



Heron Resources Limited

2015 Euroz Conference



**Rapidly Advancing the
High Grade Woodlawn Zinc-Copper Project
From PEA to Production**

Wayne Taylor, Managing Director
11 March 2015

ASX: HRR | TSX: HER

Forward Looking & Compliance Statements



Forward Looking Statements

- The information contained in this presentation has been prepared using the information available to Heron Resources Ltd (Heron or the Company) 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.
- External or other factors may have impacted on the business of Heron and the content of this presentation since its preparation. Heron does not undertake to update any forward-looking statements that are contained in this presentation, except in accordance with applicable securities laws. In addition, this presentation may not include all relevant information regarding Heron. Heron has taken all reasonable care in preparation of this presentation. However, the content of this presentation should not be relied upon in relation to any further action including investment in Heron. Any person considering an investment in Heron is advised to obtain independent financial advice prior to making an investment decision.
- Nothing in this presentation should be construed as to constitute an offer, invitation or recommendation to subscribe for, sell or purchase any security in any jurisdiction.
- 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 at the time. It does not include all available information and should not be used in isolation as a basis to invest in Heron. 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.
- No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Heron, its directors, employees or agents, or any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness or any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Compliance Statement (JORC 2012 and NI43-101)

The technical information in this news release relating to the exploration results 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 mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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 von Perger has reviewed this press release and consents to the inclusion in this news release of the information in the form and context in which it appears.

Heron Resources

Overview



Focused on the development of the Woodlawn VMS Project

Key Characteristics

- ⌘ High grade / high value deposit
- ⌘ Established Mineral Resources & Ore Reserves
- ⌘ High grade underground (**WUP**) and advanced tailings project (**WRP**)
- ⌘ Granted mining lease and project approvals in place
- ⌘ Excellent infrastructure: road, rail, power, water

Development Program

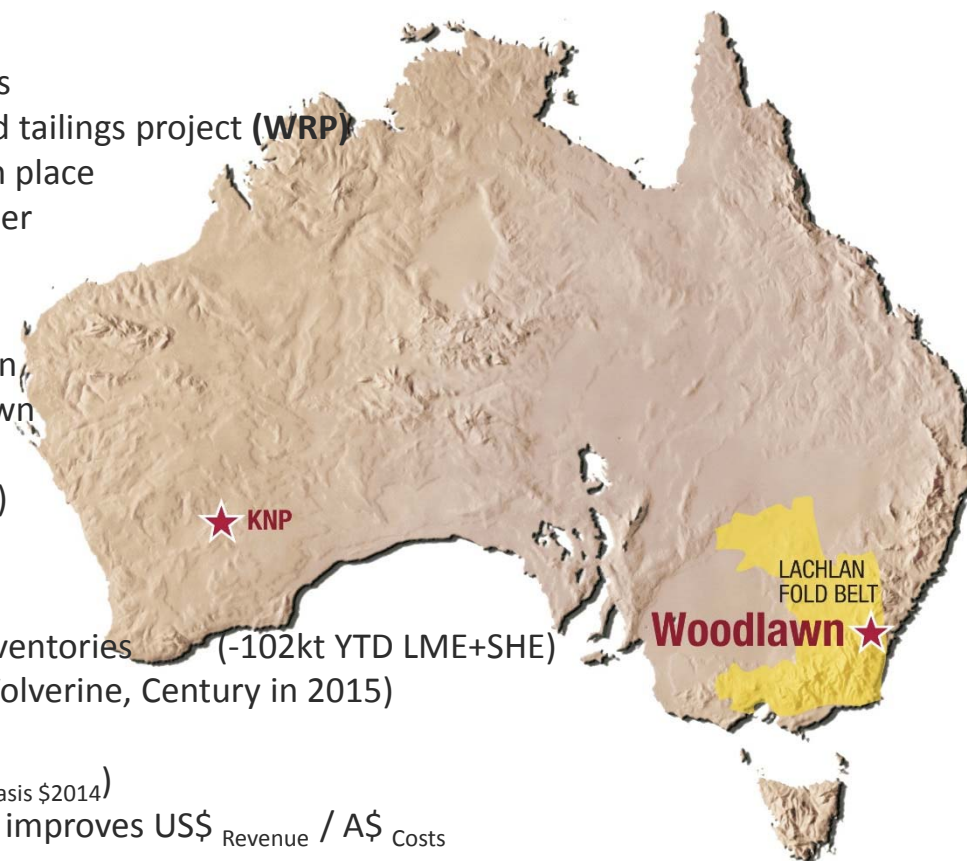
- ⌘ Woodlawn drilling & PEA – nearing completion
- ⌘ Program to deliver BFS for combined Woodlawn Underground and Tailings Projects
- ⌘ Fully funded to BFS - cash \$28 million (31 Dec)

Commodities with Strong Fundamentals

- ⌘ Zinc market in supply deficit with declining inventories (-102kt YTD LME+SHE)
- ⌘ Significant mine supply scheduled to close (Wolverine, Century in 2015)
- ⌘ Limited quality development projects
- ⌘ Strong pricing forecast (MBL L/T US\$2600/t basis \$2014)
- ⌘ Devaluation in A\$ (1.08 Feb 2012 → 0.78 Feb 2015) improves US\$ Revenue / A\$ Costs

Quality Project Inventory

- ⌘ Lachlan Fold Belt, NSW projects: Lewis Ponds, Overflow, Calarie – Zn + Cu + Pb + Ag + Au
- ⌘ Kalgoorlie Nickel Project, WA: Substantial nickel exposure



Heron Resources

Corporate Summary



Capital Structure

TSX : HER	ASX : HRR
Shares:	360.9m
Options:	16m
Share Price:	\$0.14
Market Capitalisation:	\$51M
Cash:	\$27.9M (31 Dec 2014)
Listed Investments:	\$2.9M

