Level 1, 37 Ord Street, West Perth WA 6005
heron@heronresources.com.au
+61 8 6500 9200
ABN: 30 068 263 098

Heron Resources Limited

ASX/TSX Release

13 March 2015

ASX:HRR/TSX:HER	
Issued Shares	361M
Share Price	$0.13
Market Cap	$47M
Cash (31 Dec 2014)	$27.9M
Investments	$ 2.9M
Total C+I	$30.8M

Woodlawn Phase 1 Drilling Program Successfully Completed

- **20 diamond core (DDH) holes completed for 7,613m**
- **11 reverse circulation (RC) holes completed for 1,201m**
- **25 significant intercepts returned including the following previously reported high grade results:**
  - **8.8m @ 12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au,152g/t Ag from 374m (Kate Lens) WNDD0002**
  - **5.6m @ 13.3% Zn, 0.7% Cu, 5.4% Pb, 1.2g/t Au, 26g/t Ag from 626m (I Lens) WNDD0006**
  - **12.3m @ 20.0% Zn, 2.1% Cu, 6.1% Pb, 0.8g/t Au, 53g/t Ag from 414m (Kate Lens) WNDD0007**
  - **14.8m @ 5.4% Zn, 2.7% Cu, 2.0% Pb 1.2g/t Au, 49g/t Ag from 198m (G Lens) WNDD0009**
  - **8.1m @ 7.2% Zn, 1.1% Cu, 2.3% Pb, 0.9g/t Au, 28g/t Ag from 309m (Kate Lens) WNDD0009**
  - **4.2m @ 14.8% Zn, 2.2% Cu, 6.2% Pb, 0.7g/t Au, 37g/t Ag from 135m (E Lens) WNDD0012**
  - **9.3m @ 6.4% Zn, 3.2% Cu, 2.8% Pb, 2.4g/t Au, 151g/t Ag from 76m (G Lens) WNDD0013**
  - **4.2m @ 17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag from 246m (Lisa Lens) WNDD0015**
- **Results for final holes received and returned significant intercepts of:**
  - **17.0m @ 1.8% Cu (Kate Lens - south end) WNDD0016**
  - **9.5m @ 3.8% Zn, 1.6% Cu, 0.3% Pb, 0.8g/t Au and 17g/t Ag (D Lens) WNDD0017**
- **Discovery of new Lisa Lens**
- **Several EM conductors modelled with Phase 2 follow–up drill targets identified**
- **Provision of critical metallurgical samples and geotechnical data for mine modelling**
- **Mineral Resource modelling well advanced to support the Preliminary Economic Assessment (PEA) Study**

Heron Resources Limited ("Heron" or the "Company") is pleased to announce the completion of the highly successful Phase 1 drilling campaign, with receipt of final assays and completion of down-hole EM surveys at the Company's wholly owned Woodlawn Project. The Phase 1 program generated numerous high-grade massive sulphide intercepts and included the discovery of the newly recognised Lisa Lens, and identification of multiple EM conductors highlighting numerous high-priority targets for the Phase 2 campaign.

Woodlawn is a high-grade, volcanogenic massive-sulphide (VMS) deposit situated in New South Wales, Australia, located approximately 50 km northeast of Canberra, and 250 km southwest of Sydney.

Program Objectives

The Phase 1 drilling program at Woodlawn was designed to provide data for an updated Mineral Resource estimate, as well as to test for mineralisation at shallow depth that could be suitable for early-stage exploitation for renewed mining at Woodlawn. The program also collected material for metallurgical test work and provided geotechnical data to be used in the development of a new mine plan. These results are key inputs for the PEA, which will be released in the coming weeks.

A total of 20 diamond drill (DDH) holes for 7,613m and 11 reverse-circulation (RC) holes for 1,201m were drilled focussing on the Kate Lens, before drilling high-priority targets in other positions. Limited deeper drilling intersected multiple lenses in both the I and D Lens positions (a single 940m deep hole).

Heron believes ample opportunities remain to expand the resource of this large mineralising system above 500m depth and further discoveries in shallow zones reduce the near-term need to drill deeper targets. This will be the focus of the Phase 2 campaign. The key lenses comprising the resource are described in greater detail below and detailed tabulation of drill hole data and assays results are provided at the end of the report.

Geological Setting

Woodlawn is a well-documented historic producer of metals from high-grade, polymetallic volcanogenic massive sulphide deposits which are hosted within the Woodlawn Volcanics of Silurian age. Woodlawn is second only to the world-class Rosebery Tasmania VMS camp in terms of Australian historic VMS production. At Woodlawn, the felsic volcanic sequence hosts multiple stacked lenses of high-grade mineralisation and has intense hydrothermal alteration, as commonly associated with deposits elsewhere in the world.

Following, are descriptions of the major lenses defined and discovered to date within this deposit.

