan under joint venture between May 2009 and May 2011. The Shanshan joint venture expired in May 2011. Shanshan has no retained rights in respect of the Yerilla tenements.

Nickel Market and Prices



- Prices have recovered from the depths seen in the 2008-2009 global downturn, with global nickel demand still heavily dependent on China
- Current focus is on the Indonesian export ban (previously Indonesia accounted for 59% of nickel imports into China) and impact on the NPI industry
- CRU state that supply side facing challenges are increasing due to declining discoveries of sulphide ores, increasing the importance of laterite ore sources and forcing producers to search for more efficient production methods
- Roskill forecasts “a gradual increase in nickel prices through 2015 as a result of the Indonesian ban, with a stronger increase expected from the end of 2017, as prices must eventually increase to permit investment in future capacity to supply the market into the next decade”
- Citibank forecast prices between US\$10.8-12.0/lb between 2015-2018. Citibank believe the Indonesia ban is here to stay, with the benefits outweighing the lost ore export revenues
- The surplus will drop to a four-year low this year and will swing to a deficit next year, according to Norilsk

The importance of the KNP to global nickel supply will only increase over time as sulphide sources are depleted



Sources: Infomine.com, CRU (2-May-14) <http://www.crugroup.com/market-analysis/products/nickelmarketoutlook>, Roskill Information Services (16-Dec-2013) <http://www.mining.com/web/nickel-market-may-be-missing-the-bigger-picture/>, Bloomberg (20-May-2014) <http://www.bloomberg.com/news/2014-05-20/nickel-climbs-for-third-day-on-tighter-supply-concern.html>, Citibank 'Australia Metals & Mining', Nickel: Boom Only Just Begun (21 May 2014).

Directors and Management



Non Executive Chairman

Craig Readhead
BJuris, LLB, FAICD

- Craig Readhead is a Lawyer with over 30 years legal and corporate advisory experience with specialisation in the resources sector, including the implementation of large scale mining projects both in Australia and overseas.
- Mr Readhead is a former president of the Australian Mining and Petroleum Law Association and is the Managing Partner of specialist mining and corporate law firm Allion Legal.

Managing Director

Ian Buchhorn
BSc (Hons), Dip Geosci (Min Econ), MAusIMM

- Ian Buchhorn is a Mineral Economist and Geologist with over 30 years experience. Prior to listing Heron in 1996 as founding Managing Director, Mr Buchhorn worked with Anglo American Corporation in southern Africa, and Comalco, Shell/Billiton and Elders Resources in Australia, as well as setting up and managing Australia's first specialist mining grade control consultancy.
- Mr Buchhorn has worked on feasibility studies, bauxite and industrial mineral mining and exploration, gold and base metal project generation, and in corporate evaluations. For the last 20 years Mr Buchhorn has acquired and developed mining projects throughout the Goldfields of Western Australia and operated as a Registered Mine Manager.

Non-executive Director

Stephen Dennis
BCom, BLLB,
GDipAppFin(Finsia), CFTP

- Stephen Dennis has been actively involved in the mining industry for over 25 years. He spent 14 years in senior management roles at MIM Holdings Limited, was Group General Manager and Chief Financial Officer of nickel laterite producer Minara Resources Limited until late 2005 and was Regional Director of the minerals transportation and logistics business of Brambles Australia Limited in Western Australia until late 2006.
- Mr Dennis is currently the CEO and Managing Director of CBH Resources Limited, a Sydney based resources company.

General Manager Exploration

David von Perger
BSc (First Class Honours),
MAusIMM

- David von Perger is a geologist with over 20 years experience in mineral exploration having worked in several locations around Australia. Mr von Perger has worked on various styles of mineral deposits including Archaean gold and nickel, and Proterozoic base-metal and iron-ore. His experience includes four years as a business analyst for a major mining group involving analysis of mining operations, project development and assessment of new opportunities.
- Since his appointment with Heron in February 2004, Mr von Perger has been responsible for the identification and acquisition of several new nickel, gold, iron-ore and base-metal projects.