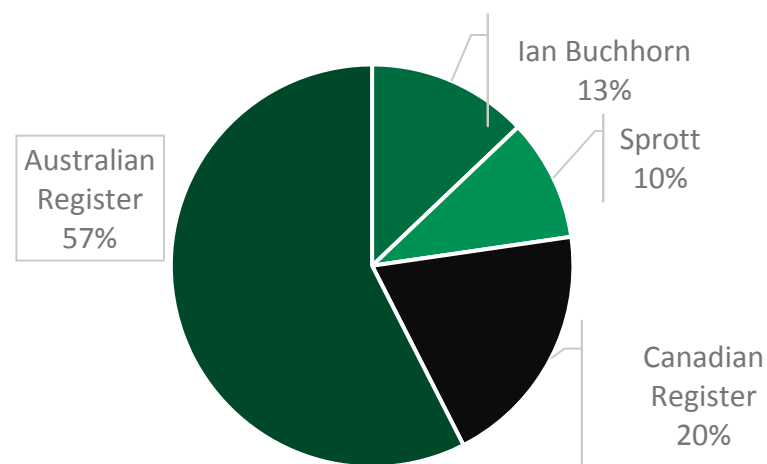
Share Price



Board & Management

Chairman	Craig Readhead
Non-Executive Director	Stephen Dennis
Non-Executive Director	Borden Putnam III
Executive Director	Ian Buchhorn
Managing Director & CEO	Wayne Taylor
General Manager Exploration	Dave von Perger
General Manager Strategy	Charlie Kempson
CFO & Company Secretary	Simon Smith

