



Woodlawn Geology Revisited

August 2017

TSX:HER

ASX:HRR

DISCLAIMER & IMPORTANT NOTICE



This presentation contains forward-looking statements and forward-looking information within the meaning of applicable Australian and Canadian securities laws, which are based on expectations, estimates and projections as of the date of this presentation. Wherever possible, words such as “anticipate”, “believe”, “expect”, “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. Prospective investors should not place undue reliance on any forward-looking information as actual outcomes may differ materially from 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 presentation.

This presentation is not a prospectus, disclosure document or other offering document under Australian law, Canadian law or under any other law. It is for information purposes only and is not an invitation nor offer of shares for subscription, purchase or sale in any jurisdiction.

The information in this presentation does not constitute financial product advice (nor investment, tax, accounting or legal advice) and does not take into account your individual investment objectives, including the merits and risks involved in an investment in shares in Heron, or your financial situation, taxation position or particular needs. This presentation is not a recommendation to acquire Heron shares. You must not act on the basis of any matter contained in this presentation, but must make your own independent assessment, investigations and analysis of Heron and the shares the subject of the Offer referred to herein and obtain any professional advice you require before making any investment decision based on your investment objectives.

The information in this presentation is in summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with the Company's periodic and continuous disclosure announcements to the ASX and TSX which are available on the ASX and SEDAR websites, respectively.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

To the maximum extent permitted by law, Heron and its advisers and affiliates, directors, officers and employees:

make no representation or warranty, express or implied, as to the accuracy, reliability or completeness of information in this presentation; and

exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the proposed offering and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence of otherwise.

The information in this presentation remains subject to change without notice. Heron reserves the right to vary or withdraw the timetable for the proposed offering without notice.

Compliance Statement (JORC 2012 and NI 43-101)

This presentation incorporates by reference the complete ASX announcement relating to the Feasibility Study results which were released to the market on 29 June 2016 and is entitled “Heron Resources delivers robust Feasibility Study for Woodlawn Project” (“FS Announcement”). The FS Announcement is available from the Company's website at www.heronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Mineral Resources and Ore Reserves as well as the detailed technical and financial assumptions which underpin the FS results. These detail assumptions are included in the ‘Technical Report (NI 43-101) Feasibility Study for the Woodlawn Project’ as released on SEDAR 25 July 2016.

The technical information in this release relating to the exploration results and forward program 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 JORC Code (2012 edition) and “qualified person” as this term is defined in Canadian National Instrument 43-101 (“NI 43-101”). Mr von Perger has reviewed and approved the technical information this presentation.

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for each block grade for Au, Ag, Cu, Pb and Zn.
$$\text{ZnEq} = \text{Zn}\% + \text{Cu}\% \times 3.12 + \text{Pb}\% \times 0.81 + \text{Au g/t} \times 0.86 + \text{Ag g/t} \times 0.03$$

Metal prices used in the calculation are: Zn US\$2,300/t, Pb US\$ 2,050/t, Cu US\$6,600/t, Au US\$1,250/oz and Ag US\$18/oz. It is Heron's view that all the metals within this formula are expected to be recovered and sold.



Assets, people and funding in place

MARKET

Zinc (& Copper)

- Strong supply / demand fundamentals

ASSET

Woodlawn Project (NSW, Australia)

- High quality Zn+Cu+Pb+Ag+Au deposit
- Robust business case
- Unrivalled infrastructure & permitted
- Significant exploration upside

FOCUS

Project Delivery

- Prepared and resourced for construction
- Growth through in-mine and regional discovery

