



Heron Awards Key Tailings Mining Contracts

- Award of mining equipment supply, installation and commissioning contract to National Pump & Energy Pty Ltd
- Award of a specialist hydraulic mining services contract to Paragon Tailings Australia Pty Ltd
- The combination brings proven equipment supply and operational expertise to Woodlawn's tailings hydraulic mining operations
- The tailings Mineral Reserve of 9.5Mt at 6% ZnEq¹ is to be reclaimed using efficient, low-cost hydraulic mining

Heron Resources Limited (ASX:HRR, "Heron" or the "Company") is pleased to announce the award of two contracts relating to the provision of equipment supply and mining services for the reclamation of tailings for reprocessing at its wholly owned Woodlawn Zinc-Copper Project in New South Wales, Australia, which is currently under construction and due to commence commissioning at the end of 2018.

The Woodlawn Project includes both reprocessing of 9.5Mt of historic tailings from the previous operations (1978 until 1998), in addition to the processing of fresh ore from underground mining.



Figure 1: Historic Tailings Dams at the Woodlawn Zinc-Copper Project

The key technical elements of Heron's tailings reprocessing operation include:

- Hydraulic mining reclamation;

¹ Refer to the end of this release for the zinc equivalent (ZnEq) calculation and Mineral Reserves table describing the retreatment component of the Woodlawn Project.



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- Fine grinding using an IsaMill™; and
- Sequential differential flotation of copper, lead and zinc to concentrates.

The mining reclamation rates for the tailings ore will be at a rate of 190tph using remote controlled water cannons, an efficient and cost effective mining method.

Heron has contracted with National Pump & Energy Pty Ltd (NPE), one of Australia's leading pumping equipment providers with prior experience in the supply of hydraulic mining equipment. NPE will provide a complete hydraulic mining equipment package consisting of; main and standby track mounted, remote controlled water monitors; water delivery pumps; slurry pumps; screens; and associated infrastructure including strategic spares and consumables.

Alongside NPE, Heron has awarded a specialist mining services contract to Paragon Tailings Australia Pty Ltd (Paragon) for the provision of process design, mining planning, construction supervision and support, operator training and personnel to support the tailings reclamation operations. Paragon is a company formed in 2016 which has a track record in hydraulic mining both internationally and within Australia, with the principals having more than 30 years of operational experience with this form of mining prior to establishing Paragon.



Figure 2: Paragon Hydraulic Mining operation in Democratic Republic of Congo

Commenting on the contracts Heron's Managing Director, Mr Wayne Taylor said: *"Heron is pleased to have facilitated the combination of NPE and Paragon to provide an integrated solution for the supply of equipment and services for tailings mining at Woodlawn. These contract awards ensure that Heron's tailings mining operation will utilise an efficient equipment design with locally available support, operated and supervised by experienced and capable project partners who will also provide training for our own personnel."*



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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.

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Compliance Statement (JORC 2012 and NI43-101)

The technical information in this report is based on information reviewed 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.

Mineral Resources and Reserves – Tailings

Woodlawn Tailings Mineral Reserve Estimate 2016

Reported with no cut-off grade applied

Reserve Category	Quantity (Mt)	ZnEq(%)	Zn(%)	Cu(%)	Pb(%)	Au(g/t)	Ag(g/t)
Proven	6.4	6.0	2.2	0.5	1.3	0.29	31
Probable	3.2	6.0	2.1	0.5	1.3	0.33	32
Total (Proven + Probable)	9.5	6.0	2.2	0.5	1.3	0.31	31

Refer to the announcement entitled "Heron delivers robust Feasibility Study for Woodlawn Project" and dated 29 June 2016 available from the ASX or the Company's web site for further disclosures relating to the Mineral Resources and Mineral Reserves quoted.

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. 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 test work undertaken during the 2015-16 feasibility study.