General Manager Strategy & Business Development

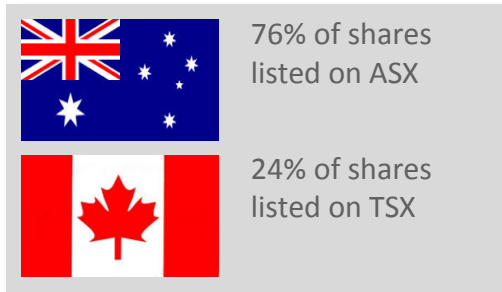
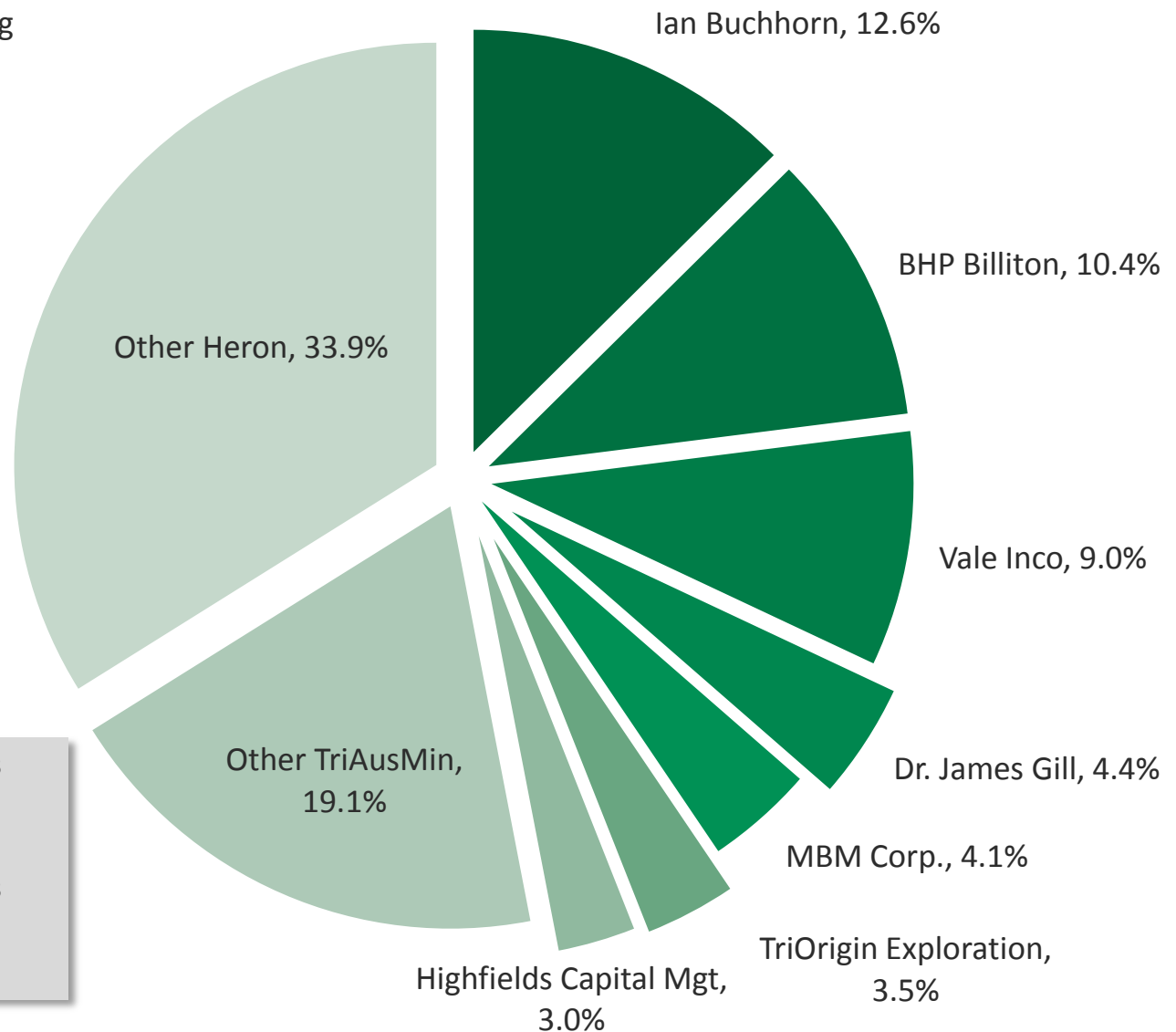
Charlie Kempson
MEng (Oxon), MBA, GAICD

- Charlie Kempson is a senior finance professional with an engineering background whose key competencies include business strategy and business development with a strong focus on inorganic growth, transactional and project financing, corporate governance, and leadership, applied across mining, oil & gas and associated services industries.
- His experience across more than 15 years includes nine years with corporate advisor Azure Capital where he was a Director, five years with the equity derivatives divisions of Commerzbank AG and Barclays Capital, and four years with LogicaCMG consulting to the space and oil & gas industries.

