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ASX/TSX Release

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Heron Drilling at Currawang Prospect, Adjacent to Woodlawn, Returns Significant Assay Results

- Heron completed five diamond drill holes (DDH) for 2,994m at the Currawang Prospect, 10km northwest of Woodlawn
- A DDH which targeted a zone below the known main lens intersected 6.4m of semi-massive and stringer-style zinc and copper sulphide mineralisation from 485m down-hole, and a further 2.9m of stronger copper sulphide mineralisation from 567m (DDH CWDD0002). This is interpreted as a new zone/lens of significant mineralisation directly to the east and below the main lens. Assay results for this hole have been received and include:

Thickness (m)	ZnEq[1] (%)	Downhole start (m)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)	Drill hole
6.4	14.6	484.9	11.7	0.6	0.7	0.1	16.0	CWDD0002
2.9	13.5	567.0	3.4	3.0	0.2	0.0	15.8	CWDD0002

Heron Resources Limited (ASX:HRR TSX:HER, "Heron" or the "Company") is pleased to provide an update to the drilling program at its wholly owned Currawang prospect located 10 km NW from the Company's Woodlawn Zinc-Copper Project in New South Wales, Australia.

Commenting on the drilling progress, Heron's Managing Director, Mr Wayne Taylor said: *"The assay results confirm the potential of Currawang to provide an additional production source to Woodlawn. And, the geological interpretation of the five DDH holes suggest the possibility of a broader mineralised system. The five DDH holes were strategically placed along the strike of the mineralised system to provide an expansive platform for follow-up down-hole electromagnetic testing (DHEM) to be completed over the next few weeks. Currawang is still at a very early stage of delineation drilling and we are looking forward to completing the program to establish the next phase of work. Currawang is a significant new growth option for the Woodlawn Project."*

Currawang Prospect

A program of five DDH holes for 2,994m was recently completed at Currawang, targeting extensions to the existing lenses, as well as the broader testing of the genetic and post-mineral structural environment associated with high-grade volcanic massive sulphide (VMS) mineralisation that was previously mined in the mid-1990's (approximately 0.5Mt). Heron's drilling program represents the first at Currawang since 1996.

The second drill hole in Heron's program, targeted the down-plunge extension to the main Currawang Lens (Figure 1; DDH CWDD0002) and intersected 6.4m of 5 to 10cm stringers, and semi-massive Zn sulphide mineralisation (Figures 2 and 3) from 485m within a broad zone of hydrothermal alteration hosted by the basalt sequence. Copper sulphides within this zone are thought to be responsible for the DHEM anomaly previously measured in this area.

This hanging-wall position represents a potential new zone, or lens, of mineralisation at Currawang. DDH CWDD0002 continued to a depth of 640m and passed through a broad (50m+) zone of intense chlorite alteration with copper-sulphide

[1] ZnEq % used in this release refers to the calculated Zn equivalent grade based on the Zn, Cu, Pb, Au and Ag grades, the formula for which is provided at the end of this report.