Share Register

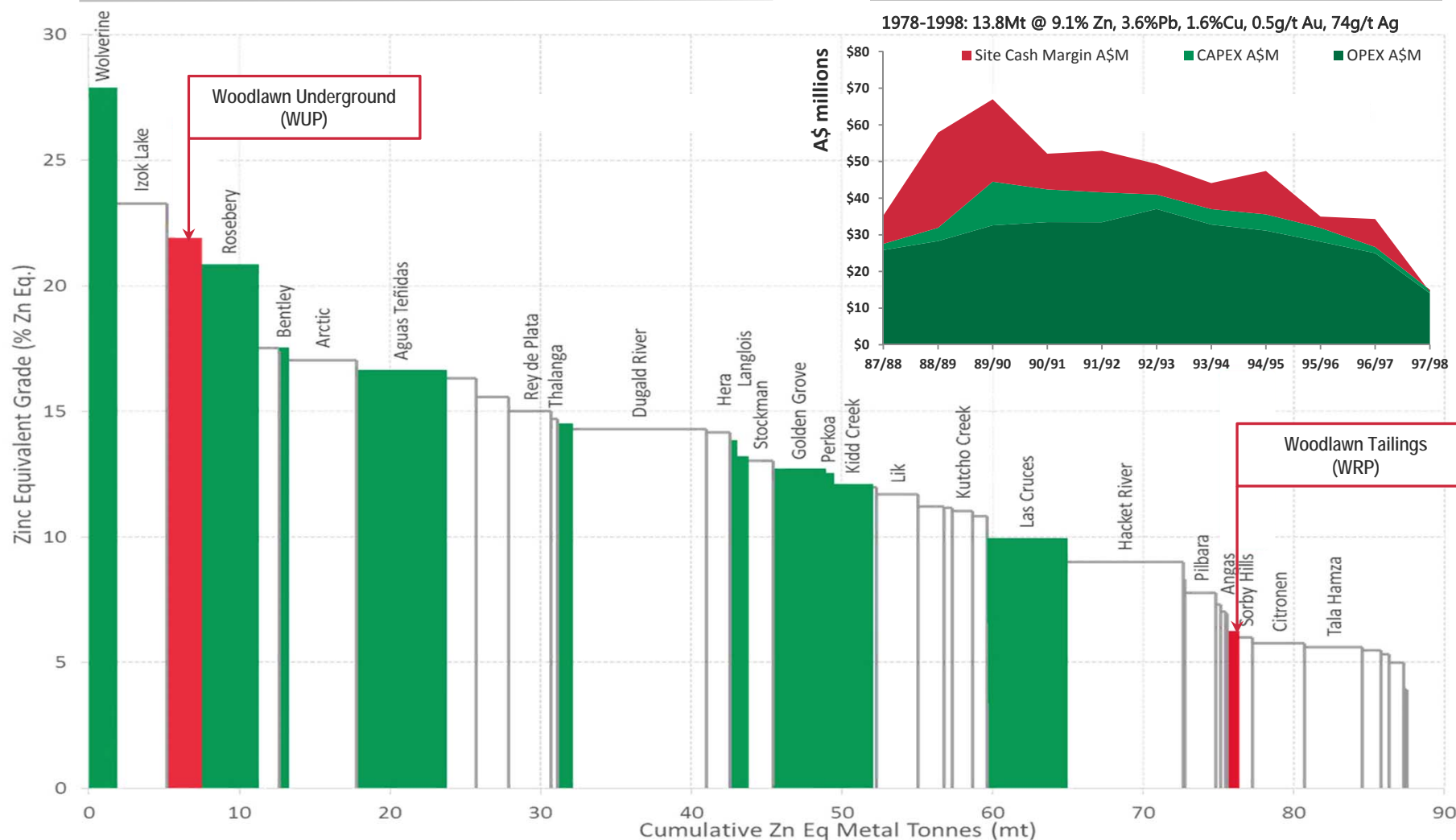


Woodlawn – High Grade Deposit

First Quartile Resource Grade ♦ Prior Operations



Size & Grade of Selected Polymetallic (Zn-Pb-Cu-Ag-Au) Deposits



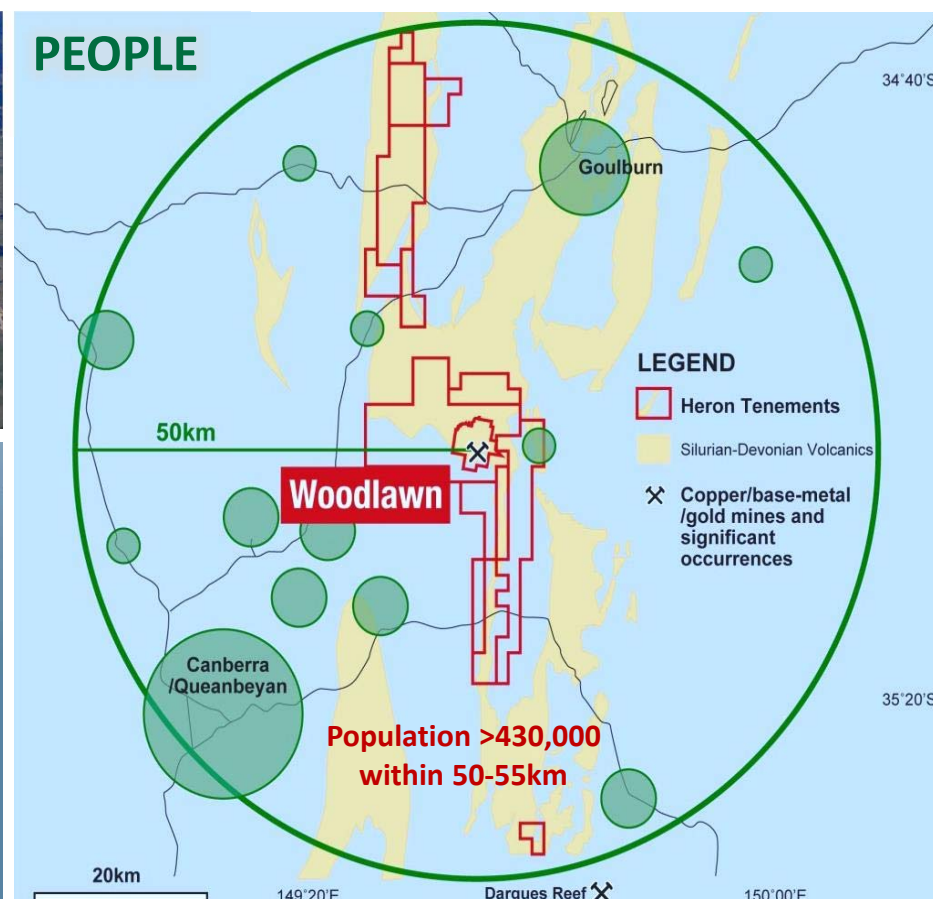
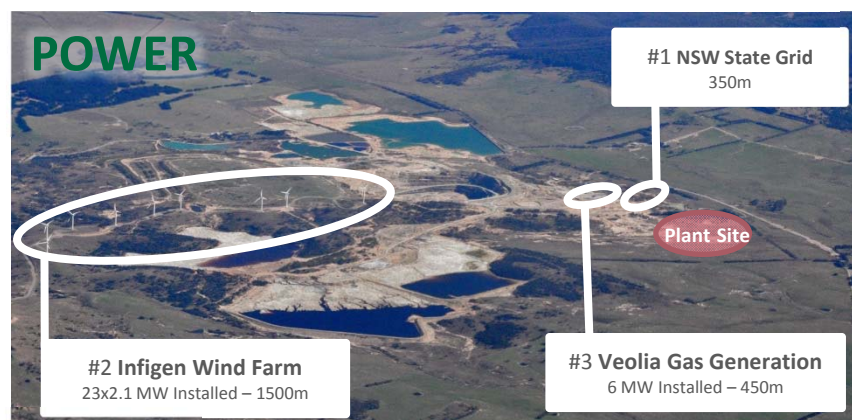
Source: Terra Studio. Zn equivalent grade calculated based on the following US\$ metal prices: Zn \$1.00/lb, Pb \$0.95/lb, Cu \$3.00/lb, Ag \$14/oz, Au \$1,100/oz

Woodlawn Advantages

Fully Permitted ♦ People ♦ Sealed Roads ♦ Water ♦ Power ♦ Ports



COMMUNITY	✓	POWER	✓	WATER	✓	PERMITTING	✓
ACCESS	✓	PORT	✓	LABOUR	✓	MINING LEASE	✓



Woodlawn Study Imminent

Preliminary Economic Assessment (PEA)



**An experienced
external consulting
team...**

 **srk consulting**

BECK 
ENGINEERING
AMML


GR ENGINEERING SERVICES
ENGINEERING CONSULTANTS AND CONTRACTORS

 **INTERNATIONAL
ENVIRONMENTAL
CONSULTANTS
PTY LTD**

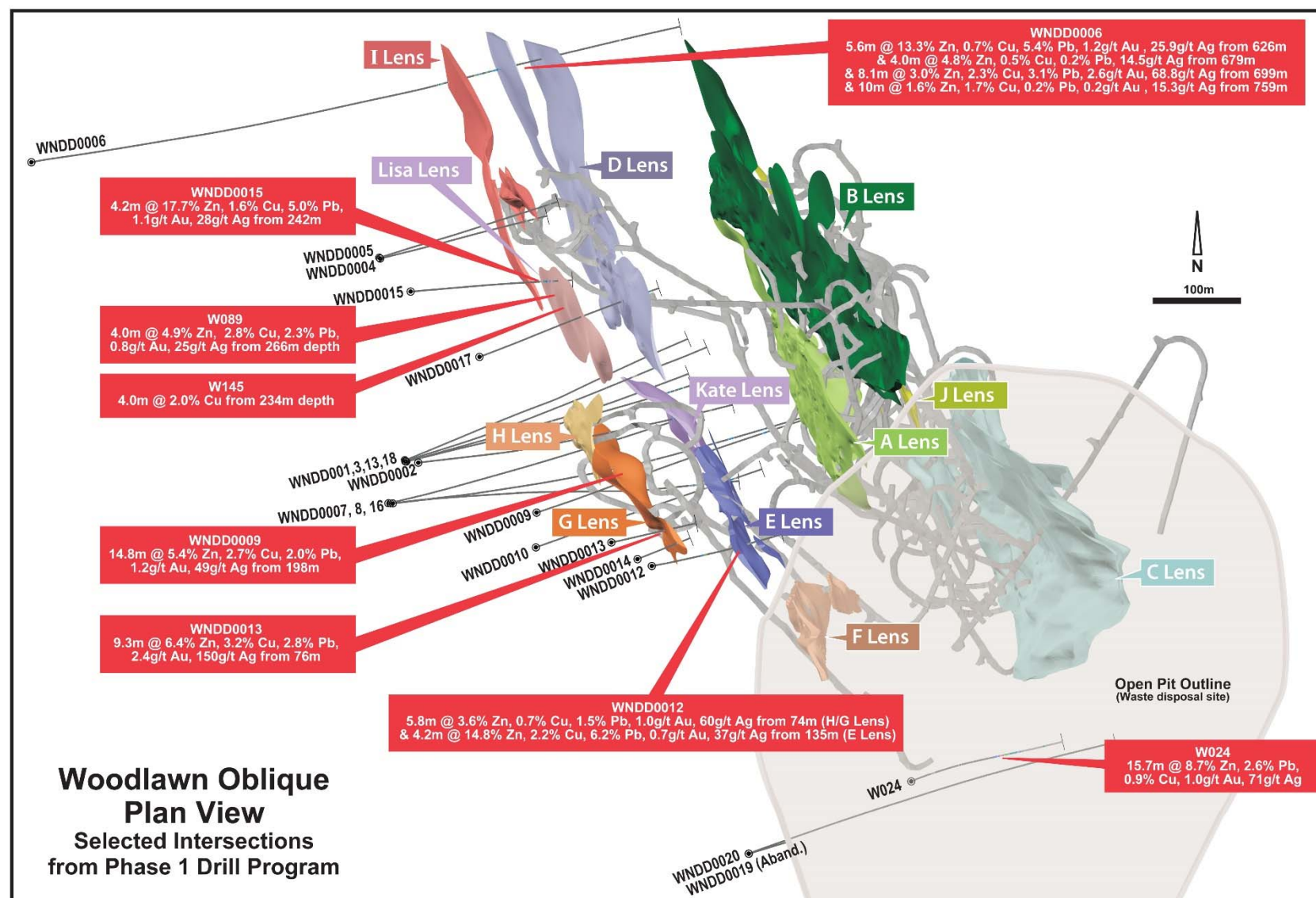
**... complementing
a strong in-house
skill set through a
rapid PEA process**