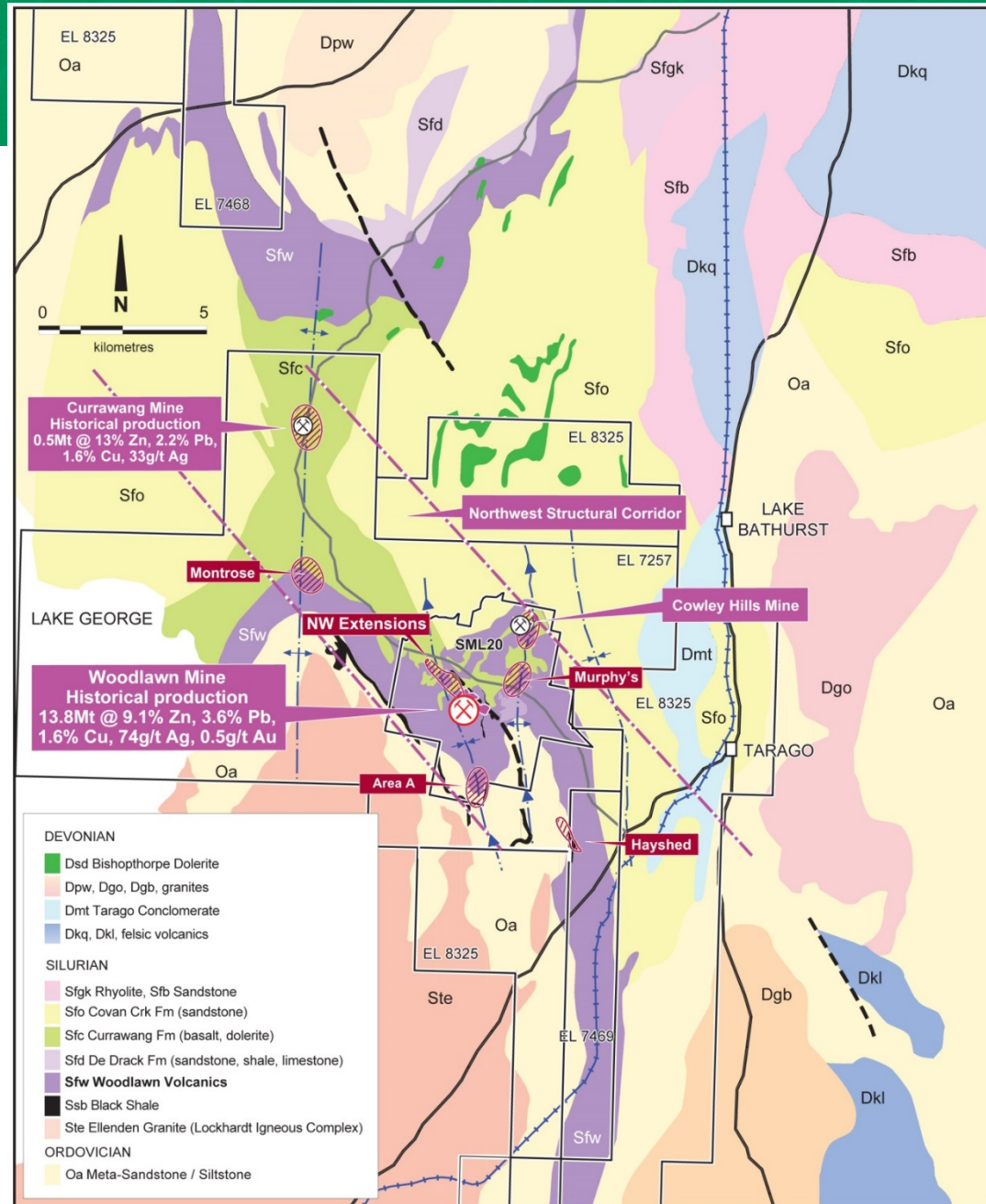