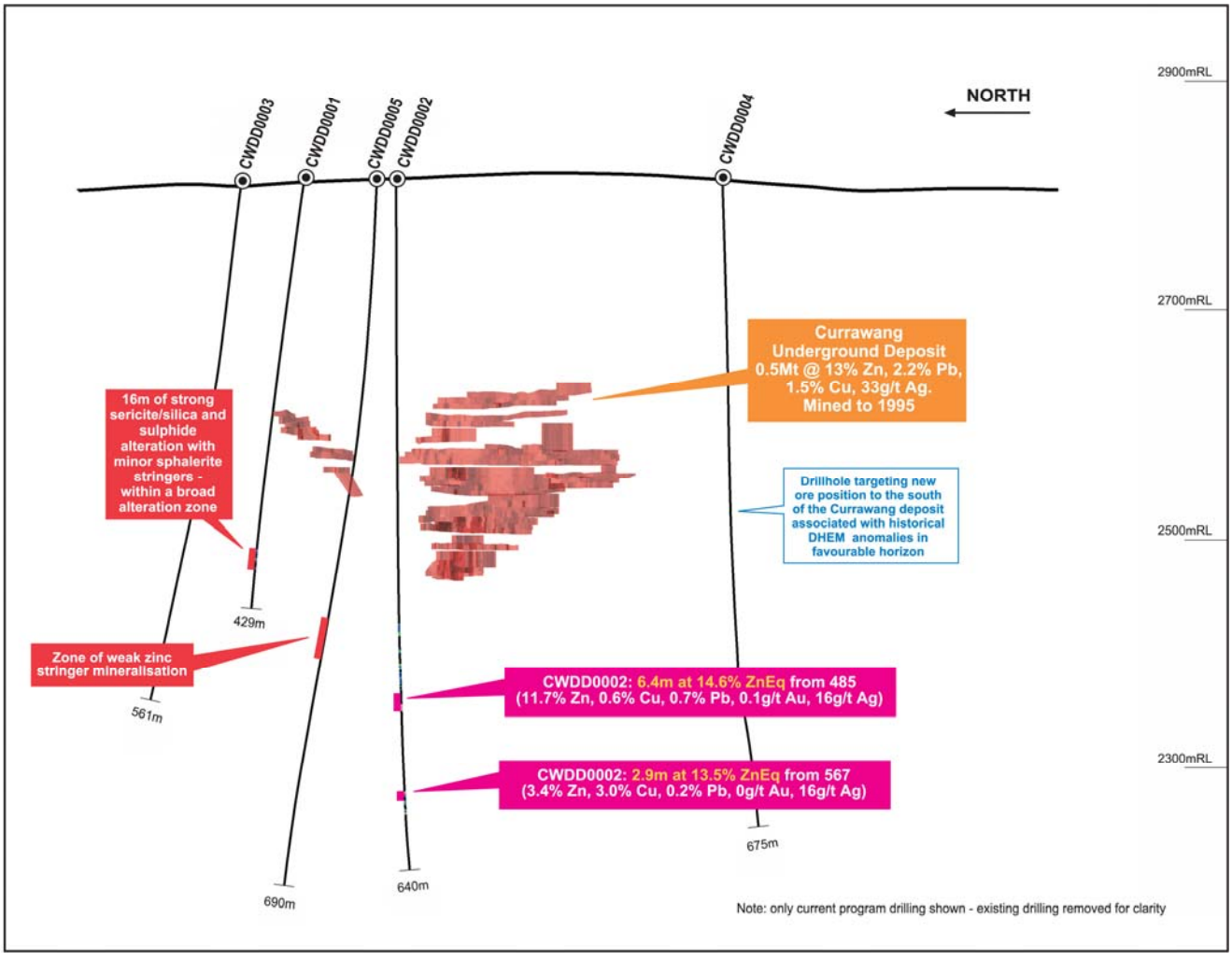
stringers. These type of chlorite zones are typically associated with the massive sulphide feeders which create the main VMS lenses. Assay results have been received and returned two significant intercepts from these two zones:

Thickness (m)	ZnEq[1] (%)	Downhole start (m)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)	Drill hole
6.4	14.6	484.9	11.7	0.6	0.7	0.1	16.0	CWDD0002
2.9	13.5	567.0	3.4	3.0	0.2	0.0	15.8	CWDD0002

These results are highly encouraging. The last DDH of the program (CWDD0005) was drilled beneath and down-plunge from these intercepts and intersected a broad zone (17.4m) of weak and low-grade Zn sulphides stringers from 428m depth.

Other DDH in the program targeted the primary Currawang structural controls along-strike to the north of the main Currawang Lens in an area of limited historic drilling (Figure 1; CWDD0001 and 03). DDH CWDD0001 intersected a broad interval (38m from 341m down-hole) of moderate to intense alteration comprising sericite, silica, pyrite, and chlorite development within a strongly foliated, and in-part brecciated basalt (the Currawang Basalt). Within this interval is 16m of an intensely developed hydrothermal alteration assemblage, with minor stringers of Zn sulphides with lesser amounts of Pb and Cu sulphides. DDH CWDD0003 intersected a broad zone of moderate to strong silica, chlorite, biotite alteration (381 to 433m depth) with some stringers of base-metal sulphides.

Figure 1: Currawang long-section (looking east) showing the areas previously mined (shaded dark brown) and the traces of the five DDH in this campaign.



DDH CWDD0004 was drilled to a depth of 675m testing the southern extent of the mineralisation, and intersected a weakly developed zone of silica, chlorite, pyrite alteration towards the bottom of the hole – this was less well developed than the other intercepts to the north.