- High rate of success from generated drill targets
- Significant new shallow areas identified for PEA mine plan
- New mineralisation identified across 9 Lenses
- Metallurgical testwork confirms co-treatment option
- PEA progressing well - completion expected within ~5 weeks
- Forward BFS programme now being designed
- Fully funded to BFS A\$28M at bank (31 Dec '14)



Woodlawn Drilling

Confirms Potential ♦ New Lenses ♦ High Grade Intersections

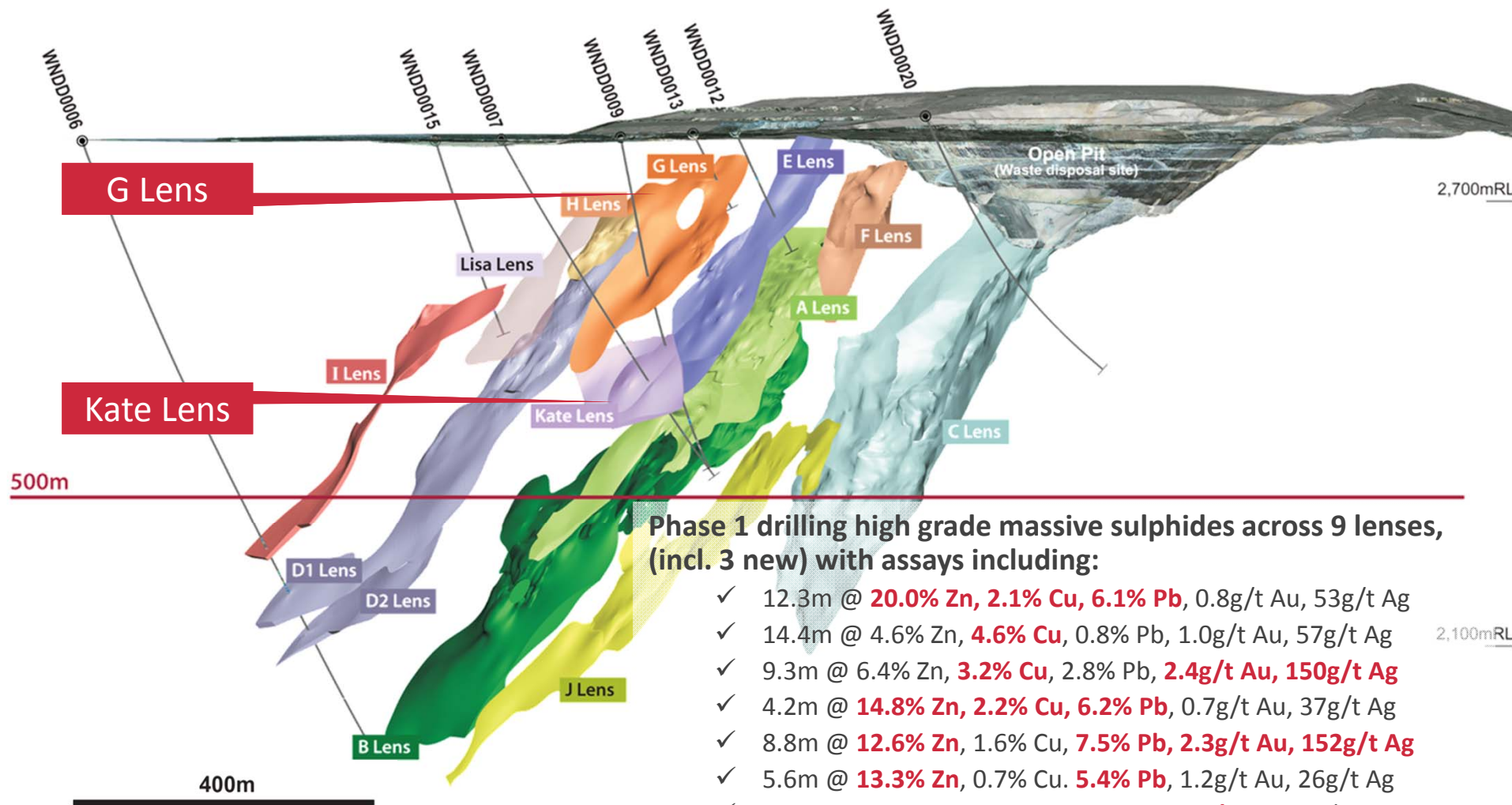


Woodlawn Drilling

Confirms Potential ♦ New Lenses ♦ High Grade Intersections



Exploration success in shallow positions



Phase 1 drilling high grade massive sulphides across 9 lenses, (incl. 3 new) with assays including:

