



Heron Resources Limited

ASX/TSX Release

10 May 2017

Level 7, 191 Clarence St, Sydney, NSW, 2000

heron@heronresources.com.au

+61 8 6500 9200 / +61 2 9119 8111

ABN: 30 068 263 098

Heron Signs Off-take Agreement for Woodlawn Zinc, Copper and Lead Concentrates

Heron Resources Limited (“Heron” or the “Company”) is pleased to announce that it has entered into an off-take agreement for the zinc, copper and lead concentrates to be produced from its wholly-owned Woodlawn Zinc-Copper Project (“Project”) located near Tarago, 250km southwest of Sydney, New South Wales, Australia.

Louis Dreyfus Company Metals (“LDC Metals”) has been awarded the base metal concentrate off-take from the Woodlawn Project from commencement of production through to the end of 2021, a period of approximately three and a quarter years. The off-take contract covers 100% of the zinc, copper and lead concentrates to be produced over this period.

Heron Resources Managing Director and CEO, Mr Wayne Taylor, commented:

“Over the past 12 months we have run a highly competitive process for the much-sought after concentrates from the Woodlawn Project, and we are very pleased to have reached an agreement with LDC Metals, a large and experienced concentrate trader with an excellent reputation in the market.”

“Zinc concentrates are particularly in short supply in the global marketplace, which is expected to remain tight for the next few years, and this has resulted in the company agreeing attractive commercial terms for 100% of mine output during the critical first few years of production at Woodlawn”

Once at steady state, the Woodlawn Project is expected to produce approximately 70,000dmt (dry metric tonnes) of zinc concentrates, 30,000dmt of copper concentrates, and 25,000dmt of lead concentrates annually from the processing of a combination of underground ore and reclaimed tailings ore. In addition to revenue being provided from the primary metal in each of the concentrates (zinc, copper and lead), by-product revenue will be generated by the gold and silver content in the lead and copper concentrates.

The off-take with LDC Metals is a key milestone in the Company’s pre-financing activities and contemplates the shipment of Woodlawn concentrates from either Port Kembla or Port Botany in lot sizes that will allow the Company to manage working capital requirements as well as securing bulk shipping freight rates. It is anticipated that the Woodlawn concentrates will be destined for further processing to final metal in major Asian markets.

LDC Metals CEO, Mr Paul Akroyd, commented: *“We are very pleased to be able to partner up with Heron Resources and support them for the development of the Woodlawn Project. This is fully aligned with our strategy to build upon our existing Australian activity and continue to provide solutions for the needs of the Australian mining industry”*

About LDC Metals

A wholly owned subsidiary of Louis Dreyfus Company, LDC Metals is among the top global merchants of copper, zinc and lead concentrates and refined base metals, and manages numerous base metal offtake arrangements in Australia and across the globe.

Founded in 1851, Louis Dreyfus Company (LDC) is a leading merchant and processor of agricultural goods, with activities spanning the entire value chain, across a broad range of business lines. LDC originates, processes and transports approximately 81 million tons of products every year, is active in over 100 countries and employs more than 21,000 people globally at peak season.



Heron Resources Limited

ASX/TSX Release

10 May 2017

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

Heron Resources

Mr Wayne Taylor
Managing Director and CEO Heron Resources Ltd
Tel: +61 2 9119 8111
Email: heron@heronresources.com.au

Jon Snowball
FTI Consulting
+61 2 8298 6100
jon.snowball@fticonsulting.com

Heron (Canada)

Tel: +1 647-862-1157 (Toronto)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

*This report 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 report. 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 report 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 report.***