Overall, the 5 DDH hole campaign was very successful, intercepting high-grade intercepts in new stratigraphic and structural positions, which both extend and further delineate the known extents of mineralisation and alteration. These five broadly-spaced DDH intercepts provide a geospatial platform enabling Heron to develop a down hole electromagnetic survey (DHEM) program to test for potential conductors peripheral to these DDH intercepts which may indicate conductors related to extensions of existing, or new, sulphide mineralisation.

Heron's exploration program is part of the NSW Government's Cooperative Drilling Program, with 50% of the direct drilling costs being reimbursable to Heron for the first 4 holes.

Figure 2: Photograph DDH cores showing Zn sulphide (sphalerite stringers) in DDH CWDD0001 from 486m depth. NQ2 (46.7mm diameter) DDH core within the tray with each length approximately 1m long.

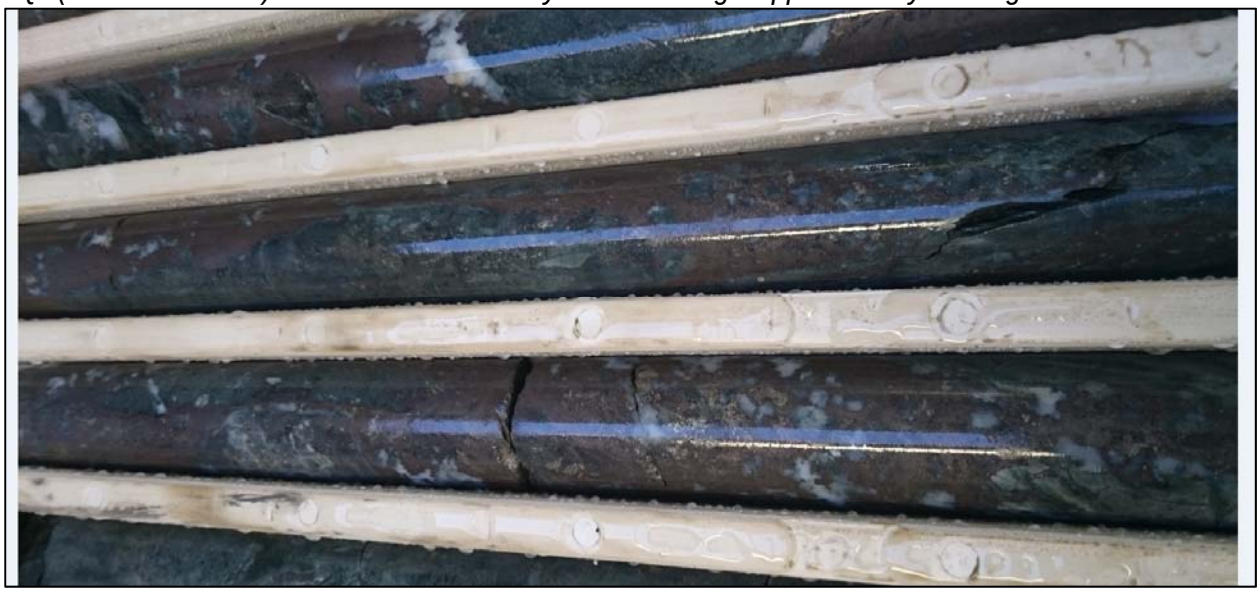
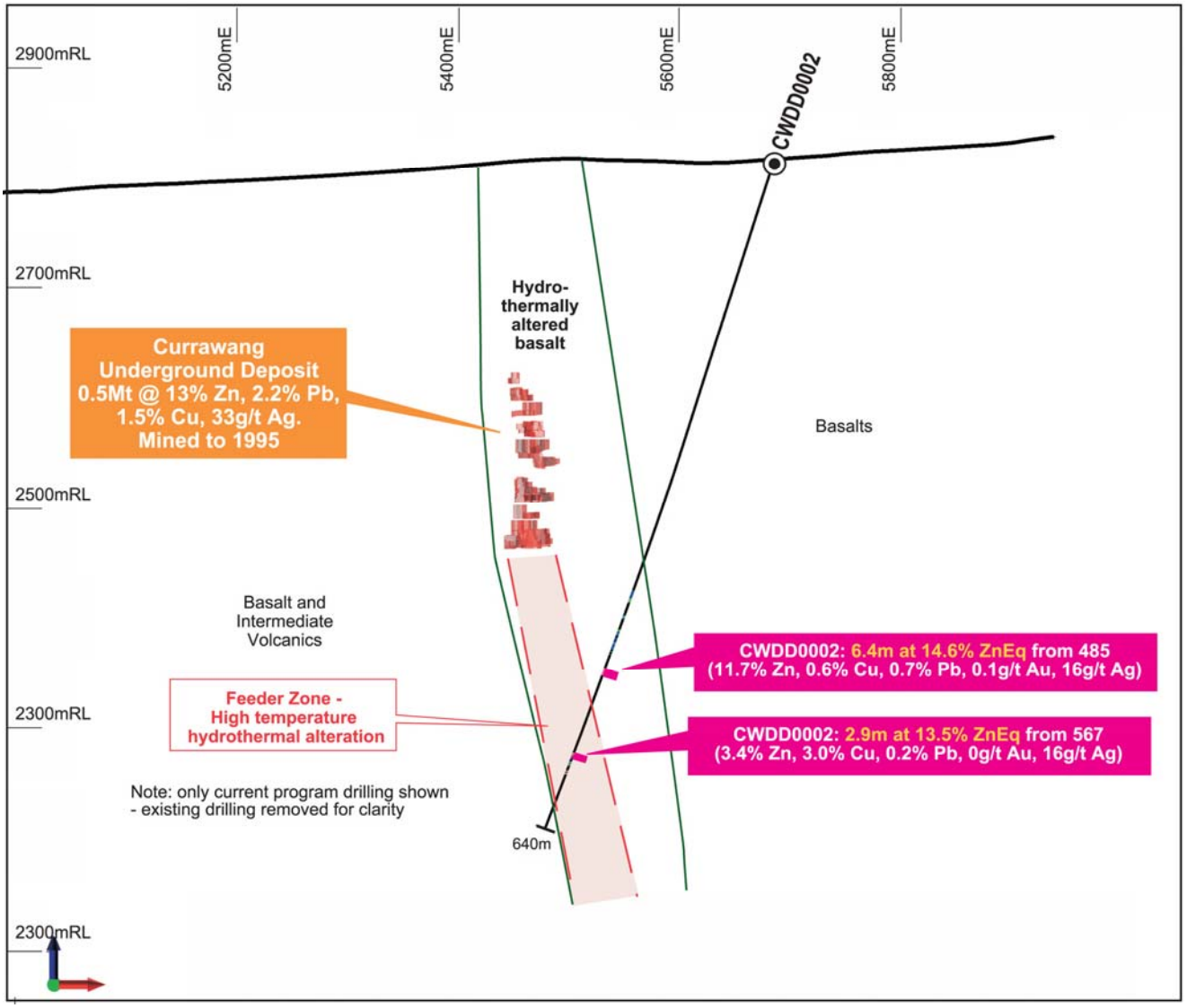


