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APPOINTMENT OF MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Heron Resources Limited (ASX:HRR) is pleased to announce Mr Jonathan Shellabear has been appointed Managing Director and Chief Executive Officer, effective from 1 August 2011.

Mr Shellabear is a senior executive with extensive experience in the Australian and international mining industries having held senior corporate and investment banking roles with NM Rothschild & Sons (Australia) Limited and Deutsche Bank. Most recently he was the Managing Director and Chief Executive Officer of Dominion Mining Limited, a position he held until February 2011 following the completion of the agreed takeover of Dominion by Kingsgate Consolidated Limited.

Mr Shellabear holds a Bachelor of Science degree with Honours in Geology from the University of Western Australia and a Master of Business Administration from the University of Western Australia.

The key terms and conditions of Mr Shellabear's employment are attached.

The Chairman of Heron, Mr Craig Readhead said Mr Shellabear's appointment reflected the Board's determination to deliver shareholder value and fast track an organic and acquisitive growth program.

"We are delighted to have been able to attract someone of Jonathan's proven calibre and experience to lead the Company and we look forward to his contribution to the Company's growth in what will be an exciting new phase for Heron," Mr Readhead said.

Mr Shellabear said Heron has a great opportunity to deliver significant value for shareholders.

"The Company has an excellent portfolio of assets with unrealized potential and a robust corporate platform to facilitate growth. I am excited about joining Heron and I look forward to the challenge of developing the Company's asset portfolio and enhancing shareholder value."

Mr Readhead concluded "With the appointment of Mr Shellabear, the Board is confident that we have the balance of skills, experience and leadership qualities necessary to identify additional growth opportunities along with advancing the organic opportunities within the Company. His commitment confirms that potential".

A handwritten signature in black ink that reads 'Craig Readhead'.

Craig Readhead
Chairman

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Annexure
Terms and Conditions of Appointment

Base Salary: \$475,000 per annum

Short term Incentive (STI): An annual opportunity of up to 50% of base salary for outstanding performance based on achievement of both financial and non-financial KPIs.

Long term Incentive (LTI): Subject to Shareholder Approval, the granting of 6 million options in three equal tranches.

- Tranche A: 2 million options with an exercise price at a 25% premium to the 5 day VWAP of Heron Resources Limited prior to acceptance of a letter of employment (23 June 2011). The options will vest in one year from 23 June 2011 and have a term of three years.
- Tranche B: 2 million options with an exercise price at a 50% premium to the 5 day VWAP of Heron Resources Limited prior to acceptance of a letter of employment (23 June 2011). The options will vest in two years from 23 June 2011 and have a term of four years.
- Tranche C: 2 million options with an exercise price at a 75% premium to the 5 day VWAP of Heron Resources prior to acceptance of a letter of employment (23 June 2011). The options will vest in three years from 23 June 2011 and have a term of five years.