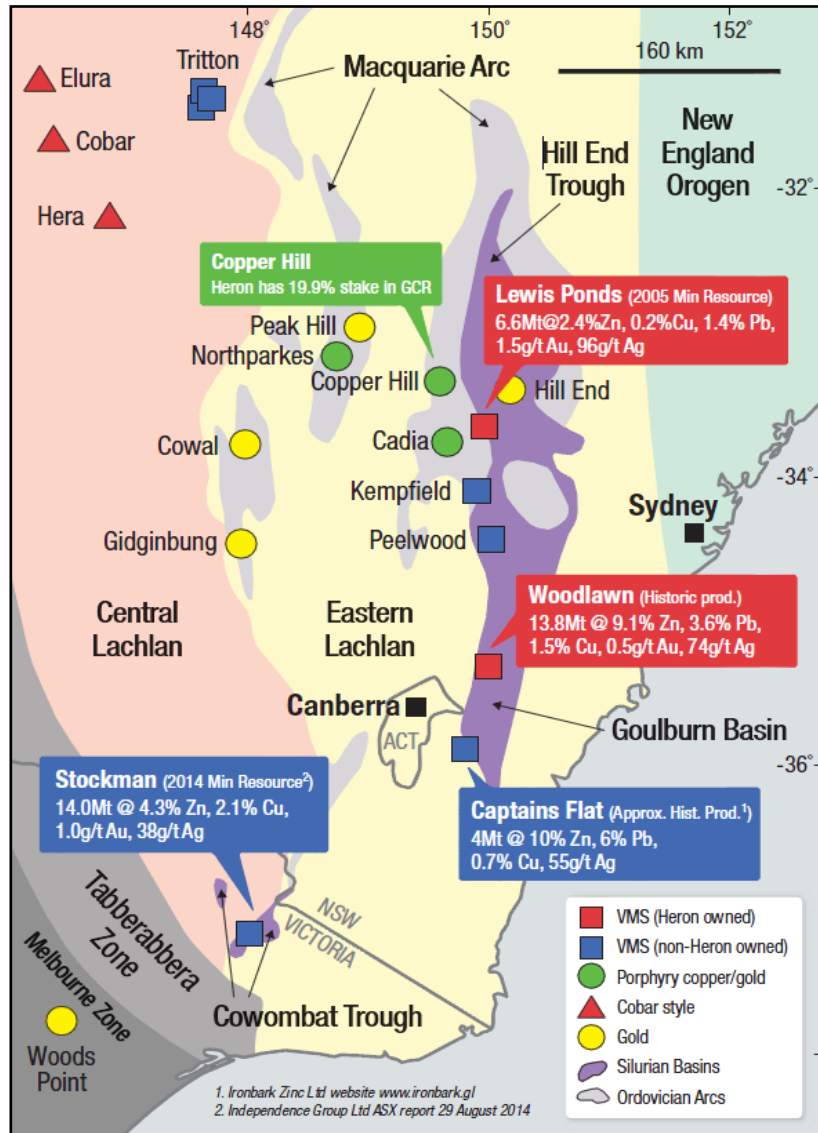
FINANCED Development Funding