Kate Lens

Ten of the Phase 1 DDH holes targeted the Kate Lens to follow-up the single discovery hole from 2013, and were planned on a nominal 40 x 40m intercept spacing (Figures 1-3). The modelled downhole electromagnetic (DHEM) data suggested the presence of a moderately west-dipping "plate" of conductive material, which proved to be a reliable guide to the discovery of a laterally-extensive zone of massive sulphides Highest polymetallic grades were found towards the centre of the lens, which becomes copper-dominant and semi-massive towards the south, whilst to the north, the massive sulphides are off-set by the 790 Fault system. Seven of the 10 holes drilled into the Kate Lens returned significant high grade results including:

- 14.4m @ 4.6% Zn, 4.1% Cu, 0.8% Pb, 1.0g/t Au, 57g/t Ag from 374m (WNDD0001)
- 8.8m @ 12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au,152g/t Ag from 374m (WNDD0002)
- 12.3m @ 20.0% Zn, 2.1% Cu, 6.1% Pb, 0.8g/t Au, 53g/t Ag from 414m (WNDD0007)
- 8.1m @ 7.2% Zn, 1.1% Cu, 2.3% Pb, 0.9g/t Au, 28g/t Ag from 309m (WNDD0009)

Figure 4 shows representative core photos of the massive sulphide mineralisation in the Kate Lens. While the Kate Lens has been delineated along strike by the Phase 1 drilling, a number of extensional positions remain open and are a high priority target for the Phase 2 drilling.

I Lens

Three DDH holes were drilled into the I Lens position. Two holes intersected minor sulphides in the expected position of the lens; however modelling of DHEM data suggests the main lens may pass between these two DDHs, and thus remains an untested target. One DDH intersected the projected down-plunge position of the lens and returned two intercepts suggesting the lens has bifurcated into an upper high-grade zone, and a lower low-grade zone some 50m below:

- 5.6m @ 13.3% Zn, 0.7% Cu, 5.4% Pb, 1.2g/t Au, 26g/t Ag from 626m (WNDD0006)
- 4.0m @ 4.8% Zn, 0.5% Cu, 0.2% Pb, 14g/t Ag from 679m (WNDD0006)

The new intercepts, combined with well-defined DHEM modelled plates, provide further support for a significant down plunge extension to the I Lens originally identified in the TriAusMin 2012 and 2013 drilling.

G Lens

Five DDH holes intersected the main part of G Lens (Figure 5). The results confirm the high-grade nature of the lens and support the potential for thicker zones of mineralisation in what is thought to be a keel-shaped structure towards the centre of the lens (Figure 5). Key results include:

- 8.0m @ 3.6% Zn, 1.3%Cu, 2.6% Pb, 1.0g/t Au, 65.4g/t Au from 37m WNRC0010
- 14.8m @ 5.4% Zn, 2.7% Cu, 2.0% Pb 1.2g/t Au, 49g/t Ag from 198m WNDD0009
- 4.4m @ 4.1% Zn, 3.2% Cu, 0.9% Pb, 0.5g/t Au, 39g/t Ag from 206m WNDD0010
- 9.3m @ 6.4% Zn, 3.2% Cu, 2.8% Pb, 2.4g/t Au, 151g/t Ag from 76m WNDD0013
- 2.1m @ 3.1% Zn, 6.5% Cu, 1.3% Pb, 1.2g/t Au, 146g/t Ag from 61m WNDD0014

The G Lens has shown strong potential for up and down-dip extensions to mineralisation and is a high-priority target for Phase 2 drilling.

Lisa Lens

Two DDH holes tested the along-strike continuity from two older DDH holes which recorded Cu-rich intercepts in the stratigraphic plane of the I Lens (Figure 4). The historical holes recorded:

- 4.0m @ 4.9% Zn, 2.8% Cu, 2.3% Pb, 0.8g/t Au and 25g/t Ag from 266m (W089)
- 4.0m @ 2.0% Cu from 234m (W145)

One DDH intersected high-grade polymetallic mineralisation – the new "Lisa Lens":

- 4.2m @ 17.7% Zn, 1.6% Cu, 5.0% Pb, 1.1g/t Au, 28g/t Ag from 246m (WNDD0015)

The Lisa Lens represents the discovery of a new high-grade lens and further drilling is being planned to delineate this position. Modelling of DHEM data suggest the presence of a strong conductor down-plunge and to the north of this intercept, and provides an immediate drill target.

D Lens

The D Lens was intersected in the following significant intercepts:

- 8.1m @ 3.0% Zn, 2.3% Cu, 3.1% Pb, 2.6g/t Au, 68.8g/t Ag from 699m (WNDD0006)
- 10.0m @ 1.6% Zn, 1.7% Cu, 0.2% Pb, 0.2g/t Au, 15g/t Ag from 759m (WNDD0006)
- 9.5m @ 3.8% Zn, 1.6%Cu, 0.3% Pb, 0.8g/t Au, 17g/t Ag from 254m (WNDD0017)

At the present time, D Lens is not a high-priority target; however, these intercepts confirm previous drilling interpretations.

E Lens

As with the D Lens, E Lens was not a high-priority for the Phase 1 drill program, however, a strong off-hole DHEM conductor provided a robust target that was tested and returned the following high-grade result in the up-dip E Lens positon:

- 4.2m @ 14.8% Zn, 2.2% Cu, 6.2% Pb, 0.7g/t Au, 37g/t Ag from 135m (WNDD0012)

This confirmed continuity between parts of the E Lens which were previously thought separate and expands the resource base in this relatively shallow position.

A Lens

The interpreted up-dip projection of the A Lens was targeted by the early round of RC drilling; however the campaign did not intersect significant massive sulphides due to a post-mineral dolerite stoping out the VMS horizon. Similarly, there were limited DHEM targets generated from these RC holes, so it is interpreted that the lens pinched-out in this area. However, a subtle off-hole response in the DHEM data was returned from the down-plunge position of the A Lens and this will be assessed during the Phase 2 program.

