



Heron Resources Limited

ASX/TSX Release

7 September 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 Successfully Completes A\$141 Million¹ Equity Funding Package for Development of its Woodlawn Zinc-Copper Project

Highlights

- Woodlawn is fully funded through construction and ramp-up
- Global mining and private equity cornerstone investors Greenstone, Orion and Castlake, on behalf of funds it manages, secure strategic shareholdings
- Institutional placement heavily oversubscribed and supported by a number of high quality existing and new institutional investors
- Full A\$5 million raised from the Share Purchase Plan through take-up by existing shareholders and placement of shortfall
- Progressing the remaining conditions precedent for the US\$60 million senior debt facility and US\$16 million silver prepayment facility
- Orion's Peter Rozenauers and Castlake's Ricardo De Armas to be welcomed to the Board as Non-executive Directors
- Heron on track for first production targeted late 2018 / early 2019

Heron Resources Limited (ASX:HRR TSX:HER, "Heron" or the "Company") is pleased to announce the successful completion of its A\$141 million¹ Equity Funding as part of the full A\$240 million total Woodlawn development funding package announced to the ASX & TSX on Friday, 30 June 2017.

The Equity Funding comprises a A\$104 million¹ Cornerstone Investor Placement to Greenstone Resources LP and co-investors, Orion Mine Finance Group ("Orion") and Castlake LP ("Castlake"), on behalf of funds it manages, as well as a A\$32 million Institutional Placement. The Equity Funding Package also includes a A\$5 million Share Purchase Plan of which approximately A\$3.48 million was subscribed for by existing Heron shareholders with the shortfall balance of approximately A\$1.52 million subsequently placed to various investors.

A total of approximately 2,001 million shares were issued pursuant to the Equity Funding at an issue price of \$0.07 per share which rank equally with existing shares on issue.

The other components to the full Woodlawn development funding package include the US\$60M senior debt facility and the US\$16M silver prepayment facility (combined A\$100 million¹), both being provided by Orion. The Company is working through the remaining conditions precedent to these facilities which include, the establishment of the underground mining and port facility contracts, an independent engineers report covering the costs to completion, and other customary requirements for facilities of this nature. The Company expects to have these completed well prior to the requirement to draw on these funds and in the case of the silver prepayment this is expected to be drawn at the end of 2017, with the senior debt facility being drawn during the first half of 2018.

In conjunction with completion of the Equity Funding, in the next few days Heron will welcome Orion's nominee director, Mr Peter Rozenauers, and Castlake's nominee director, Mr Ricardo De Armas, to the Heron Board as Non-executive Directors.

¹ Assumes exchange rate of AUD/USD 0.76 as per announcement on 30 June 2017



Heron Resources Limited

ASX/TSX Release

7 September 2017

About Heron Resources Limited

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

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.***