- A\$240M full funding package in place

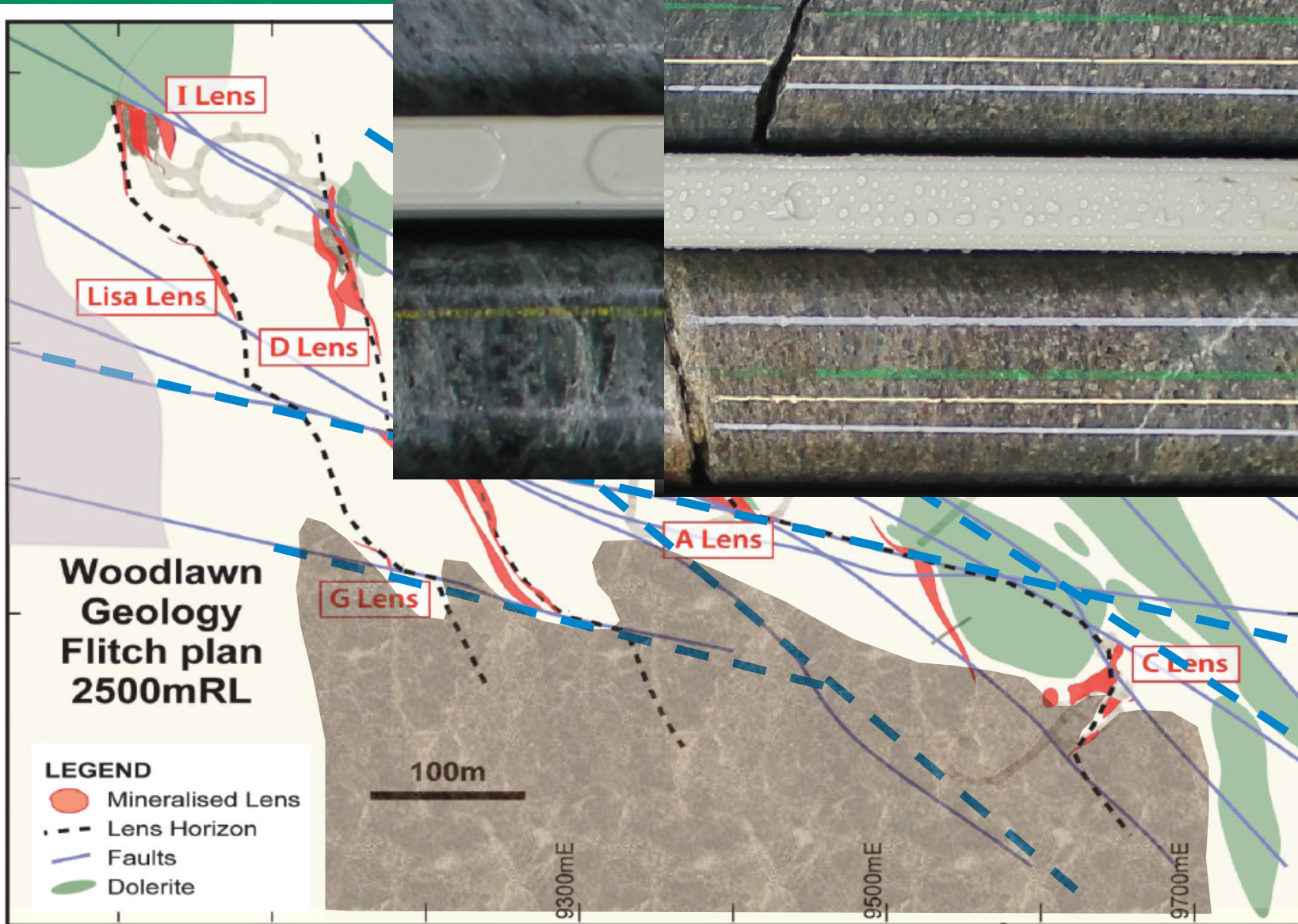
150.6 - 151.6m: 55% ZnEq (23.0% Zn, 14.2% Pb, 6.0% Cu, 0.11g/t Au, 52g/t Ag) WNND0114