Other Lenses

The B, C, F and H Lenses were not targeted in Phase 1 drilling; however, all have strong potential for down-plunge extensions and will be considered for subsequent drill programs. These deeper targets, particularly on the B Lens, did not fall within the objective of defining resources in the upper 500m at Woodlawn.

Towards the end of Phase 1, a single hole was drilled into the interpreted southern extent of the Woodlawn system, to test at-depth mineralisation (intersected in W024), which returned 15.7m at 8.7% Zn, 2.6% Pb, 0.9% Cu, 1.0 g/t Au, 71 g/t Ag (Figure 3). This single DDH (WNDD0020) intersected a number of broad zones of strong alteration, with assays up to 1.0% Zn over 3m; however it did not intersect significant massive sulphides. DHEM data was collected and returned a broad anomaly, from 320-460m depth, which modelling suggests is related to a an off-hole conductor beyond the end of this hole. Further assessment of this anomaly is being undertaken to determine whether it relates to massive sulphides in the footwall to the C Lens.

Forward Program and Mineral Resource Estimate

The Phase 1 drilling program at Woodlawn demonstrated the potential to extend and delineate relatively shallow (<500m depth) high-grade mineralisation, as extensions to previously known lenses and also in entirely new positions such the new Lisa Lens. The revised Mineral Resource estimate supported by this new information will comprise part of the PEA study. A Phase 2 program of in-fill drilling to further delineate shallow mineralisation is planned to bring the Inferred Mineral Resources into an Indicated category. In addition, the lens extensions and newly generated targets provide considerable potential to further expand the resource base at Woodlawn.

DHEM and Other Drill Targets

The DHEM surveys and modelling undertaken as part of the Phase 1 program continue to demonstrate the utility of this method to predict extensions of known mineralisation (eg. Kate Lens) and to identify new positions for drill testing. Several off-hole conductors identified in the Phase 1 program remain to be drilled and suggest that many of the lenses can be extended beyond the limits of current drilling. A number of more conceptual targets also remain to be tested in a similar fashion to the Lisa Lens target where there are gaps in the earlier drilling along know mineralised trends.

Metallurgical Samples and Geotechnical Data

A critical path outcome from the Phase 1 drilling program was the collection of fresh massive sulphide material for metallurgical test work. This material facilitated the first test work to be undertaken on Woodlawn mineralisation since the mine closure in 1998. This test work was successful in demonstrating improved recovery performance to better quality products than that achieved during previous operations (Press Release, 11 February 2015), and also provided confirmation for the combined treatment of a tailings (Woodlawn Retreatment Project) and underground (Woodlawn Underground Project) ores through a single processing facility.

Each DDH was geotechnically logged, building a vital dataset for rock quality assessment which provides the basis for evaluating underground mining methods and ground support, such as cemented paste fill. This is expected to result in the application of mining methods that provide higher productivities and higher resource recoveries.

Preliminary Economic Assessment (PEA)

The Phase 1 drilling program has provided initial input data and information for the Woodlawn PEA. The PEA is well advanced and the results from this study are expected to be released in the coming weeks. Following the study release it is anticipated that the Company will move forward with a feasibility study covering the combined development of the Woodlawn tailings and underground projects. The feasibility study is expected to take 12 months to complete and will incorporate the Phase 2 drilling program. The Woodlawn Project continues to advance towards production and the delivery of zinc (and other) base metals concentrates into a market forecast to be in a supply deficit.

About Heron Resources Limited:

Heron is engaged in the exploration and development of base and precious metal deposits in Australia. Heron's projects include the high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, and the

Kalgoorlie Nickel Project located north of Kalgoorlie, Western Australia. In addition the Company holds a number of other high quality exploration properties located in the Lachlan Fold Belt, New South Wales.

For further information, please visit www.heronresources.com.au or contact:

Australia:
Mr Wayne Taylor, Managing Director and Chief Executive Officer:
Tel: +61 8 6500 9200
Email: heron@heronresources.com.au
Canada:
Tel: +1 905 727 8688 (Toronto)

Figure 1 (top): *Cross section through the Woodlawn underground lenses looking north.* ***Figure 2 (bottom):*** *Long-section looking east for the Kate Lens showing recent drilling and modelled DHEM plate.*