Figure 3: DDH core detail showing massive zinc sulphides. The red-brown coloured mineral is sphalerite (zinc sulphide) and displays an interpreted hydrothermal, replacement style of formation with clots of dark-green chlorite alteration of original basalt fragments entrained within the sphalerite. The white mineral is quartz, indicative of the vein-style of this zone.

Figure 4: Cross Section (view to north) through the plane of DDH CWDD002 showing the location of the mined out areas and the location of the newly intercepted hanging-wall stringer-style sphalerite mineralisation, and the deeper chlorite alteration zone



About Heron Resources Limited:

Heron's primary focus is the development of its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia. In addition, the Company holds a significant high quality, gold and base metal tenement holding regional to the Woodlawn Project.

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

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Compliance Statement (JORC 2012 and NI43-101)

The technical information in this report 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 approved the scientific and technical disclosure in the news release.

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.

Appendix 1

Details for diamond drill holes completed

Hole No.	CMG East (m)	CMG North (m)	CMG RL (m)	Surface Dip	CMG Surface Azimuth	EOH Depth (m)	Target
CWDD0001	5,675.0	15,613.6	2,816.1	-62	288.0	428.6	DHEM plates
CWDD0002	5,685.5	15,533.1	2,815.4	-72	277.0	639.7	Mineralisation below old
CWDD0003	5,747.7	15,666.5	2,818.0	-58	284.0	560.8	Mineralisation in CE031
CWDD0004	5,678.5	15,248.8	2,812.5	-61	269.0	674.8	South of mine

Notes: CMG = Currawang Mine Grid

Assays results to date for diamond drill holes completed as part of the Phase IV drill campaign.