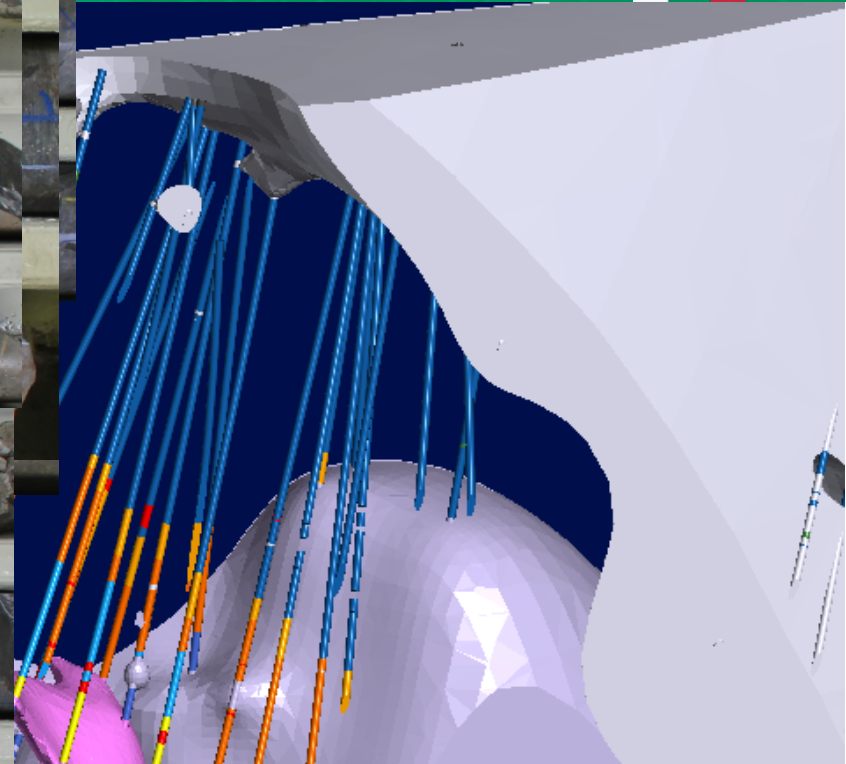
Location



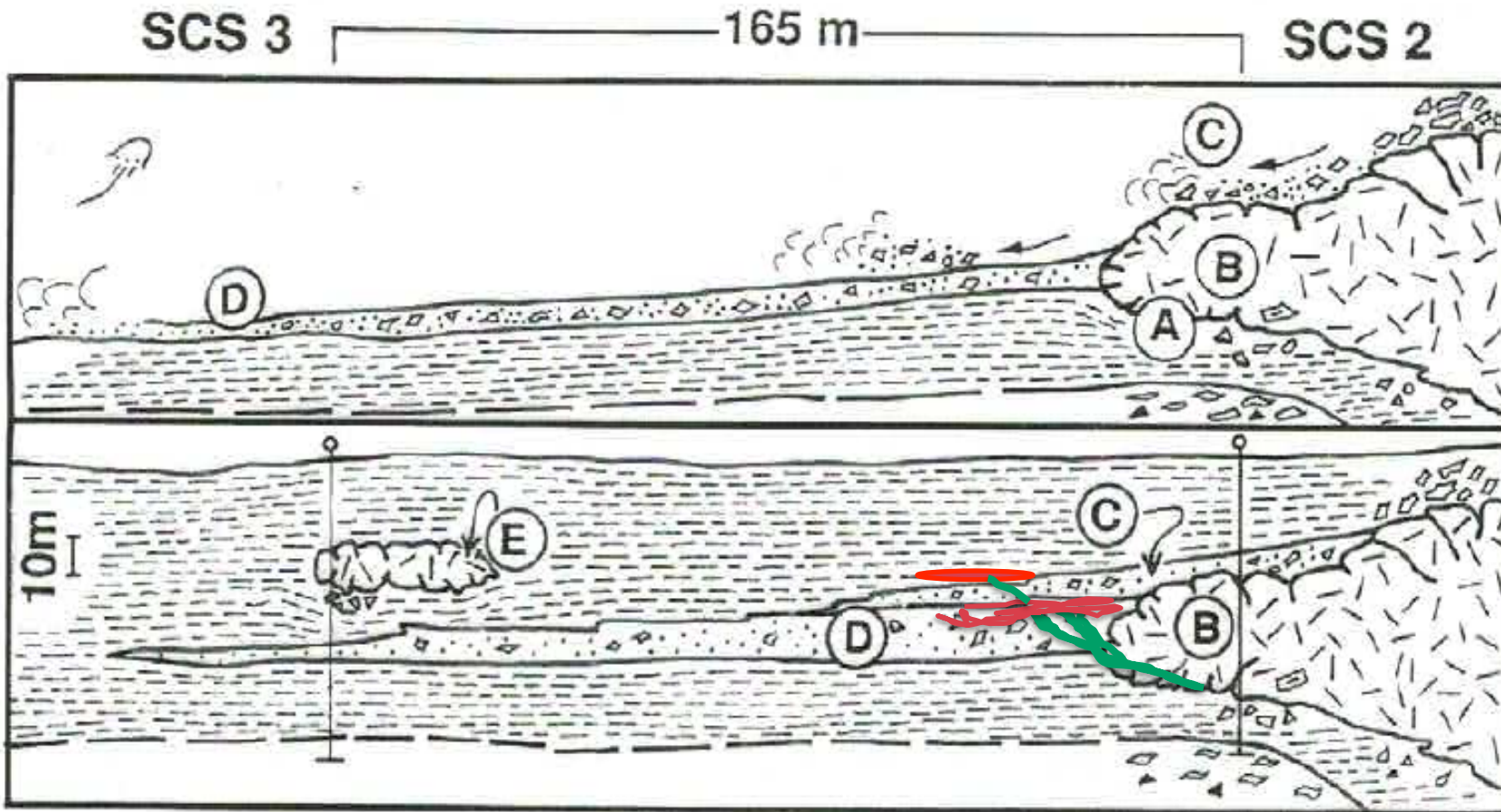
Three Horizons



- Sub-seafloor replacement
- Upper Horizon
- Smaller, poddy, Silica Sericite FW, chlorite feeder at south end, barium present in lens, pyrite poor, base metals rich (high tenor)
 - Asymmetrical alteration FW >> HW
 - Mixed, massive seafloor & replacement Dolerite(s)
- Core Yard Rhyolite
- Central Volcanic Pile = Mullock Dump Rhyolite



Text book model for Woodlawn?



A=Malone Mudstone
B=Mullock Dump Rhyolite
C+D=Debris Flows
E=Core Yard Rhyolite

**Is Woodlawn this diagram,
repeated a few times and
faulted a bit?**

J McPhee, M Doyle, R Allen (1993) Volcanic Textures p67