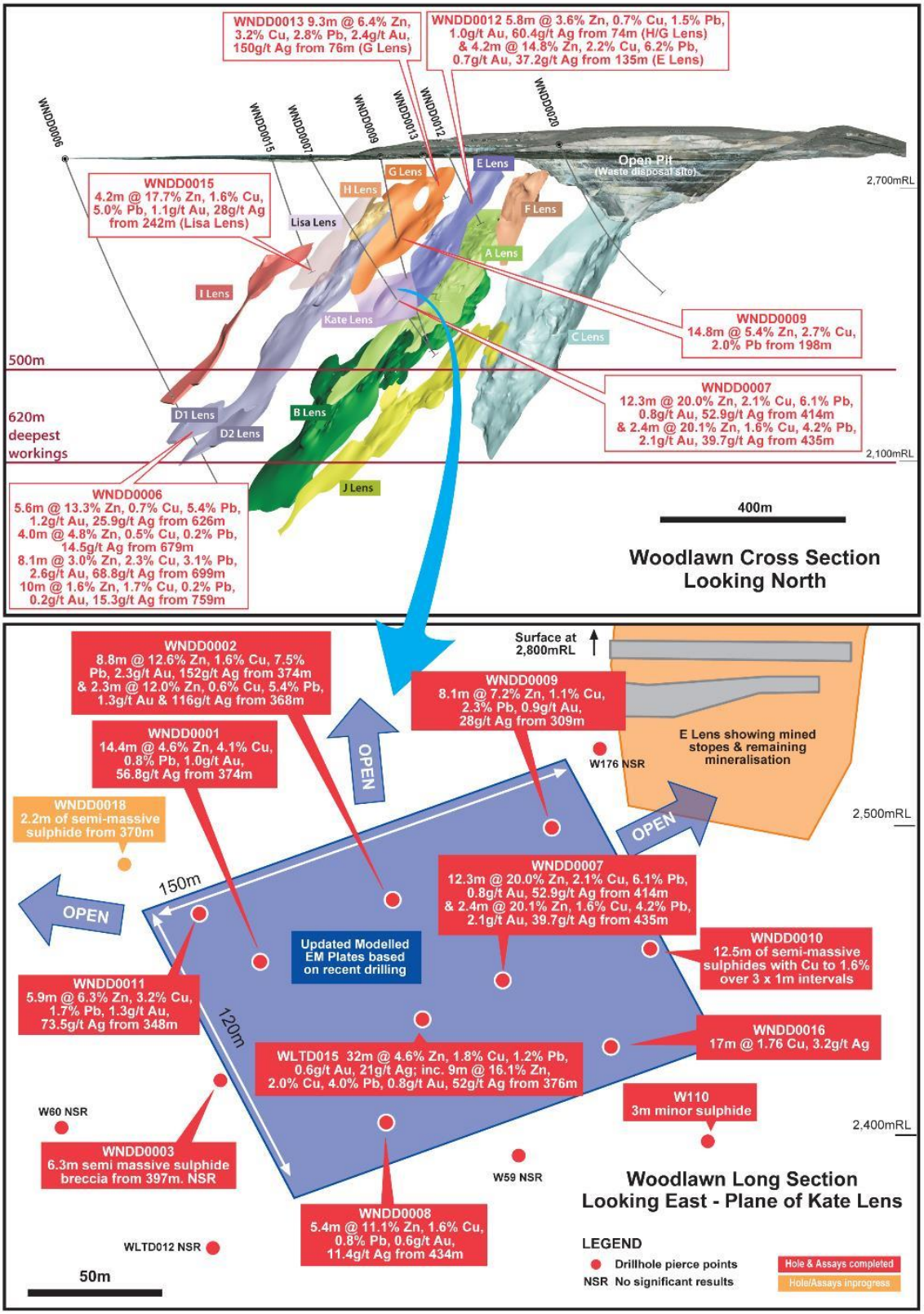


Figure 3: *Plan overview of the Woodlawn Lenses showing pit and existing underground decline.*