Hole No	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	ZnEq%	Zn (%)	Cu (%)	Pb (%	Au (g/t)	Ag (g/t)
CWDD0002	484.9	491.3	6.4	5.1	14.6	11.7	0.6	0.7	0.1	16.0
CWDD0002	567.0	569.9	2.9	2.3	13.5	3.4	3.0	0.2	0.0	15.8

*Notes: True width is an estimate of the actual thickness of the intercept based on interpreted lens orientation (approximately 80% to 90% of downhole width, with 80% used in this table as a general guide); unless noted grades are weighted average grades, weighted by length of samples intervals downhole, which are nominally 1 metre. No weighting was applied for differences in specific gravity; **

Zinc equivalent calculation

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 Au, Ag, Cu, Pb and Zn. ZnEq = Zn%+Cu%*3.12+Pb%*0.81+*Au g/t*0.86+Ag g/t*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. These metal prices are based on Heron's long-term view on average metal prices. It is Heron's view that all the metals within this formula are expected to be recovered and sold. Metallurgical metal recoveries used for the formula are: 88% Zn, 70% Pb, 70% Cu, 33% Au and 82% Ag; these are based on historical recoveries at Woodlawn and supported by metallurgical testwork undertaken during the 2015-16 feasibility study. Commodity prices and metallurgical recoveries are factored into the zinc equivalent calculation using a standard metal equivalent formula.

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 NQ2 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 along the core orientation line (where available). Generally in massive sulphide zones one portion is quartered for assaying, half the 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. • These sampling methods are standard industry methods and are believed to provide acceptably representative samples for the type of mineralisation 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 Sandvik DE710 rigs with mostly NQ2 sized (with some HQ3) core being drilled. 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.
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 down hole intervals for logging and sampling.
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.*	• The diamond core is geologically logged by qualified 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 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.

Criteria	JORC Code explanation	Commentary
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 (DataShed) 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 with accuracy to 1 centimetre. • While drilling is being undertaken, down hole surveys are conducted using a down hole survey tool that records the magnetic azimuth and dip of the hole. These recordings are taken approximately every 30 metres down hole. As a check, certain holes are also being surveyed with gyroscopic methods, with some 10 percent of holes drilled in the current program also surveyed by this method after drilling has been completed.
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 spacing in the range 20-40m. This drill hole spacing will be sufficient to provide 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 as close to a perpendicular angle as possible. The mineralised lenses are dipping approximately vertically or steeply to the east.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• The cut core samples are secured in green plastic bags and are being transported to the ALS laboratory in Orange, NSW via a courier service or with Company personnel/contractors.
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 in late 2014 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 Currawang project is located 250km south-west of Sydney in the state of New South Wales. The area is on 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 EL 7257. • The project area is on private land and an agreement is in place with the owners to access the land.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Currawang deposit is a satellite deposit to Woodlawn and was discovered by the Jododex JV in the early 1970's through soil geochemistry programs. It was mined in the early 1990's with the ore being trucked to Woodlawn for processing. • 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 Ltd (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 studies on a tailings re-treatment process and further underground operations. • Heron took 100% ownership of the project (Woodlawn and Currawang) in August 2014 following the merger of the two companies.
Geology	• *Deposit type, geological setting and style of mineralization.*	• The Currawang deposit comprises volcanogenic massive sulphide mineralisation consisting of replacement style lenses of pyrite, sphalerite, galena and chalcopyrite within a hydrothermal breccia system. The mineralisation is hosted in the Silurian aged Currawang Basalt rocks of the Goulburn sub-basin on the eastern side of the Lachlan Fold Belt.
Drill hole Information	o *A summary of all information material to the understanding of the exploration results including a tabulation of the following*	• A table detailing the drill hole information is given in the body of the report.

Criteria	JORC Code explanation	Commentary
	information for all Material drill holes:	
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 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.*	• Where relevant, a diagram 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 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.*	• Selected drill holes are being cased with 40 millimetre PVC tubing for potential down-hole DHEM surveying which is undertaken on the majority of the holes drilled. • Geotechnical logging, if required, is undertaken nominally 25m either side of the massive sulphide lenses. • Archimedes method SG measurements are determined for all sampled intervals.
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 initial program of drilling at Currawang is now completed. Future work will be dependent on the results of the current program. • A program of DHEM will be conducted on a selection of the holes in the coming weeks.