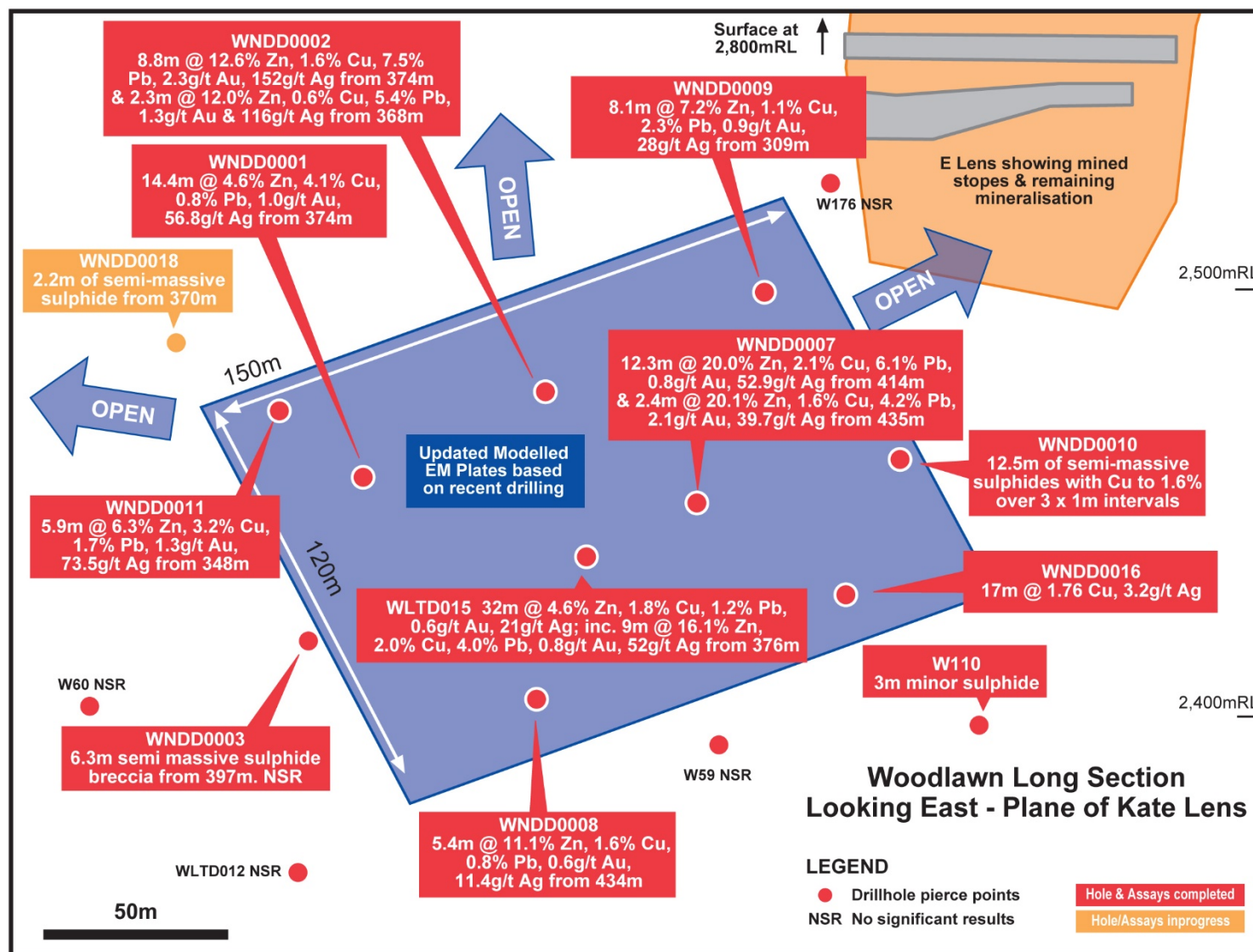
- ✓ 12.3m @ **20.0% Zn, 2.1% Cu, 6.1% Pb**, 0.8g/t Au, 53g/t Ag
- ✓ 14.4m @ 4.6% Zn, **4.6% Cu**, 0.8% Pb, 1.0g/t Au, 57g/t Ag
- ✓ 9.3m @ 6.4% Zn, **3.2% Cu**, 2.8% Pb, **2.4g/t Au, 150g/t Ag**
- ✓ 4.2m @ **14.8% Zn, 2.2% Cu, 6.2% Pb**, 0.7g/t Au, 37g/t Ag
- ✓ 8.8m @ **12.6% Zn**, 1.6% Cu, **7.5% Pb, 2.3g/t Au, 152g/t Ag**
- ✓ 5.6m @ **13.3% Zn**, 0.7% Cu, **5.4% Pb**, 1.2g/t Au, 26g/t Ag
- ✓ 5.9m @ 6.3% Zn, **3.2% Cu**, 1.7% Pb, **1.3g/t Au**, 74g/t Ag
- ✓ 4.2m @ **17.7% Zn**, 1.6% Cu, **5.0% Pb**, 1.1g/t Au, 28g/t Ag

Kate Lens – A Major Success Story

10 Holes ♦ Target Significant Tonnes into PEA

PEA Hit List:

- 10 diamond holes during PEA
- DHEM plate confirmed
- Grades typical Woodlawn (Zn-Pb-Cu)
- Shallow and near existing drive (90m)
- Will contribute to PEA mining inventory
- Still open for expansion



G Lens – Exceeding Expectations

9 Holes ♦ Target Significant Tonnes into PEA

PEA Hit List:

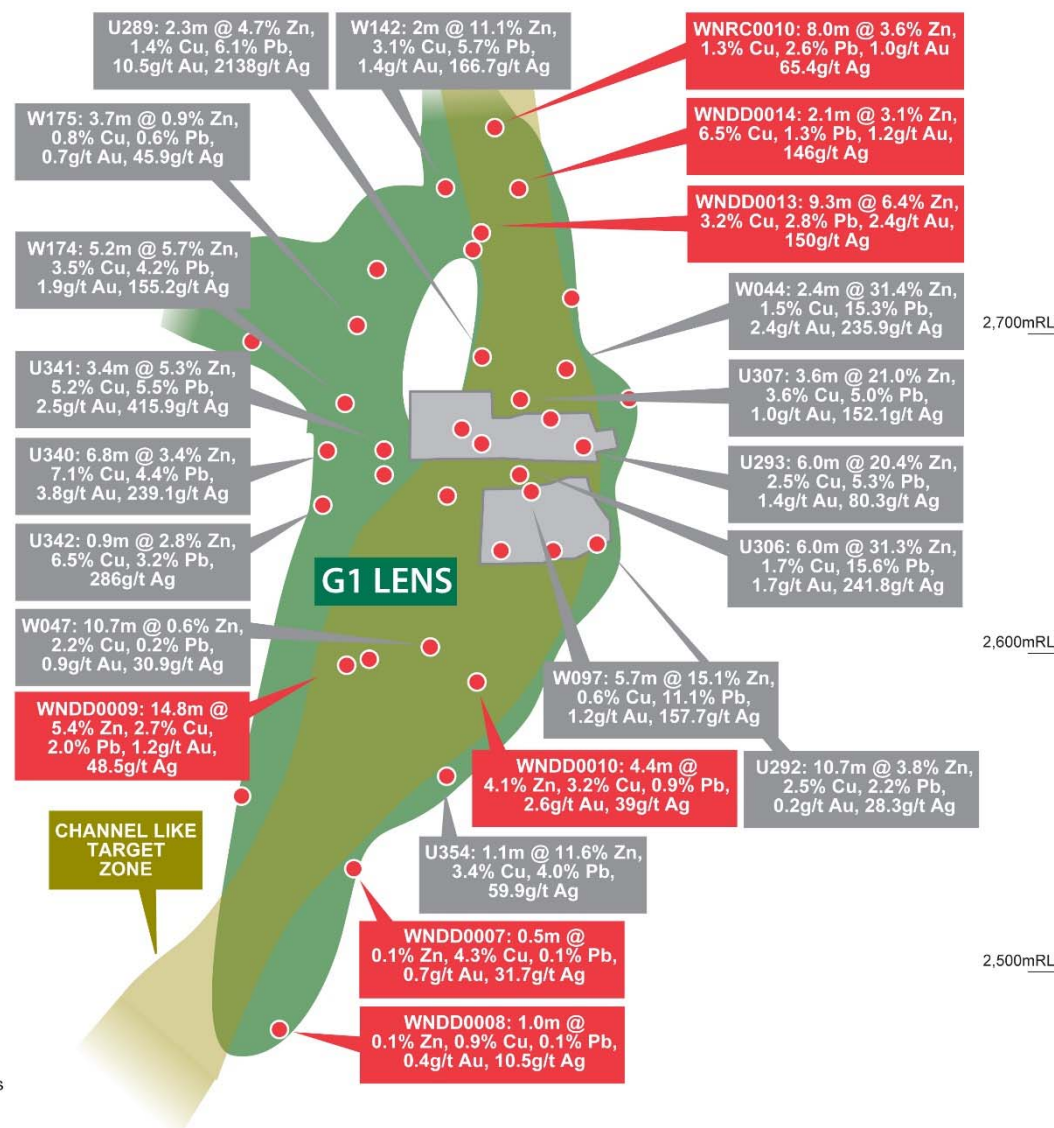
- 7 diamond and 2 RC intersections during PEA
- New geological model confirmed
- Grades typical Woodlawn (Zn-Pb-Cu)
- Shallow and near existing drives
- Will contribute to PEA mining inventory
- Noted for spectacular Zn/Cu/Pb/Au/Ag grades
- Still open for expansion

Woodlawn
Long Section
Looking East
Plane of G
Lens

LEGEND

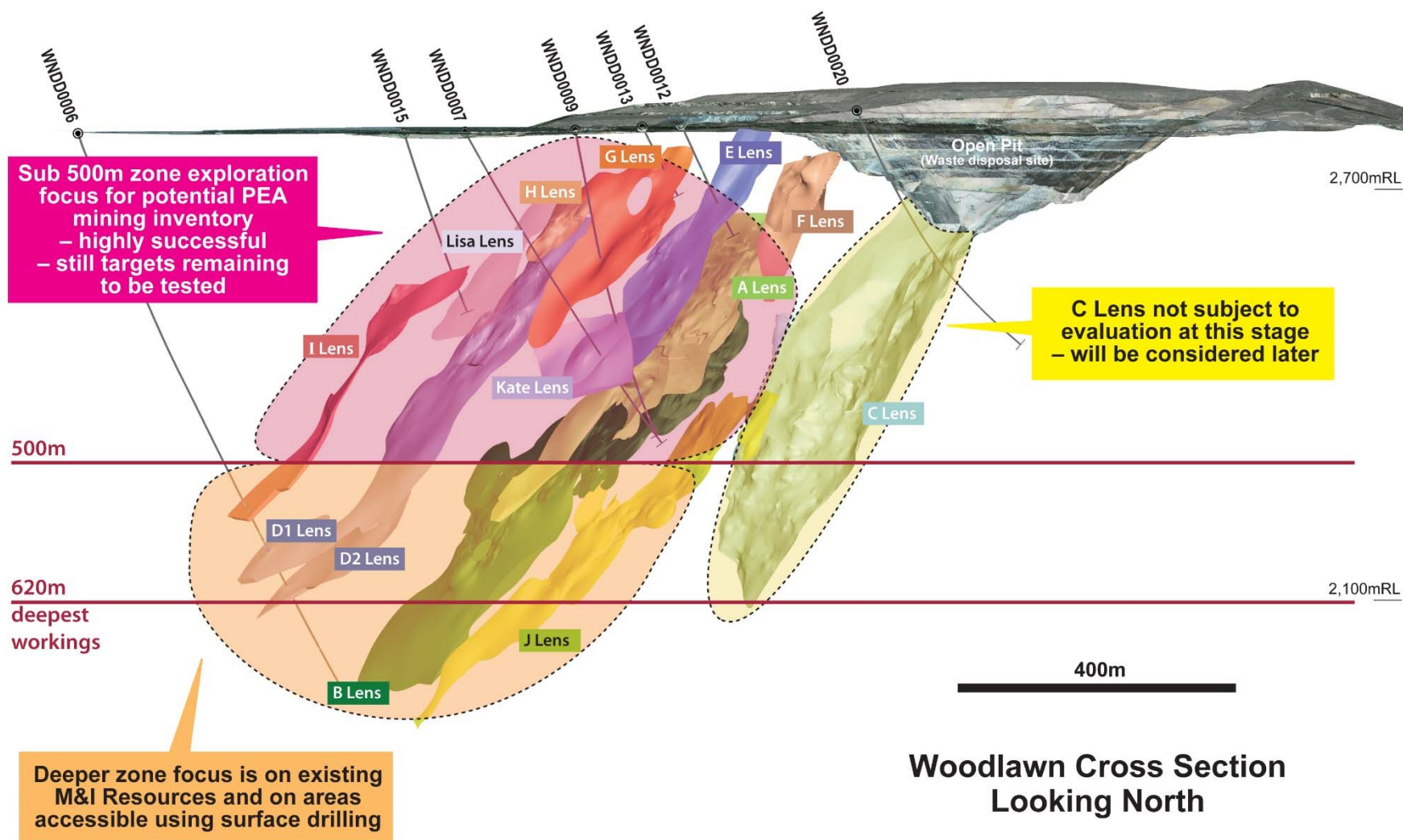
- Drillhole pierce points
- Stopped areas
- Selected Pre-2014 intercepts
- Selected Recent drilling intercepts