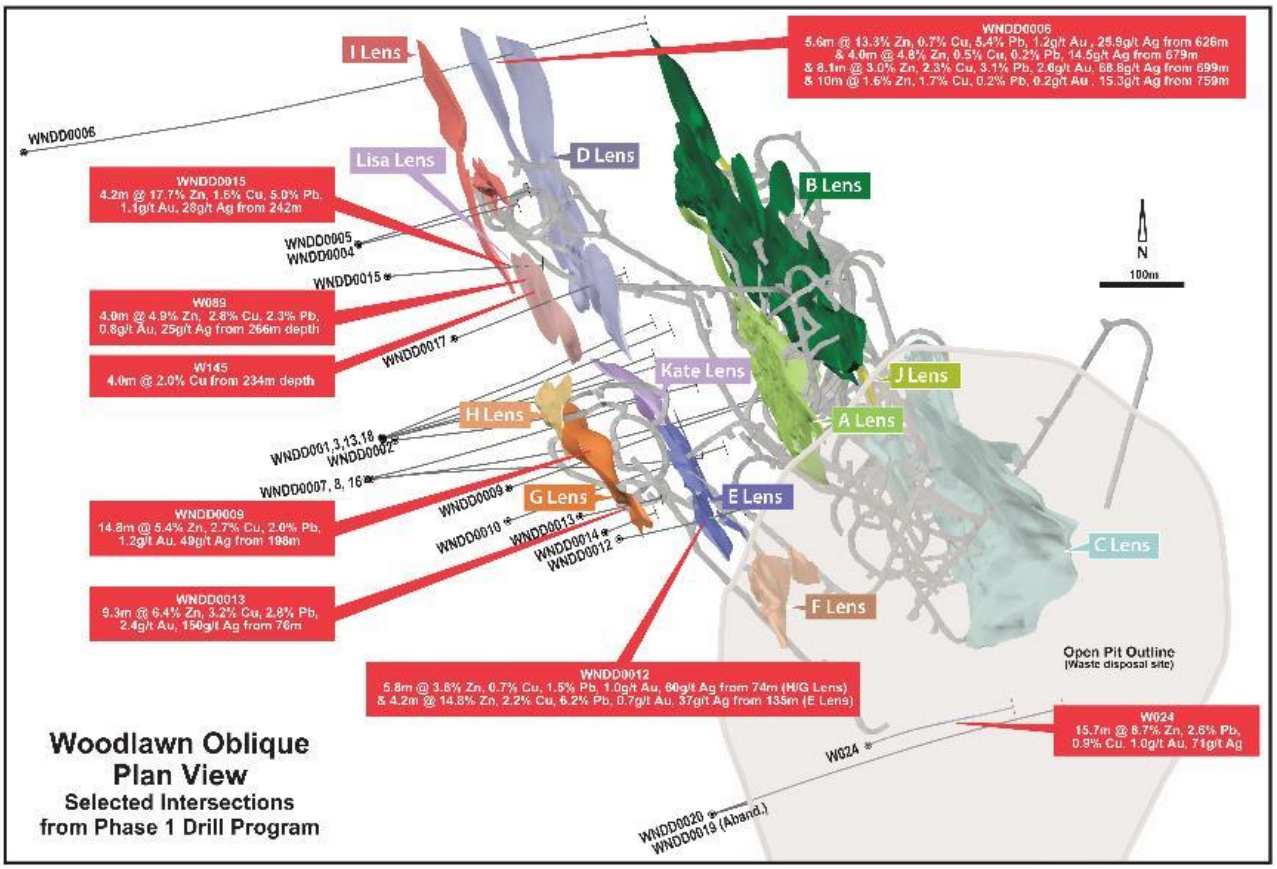


Figure 4: Drill core photographs from WNDD0001 (378.9m to 389.1m) showing an example of a mineralised intercept from the Kate Lens. The fine-grained black minerals are predominantly galena (lead sulphide) and sphalerite (zinc sulphide), whereas the yellow minerals are a mixture of pyrite (predominantly) and chalcopyrite (copper sulphide).

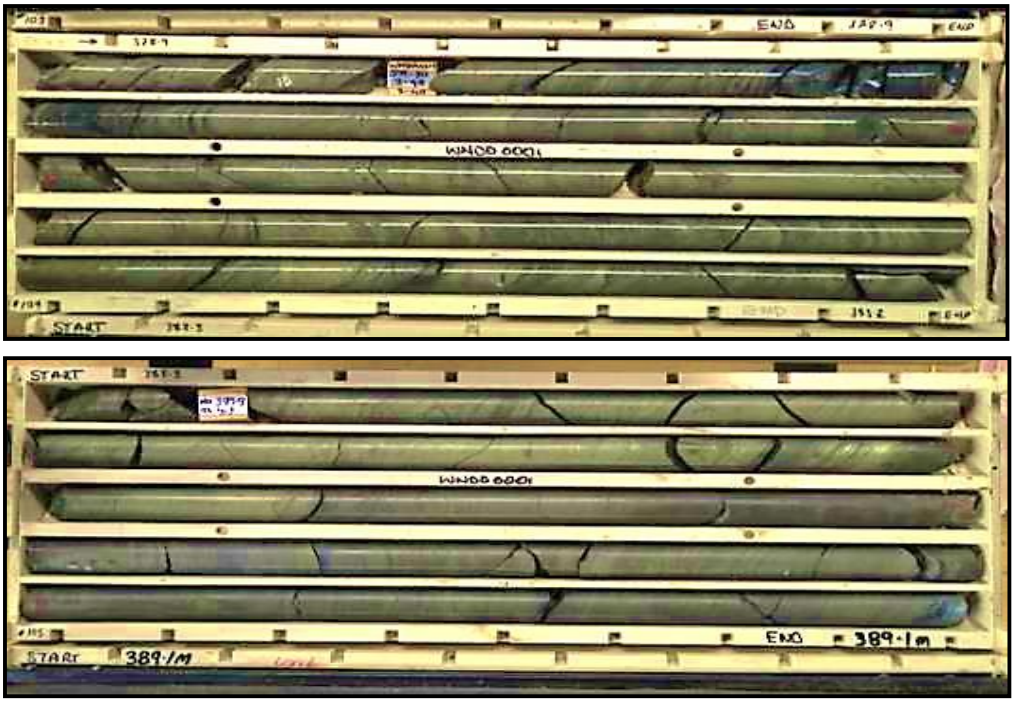
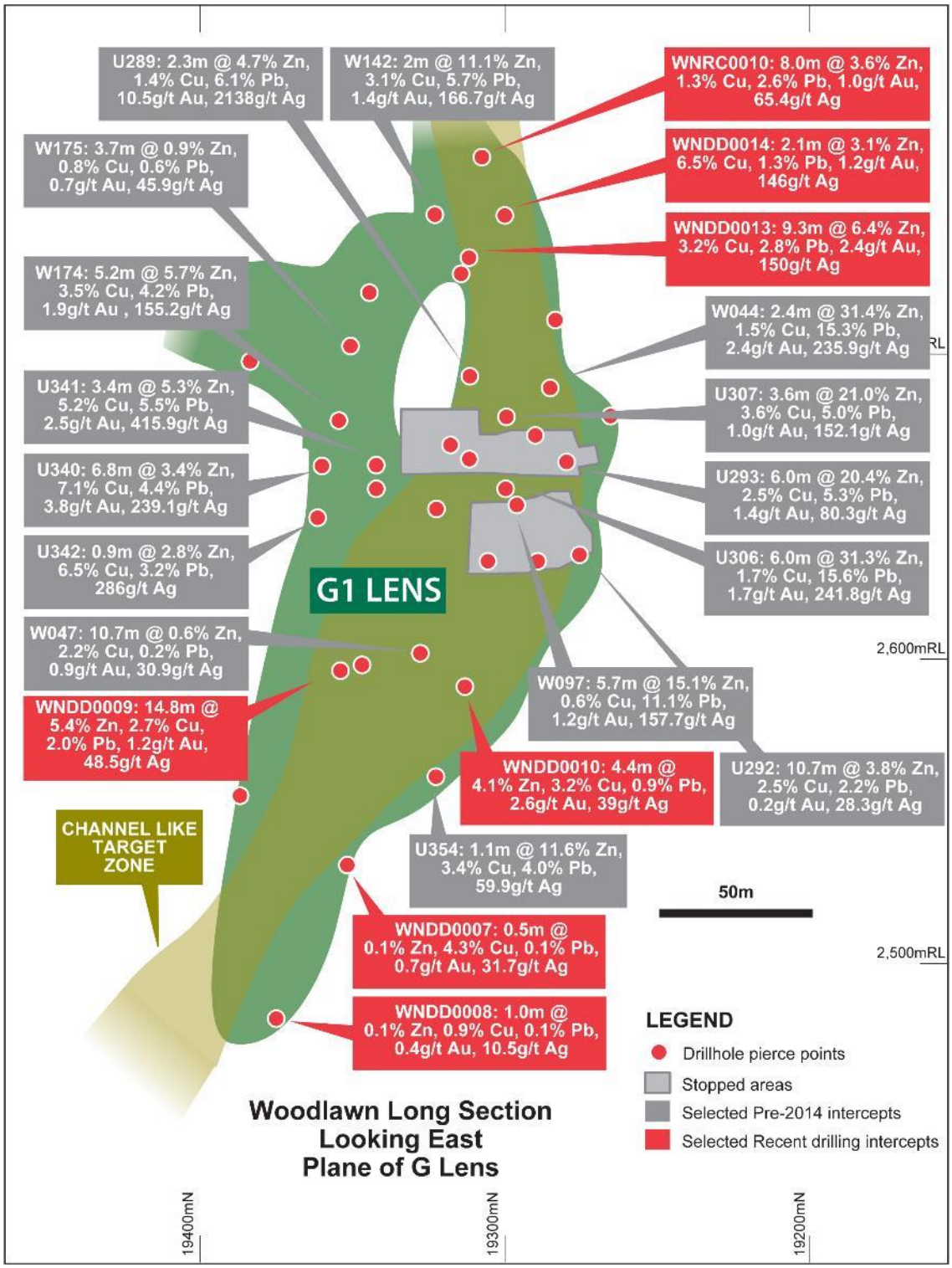