HRR Shareholder Register



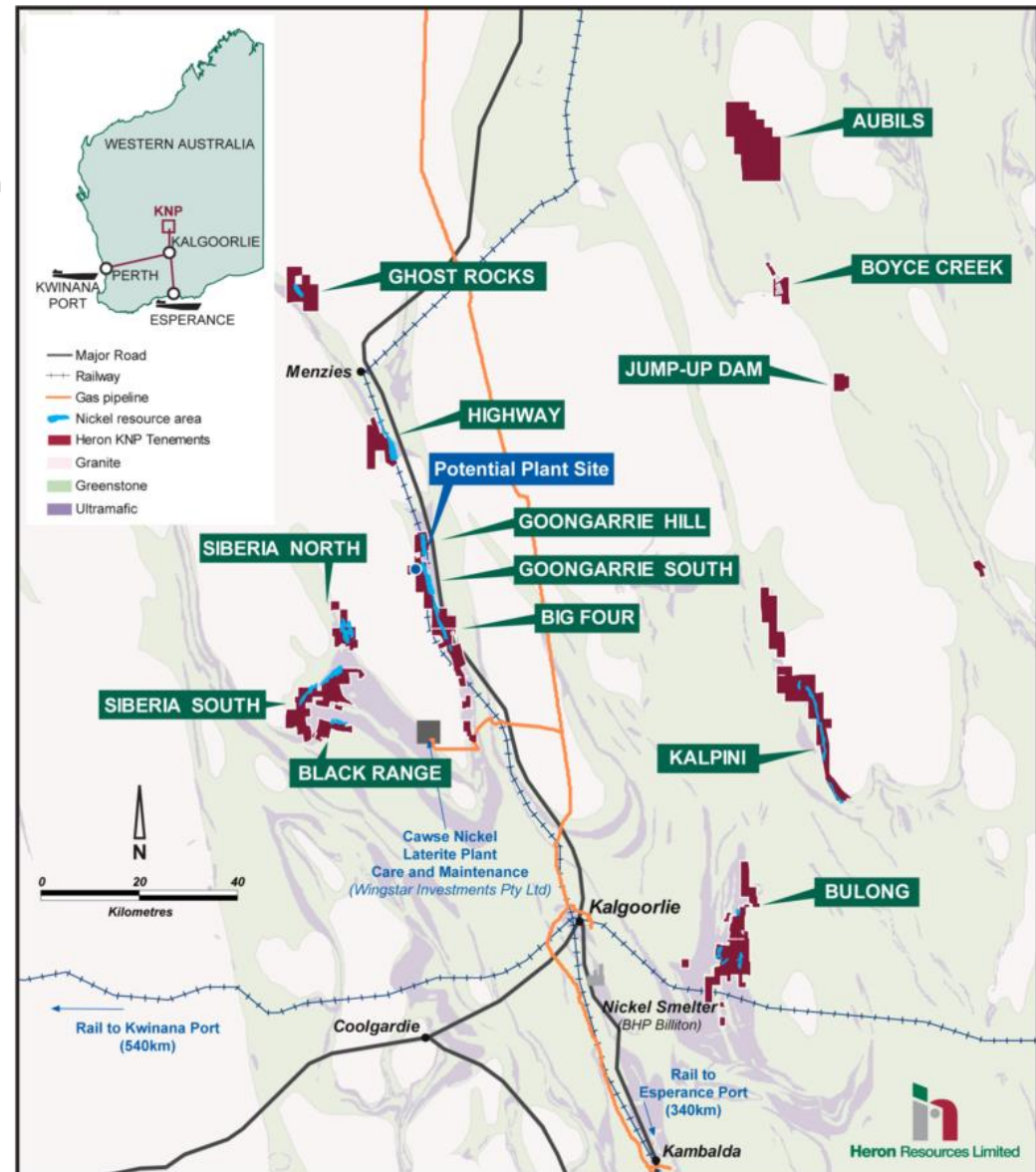
Note: HRR is currently undertaking a merger with ASX/TSX listed TriAusMin Limited and subject to process will itself become a dual listed entity post merger. The information on this page is presented on a pro-forma basis assuming that the merger completes as planned.



Geological Setting



- The KNP nickel laterite deposits are located within the Archaean (2.7 billion year old) Yilgarn Craton which covers much of the southern half of Western Australia
- The Yilgarn Craton consists of over 70% granite by surface with the remainder consisting of NNW trending greenstone belts that are comprised of sediments (sandstone, shale, conglomerate) and mafic and felsic volcanic units related to ancient geological processes.
- The greenstone belts are traversed by crustal scale fault zones which have acted as the conduits for the hydrothermal activity giving rise to the world-class Kalgoorlie gold mining district and the associated numerous smaller scale gold mines.
- In addition, there are ultramafic volcanic rocks from which both nickel sulphide and nickel laterite deposits are derived. The **KNP West** nickel laterite deposits are formed from the weathering of the ultramafic Walter Williams Formation, a uniquely massive ultramafic flow which displays strong differentiation across it's width giving rise to the different types of the nickel laterite ore. In the centre of the WWF is olivine adcumulate ultramafic which weathers to highly siliceous nickel laterite amenable to screen beneficiation and on the margins of the WWF occurs orthocumulate ultramafic that weathers to nontronitic and saprolitic ore types.
- The **KNP East** nickel laterite is derived from a variety of different and thinner ultramafic flows which tend to lack the thick adcumulate units. As a result the nickel laterite KNP East is dominated by the saprolitic and nontronite ore type and is less amenable to screen beneficiation.



KNP Screen Beneficiation



- Screen beneficiation of the nickel laterite is a key factor for the KNP deposits
- Flow-sheet utilised successfully at Ravensthorpe and Cawse
- Screen out hard barren silica material, increases nickel grade by a factor of 1.5 – 2.0 times



Run-of-mine siliceous ore,
*yellow-brown goethite and
coarse silica*
0.7% Ni

Scrubbed slurry
into pilot plant
trommel screen deck



Screened rejects
Silica fragments 60%
*Reject grade **0.4% Ni***



Screened slurry
goethite 40%
*Leach feed grade **1.15% Ni***

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