50m



PEA Resource Targets

Shallow / Low-Risk Positions

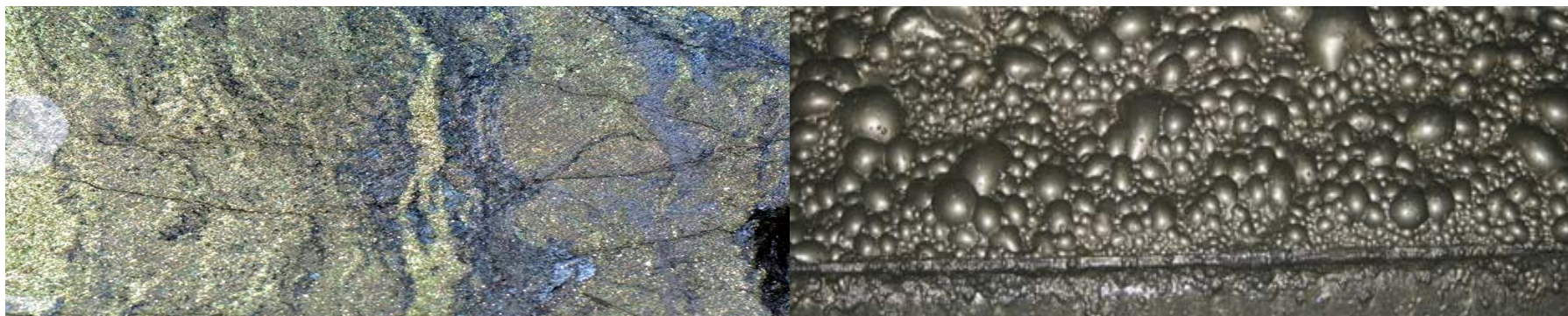


Metallurgical Testwork Successful

Exceeding Historic Performance ♦ Co-treatment Option Confirmed



- PEA - first independent testwork undertaken on the WUP since mine closure in 1998
- Extensive historic dataset for tailings flotation providing the basis for design framework



Testwork Confirmation

Results reflect advancements in flotation / fine grinding

Zinc-Copper (Zn-Cu-Pb-Au-Ag)	<ul style="list-style-type: none">✓ Higher recovery to higher grade concentrates✓ Produces readily saleable zinc, and high precious metals copper and lead concentrates
Copper (Cu-Ag)	<ul style="list-style-type: none">✓ Little historical data on separation flotation performance✓ Good recovery to high grade concentrate
Tailings + Zinc-Copper	<ul style="list-style-type: none">✓ Combined tailings and zinc-copper samples produce readily saleable zinc and high precious metals copper and lead concentrates✓ No loss in recoveries versus separate treatment performance✓ Confirmed co-treatment

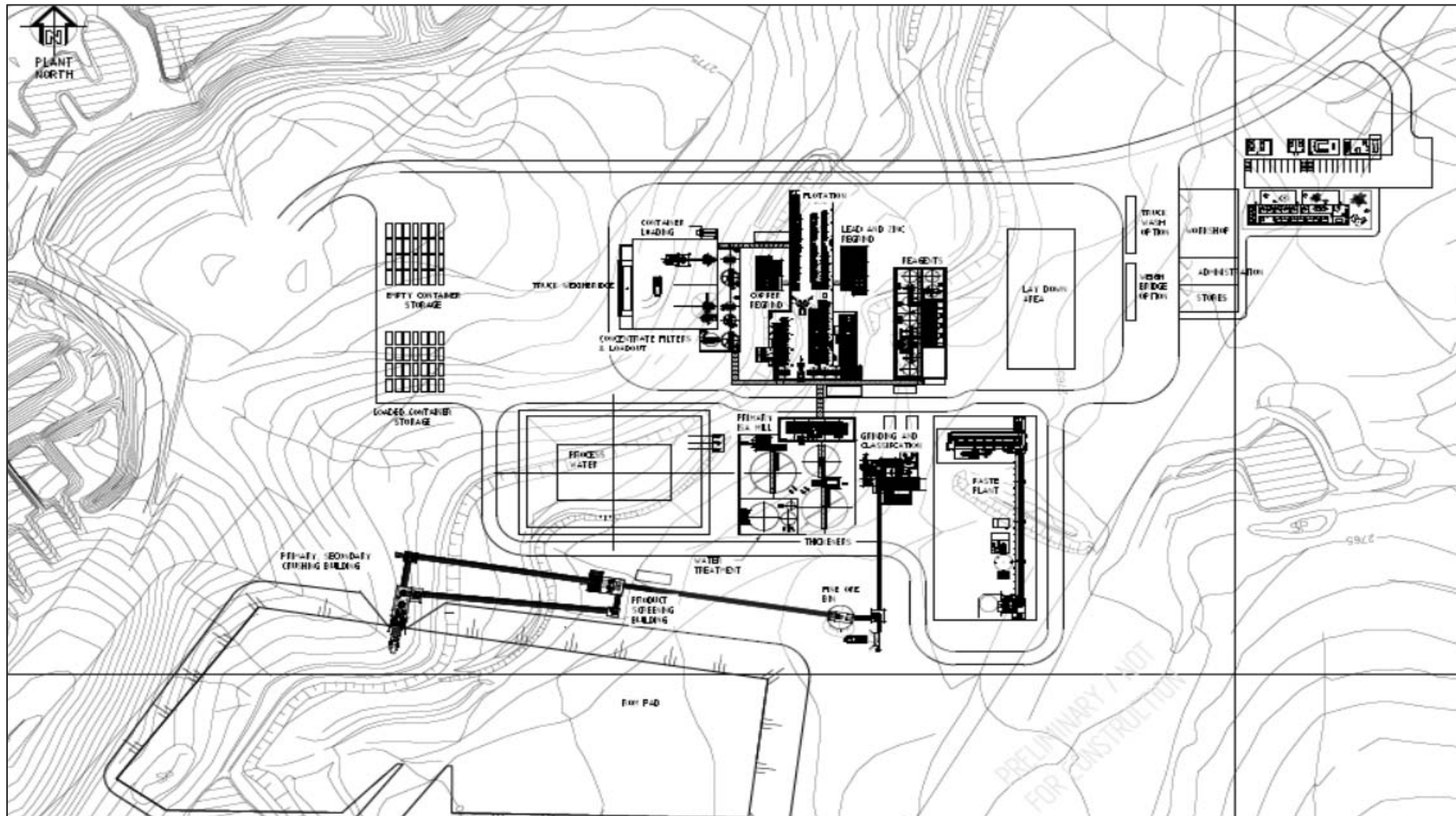
Refer to TSX/ASX release: Woodlawn Zinc Copper Project – Successful Metallurgical Test Work, 11 February 2015.