Figure 5: *Long Section of the G Lens showing historical and recent drill results*



Technical Information

Table 1: Drill hole details for diamond drill holes relevant to this update

Hole No	WMG East (m)	WMG North (m)	WMG RL (m)	Surface Dip	WMG Surface Azimuth	Depth (m)	Target
WNDD0001	8,995	19,402	2,793	-65.0	88.0	425.5	Kate Lens
WNDD0002	9,011	19,400	2,793	-58.2	95.1	434.5	Kate Lens
WNDD0003	8,996	19,402	2,793	-71.1	88.8	463.2	Kate Lens
WNDD0004	8,977	19,637	2,786	-70.4	86.0	272.5	I Lens (up-dip)
WNDD0005	8,976	19,638	2,787	-65.3	78.7	263.6	I Lens (up-dip)
WNDD0006	8,548	19,749	2,787	-70.0	96.8	950.2	I/I2/D Lens (down-dip)
WNDD0007	8,997	19,350	2,792	-60.0	91.0	580.6	Kate Lens
WNDD0008	8,969	19,353	2,791	-68.1	88.6	469.1	Kate Lens
WNDD0009	9,155	19,342	2,793	-76.9	80.9	480.2	G Lens & Kate Lens
WNDD0010	9,151	19,302	2,791	-78.6	80.2	413.5	G Lens & Kate Lens
WNDD0011	8,995	19,402	2,793	-65.0	80.5	454.0	Kate Lens
WNDD0012	9,299	19,282	2,801	-62	87.0	189.2	E Lens
WNDD0013	9,249	19,309	2,798	-58	82.0	120.0	G Lens
WNDD0014	9,280	19,290	2,793	-60	73.2	80.0	G Lens
WNDD0015	9,014	19,601	2,780	-60	99.0	279.2	Lisa Lens
WNDD0016	8,973	19,353	2,780	-60	99.5	471.4	Kate Lens
WNDD0017	9,094	19,523	2,788	-74	72.8	310.8	Lisa and D Lenses
WNDD0018	8,994	19,403	2,792	-63.1	70.6	420.6	Kate Lens
WNDD0019	9,407	18,950	2,823	-55.0	77.8	55.0	South Target Aband.
WNDD0020	9,407	18,951	2,823	-57.6	73.6	479.9	South Target

Notes: WMG = Woodlawn Mine Grid

Table 2: Details of massive sulphide intercepts and reported grades from current Heron campaign