Plant Design Advanced

Based on Prior FEED Study ♦ Modified for Underground Blend



- GR Engineering Services designed for co-treatment of the underground & tailings at 50:50 blend
- Designed to be commissioned and run on 100% tailings



Environment & Community

Community Supportive & Engaged ♦ Management Plans Drafted



- Extensive stakeholder consultation through project approval process
- Strong community & government support
- Single immediate landowner - Veolia
- Agreements in place to purchase land over operational footprint
- Site collaboration - Provision of no-cost rehabilitation medium for final landforms

State Government Project Approval

4 July 2013

Mining Lease – SML20

Renewed for 15 Yrs (Feb 2015)

Advanced Management Plans – positioned to commence development



Forward Programme

BFS Decision ♦ Goal is Early Production



PEA (nearing completion)

12 months

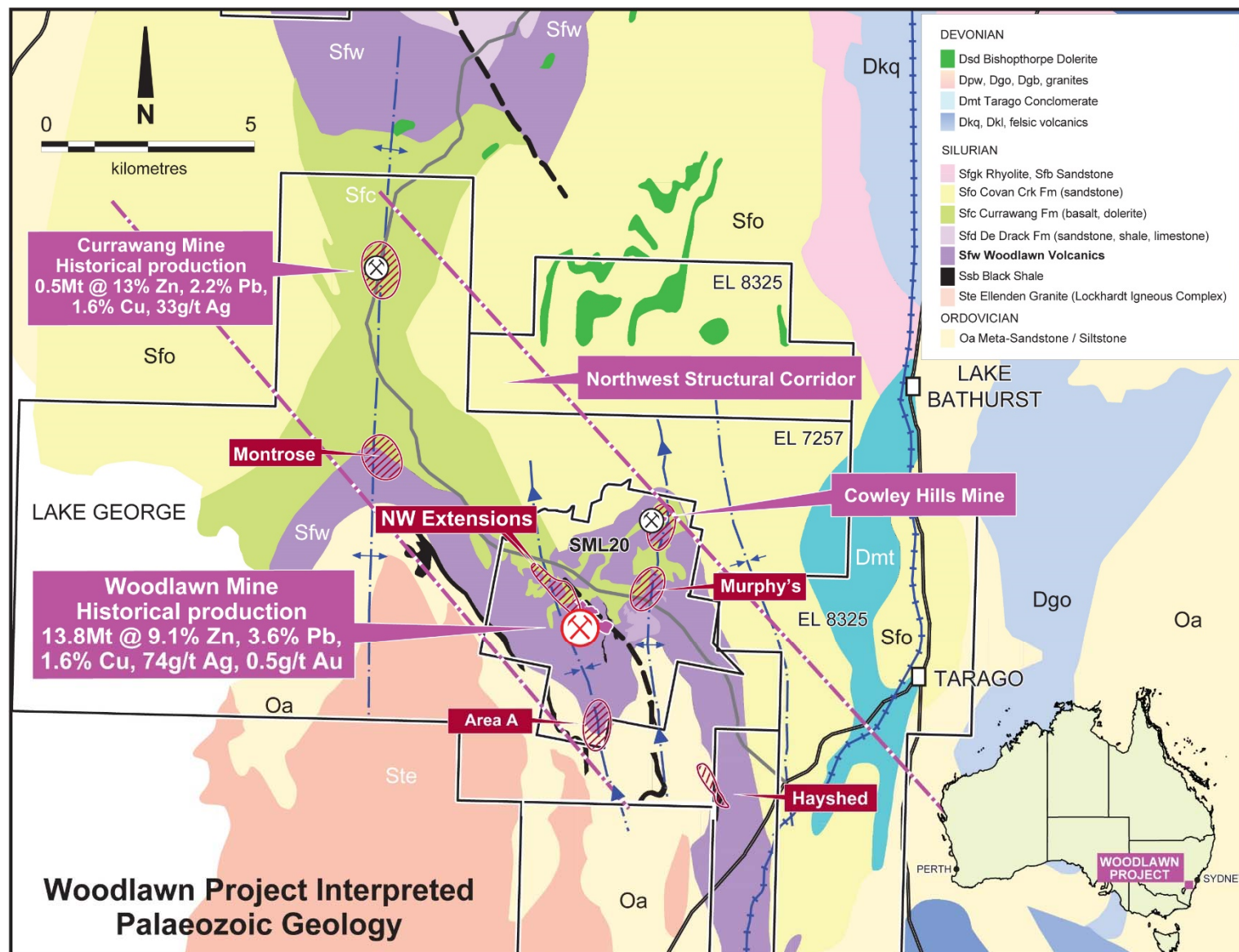
- Expedited completion of **BFS** – leverage off WRP BFS / FEED
- Infill drilling on sub-500m depth mineralisation
- Extended metallurgical tests focusing on combined treatment
- Assessment of funding opportunities
- Continue testing of attractive near-mine exploration targets

18 months

- Decision to mine
- Project funding
- Offtake discussions
- Contracting and construction

Near Mine Exploration Potential

Multiple Targets ♦ Historic Production ♦ Modern EM Applied



Heron Resources

Key Point Summary



- ✓ **PEA – completion within ~5 weeks**
- ✓ **Rapid decision on next stage post PEA**
- ✓ **Excellent exploration results & many untested targets remain**
- ✓ **Geotechnical data supports improved stoping methods**
- ✓ **Outstanding metallurgical test results**
- ✓ **Well capitalised and fully funded to BFS**
- ✓ **Zn market – case for supply shortage strengthens**
- ✓ **Low enterprise value of ~\$20M, cash + investments of \$31M¹**

1: Based on a share price of A\$0.14, cash and listed investments at 31 December 2014.

Directory

REGISTERED OFFICE:

1/37 Ord Street
West Perth WA 6005
T: +61 8 6500 9200

SYDNEY OFFICE:

Suite 702/191 Clarence Street
Sydney NSW 2000
T: +61 2 9119 8111

www.heronresources.com.au
heron@heronresources.com.au

Contacts

Wayne Taylor (Managing Director)
Ian Buchhorn (Executive Director)
David von Perger (GM Exploration)
Charlie Kempson (GM Strategy / BD)
Simon Smith (Chief Financial Officer)