Hole No	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Zn (%)	Cu (%)	Pb (%	Au (g/t)	Ag (g/t)
WNDD0001*	373.6	388.0	14.4	11.5	4.6	4.1	0.8	1.0	56.8
WNDD0002*	368.0	370.3	2.3	1.9	12.0	0.6	5.4	1.3	116
WNDD0002*	374.0	382.7	8.8	7.2	12.6	1.6	7.5	2.3	152
WNDD0006*	626.1	631.8	5.6	4.5	13.3	0.7	5.4	1.2	25.9
WNDD0006*	679.0	683.0	4.0	3.2	4.8	0.5	0.2	0.0	14.5
WNDD0006*	699.4	707.4	8.1	6.5	3.0	2.3	3.1	2.6	68.8
WNDD0006*	759.0	769.0	10.0	8.0	1.6	1.7	0.2	0.2	15.3
WNDD0007*	414.3	426.6	12.3	9.8	20.0	2.1	6.1	0.8	52.9
WNDD0007*	434.7	437.1	2.4	1.9	20.1	1.6	4.2	2.1	39.7
WNDD0008*	434.0	439.4	5.4	4.3	11.1	1.6	0.8	0.6	11.4
WNDD0009*	198.0	214.8	14.8	8.9	5.4	2.7	2.0	1.2	48.5
WNDD0009*	308.7	316.8	8.1	6.5	7.2	1.1	2.3	0.9	28
WNDD0010*	206.0	210.4	4.4	3.5	4.1	3.2	0.9	2.6	39
WNDD0010*	353.0	354.0	1.0	0.8	0.0	1.6	0.0	0.0	1.1
WNDD0010*	360.0	361.1	1.0	0.8	0.1	1.6	0.0	0.2	4.5
WNDD0010*	365.0	366.0	1.0	0.8	0.1	1.6	0.0	0.0	3.5
WNDD0011*	348.2	354.1	5.9	4.7	6.3	3.20	1.7	1.3	73.5
WNDD0012*	74	79.8	5.8	4.6	3.6	0.70	1.5	1	60.4
WNDD0012*	135.1	139.3	4.2	3.4	14.8	2.20	6.2	0.7	37.2
WNDD0013*	76.2	85.6	9.3	5.6	6.4	3.20	2.8	2.4	150
WNDD0014*	61.2	63.3	2.1	1.7	3.1	6.5	1.3	1.2	146

Table 2 continued

Hole No	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Zn (%)	Cu (%)	Pb (%	Au (g/t)	Ag (g/t)
WNDD0015*	241.9	246.2	4.2	3.4	17.7	1.6	5.0	1.1	28
WNDD0016	429	446	17	13.6	0.11	1.8	0.01	0.1	2.9
WNDD0017	254.1	263.6	9.5	7.6	3.8	1.6	0.3	0.8	16.9
WNRC0010*	37.0	45.0	8	6.4	3.6	1.3	2.6	1.0	65.4

*Notes: True width is an estimate of the actual thickness of the intercept based on interpreted lens orientation (approximately 80% of downhole width); grades are weighted average grades, weighted by length of samples intervals downhole, which are nominally 1 metre. No weighting was applied for differences in density apart from hole WNDD0016 where there was considerable variability of the density measurements making it relevant to apply such a weighting. * Previously reported results.*

Compliance Statement (JORC 2012 and NI43-101)

The technical information in this news release relating to the exploration results at the Woodlawn Project 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 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 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, which are based on expectations, estimates and projections as of the date of this news release. This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Canada, Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this news release.

Appendix 1 – JORC 2012 Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Samples from the diamond-core holes are being taken from mostly NQ sized core (with a small proportion of HQ sized core) and sampled on a nominal 1 metre basis taking into account smaller sample intervals up to geological contacts. The core is cut in half along the core orientation line (where available) and in massive sulphide zones one portion is quartered for assaying, half core is preserved for metallurgical testing and the remaining quarter is retained as reference material in the core trays. In non massive sulphide material half core is sampled. • Samples from the RC holes were generated from a 4.5 inch sized bit and sampled on an initial 4 metre down-hole composite basis, with zones of mineralisation being samples over 1 metre intervals. The 4 metre composites are taken via a spear method into the plastic sample bags, while the 1 metre samples are split via a riffle splitter. • These sampling methods are standard industry methods and are believed to provide acceptably representative samples for the type of mineralisation likely to be encountered.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details.*	• Diamond-core drilling is being undertaken by a McCulloch DR800 rig or similar with HQ sized core being drilled to approximately between 80-200m before switching to NQ size. Various techniques are employed to ensure the hole is kept within limits of the planned position. The core is laid out in standard plastic cores trays. • The RC drilling has been undertaken by a Schramm T450WSI rig that is drilling a 4.5 inch hole with face sampling hammer. A booster and auxiliary compressor is used to increase the volume and pressure of air. The 1 metre samples were fed through a cyclone and riffle splitter before passing into green plastic bags which are laid out in rows on the ground.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• The core is transported to an enclosed core logging area and recoveries are recorded. Recoveries to date have been better than 95%. The core is orientated, where possible and marked with 1 metre downhole intervals for logging and sampling. • The recoveries for the RC drilling are also recorded and have mostly been 100%.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Both diamond core and RC holes are fully geologically logged by geologists. Geotechnical logging is also being undertaken on selected sections of the core. Samples for metallurgical testing are being kept in a freezer to reduce oxidation prior to

Criteria	JORC Code explanation	Commentary
		being transported to the metallurgical laboratory.
Sub-sampling techniques and sample preparation	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• All core samples are crushed then pulverised in a ring pulveriser (LM5) to a nominal 90% passing 75 micron. An approximately 250g pulp sub-sample is taken from the large sample and residual material stored. • A quartz flush (approximately 0.5 kilogram of white, medium-grained sand) is put through the LM5 pulveriser prior to each new batch of samples. A number of quartz flushes are also put through the pulveriser after each massive sulphide sample to ensure the bowl is clean prior to the next sample being processed. A selection of this pulverised quartz flush material is then analysed and reported by the lab to gauge the potential level of contamination that may be carried through from one sample to the next. • The RC samples are pulverised directly in the LM5 ring pulveriser with the same quartz flush procedure as above.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Sample preparation and assaying is being conducted through ALS Laboratories, Orange, NSW with certain final analysis of pulps being undertaken at the ALS Laboratory in Brisbane QLD. • Gold is determined by 30g fire assay fusion with ICP-AES analysis to 1ppb LLD. • Other elements by mixed acid digestion followed by ICP-AES analysis. • Laboratory quality control standards (blanks, standards and duplicates) are inserted at a rate of 5 per 35 samples for ICP work.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• An internal review of results was undertaken by company personnel. No independent verification was undertaken at this stage. • All field and laboratory data has been entered into an industry standard database using a contract database administrator (DBA) in the Company's Perth office. Validation of both the field and laboratory data is undertaken prior to final acceptance and reporting of the data. • Quality control samples from both the Company and the Laboratory are assessed by the DBA and reported to the Company geologists for verification. All assay data must pass this data verification and quality control process before being reported.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• The drill collars were initially located with a combination of handheld GPS and licenced surveyor using a DGPS system, with accuracy of about 1m. The final drill collars are "picked up" by a licenced surveyor. • While drilling is being undertaken, downhole surveys are conducted using an Eastman, Pathfinder survey tool that records the magnetic azimuth and dip of the hole. These recordings are taken approximately

Criteria	JORC Code explanation	Commentary
		every 30 metres downhole. Where possible holes are also being surveyed with gyroscopic methods, with some 80 percent of holes drilled in the current program also surveyed by this method after drilling has been completed. • A north seeking gyroscopic tool has been used to provide collar azimuth data for about half the diamond holes drilled to date.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The diamond drilling is mostly following-up in various directions from previous intercepts with a nominal intercept spacing of no less than 30m. This drill hole spacing will be sufficient to provide certain Mineral Resource estimates in the future.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The drilling orientation is designed to intersect the mineralised lenses at a close to perpendicular angle. The mineralised lenses are dipping at approximately 50-70 degrees to the west and the drilling is approximately at 60 degrees to the east. This will vary from hole to hole.
Sample security	• *The measures taken to ensure sample security.*	• Samples are being secured in green plastic bags and are being transported to the ALS laboratory in Orange, NSW via a courier service or with Company personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review and assessment of the laboratory procedures was under taken by company personnel resulting in some changes to their sample pulverising procedure.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Woodlawn project is located 250km south-west of Sydney in the state of New South Wales. The area is near the top of the Great Australian Dividing range and has an elevation around 800m above sea-level. The mineral and mining rights to the project are owned 100% by the Company through the granted, special mining lease 20 (SML20). The lease completed its second 21 year term on the 16 November 2014 and has recently been renewed for a further 15 year term. • The project area is on private land owned by Veolia who operate a waste disposal facility that utilises the historical open-pit void. An agreement is in place with Veolia for the Company to purchase certain sections of this private land to facilitate future mining and processing activities. A cooperation agreement

Criteria	JORC Code explanation	Commentary
		is also in place between Veolia and the Company that covers drilling and other exploration activities in the area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Woodlawn deposit was discovered by the Jododex JV in 1970 and open-pit mining began in 1978 and continued through to 1987. The project was bought outright by Rio Tinto (CRA) in 1984 who completed the open-pit mining. Underground operations commenced in 1986 and the project was sold to Denehurst Ltd in 1987 who continued underground mining up until 1998. The mineral rights to the project were then acquired by TriAusMin Ltd in 1999 who conducted further studies on a tailings re-treatment and revived underground operation. Heron took 100% ownership of the project in August 2014 following the merger of the two companies. Some 980 surface and underground drill holes have been completed on the project to date and several studies undertaken.
Geology	• *Deposit type, geological setting and style of mineralization.*	• The Woodlawn deposit comprises volcanogenic massive sulphide mineralisation consisting of stratabound lenses of pyrite, sphalerite, galena and chalcopyrite. The mineralisation is hosted in the Silurian aged Woodlawn Felsic Volcanic package of the Goulburn sub-basin on the eastern side of the Lachlan Fold Belt.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• A table detailing the drill hole information is given in the body of the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• The reported assays are weighted for their assay interval width. The majority of the assay interval widths are 1 metre, but this weighting does take into account the non 1 metre intervals and weights the average assay results accordingly. • For the results reported here no weighting was included for specific gravity (SG) measurements that have been taken for all sample intervals as the samples within the intervals are of a similar SG.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The massive sulphide zone intercepted in the drilling to date is at an angle to the drill axis and therefore the true width is estimated to be some 0.8 of down-hole width. That is, a down-hole intercept of 16m equates to a true width of 12m. This is only an approximation at this stage and will be better

Criteria	JORC Code explanation	Commentary
		estimated as the orientation of the lenses is better defined.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A long-section showing the hole positions relevant for current phase of exploration is included in the release. Other maps and diagrams showing the location of the Woodlawn Project are included in other recent Company releases.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reporting is considered to be balanced and all relevant results have been disclosed for this current phase of exploration.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other substantive exploration data that has been generated for inclusion in this report. • The drill holes are being cased with either 40 or 50 millimetre PVC tubing for down-hole EM surveying.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The Phase 1 drilling program at Woodlawn is designed to provide input into a revised Mineral Resource estimate for the project. This program has now been completed. Pending the results of the Preliminary Economic Assessment, a further program of in-fill drilling may be undertaken to provide inputs into future feasibility studies.