

10 March 2014

Heron Resources Limited and TriAusMin Limited to merge to create a well-financed company focused on the development of the high-grade Woodlawn Base Metal Property and the portfolio of high quality exploration assets in the Lachlan Fold Belt of New South Wales, Australia.

The Boards of **Heron Resources Limited (Heron) (ASX:HRR)** and **TriAusMin Limited (TriAusMin) (ASX:TRO, TSX:TOR)** are pleased to announce that they have entered into an agreement to combine the two companies by means of a Scheme of Arrangement between TriAusMin and its shareholders (the **Transaction**).

Heron Resources Limited	
Issued Shares	253M
Share Price	A\$0.145
Market Cap	A\$36.7M
Cash (Dec-13)	A\$37.5M
Investments	A\$3.5M

TriAusMin Limited	
Issued Shares	251.4M
Share Price	A\$0.047 C\$0.04
Market Cap	A\$11.8M
Cash (Dec-13)	A\$0.8M

Highlights

- TriAusMin shareholders will receive 1 Heron share for every 2.33 TriAusMin shares held
- The merged entity will, subject to regulatory approval, be listed on both the ASX and the TSX
- TriAusMin shareholders will receive a premium of 48% (53%) above the 30 day volume weighted average price per share of TriAusMin on the ASX (TSX) based on trading up until 7 March 2014
- TriAusMin Directors unanimously recommend that TriAusMin shareholders vote in favour of the Transaction, in the absence of a Superior Proposal and subject to an Independent Expert concluding that the Transaction is in the best interests of TriAusMin shareholders
- Subject to the same conditions, TriAusMin's Chairman and Tri Origin Exploration Limited, being TriAusMin shareholders holding 26.4% of its issued capital, have indicated their intention to vote their shares in favour of the Transaction
- TriAusMin Managing Director Mr Wayne Taylor will become Managing Director and CEO of the merged entity and TriAusMin Chairman Dr James Gill will become Deputy Chairman. Heron's Mr Ian Buchhorn will become Executive Director, and the other two Heron directors will continue in their existing capacities
- Heron will invest A\$1.3 million in TriAusMin by means of a convertible loan to provide short term working capital
- The strategic focus of the company will be on advancing the Woodlawn Underground Project (**WUP**) toward a production decision, enhancing the value of the Woodlawn Tailings Retreatment Project (**WRP**), and on completing a bankable feasibility study (BFS) involving a combined WRP+ WUP development program
- The merged entity pro-forma cash of A\$36.4 million, plus A\$5.4 million in investments as at 31 December 2013 will allow all shareholders to benefit from progress of Woodlawn to BFS and production decision stage potentially without requiring further capital to be raised
- The Transaction is subject to customary conditions (including TriAusMin shareholder and court approval) and conditions relating to the satisfactory advancement of the transfer of key mining lease SML 20 to TriAusMin

Strong board and shareholder support

Dr James Gill, TriAusMin's Chairman, said "the combination of the two companies creates a financially and technically strong mining company with the capacity to advance the high-grade Woodlawn Base Metal Property toward production in the near term, while at the same time establishing a dominant portfolio of exploration properties with the demonstrated potential to host new base and precious metal mineralization for future development."

Heron's Chairman, Mr Craig Readhead spoke on behalf of the Board and described the opportunity as an ideal fit with Heron's current strategy, saying "Heron has been evaluating Lachlan Fold Belt development and production assets for more than a year, and Woodlawn stands out for us as having excellent potential to deliver significant value to our shareholders. The Woodlawn Underground Project, which is very prospective but relatively early stage, will benefit from the application of Heron's exploration and geological expertise, whilst the Woodlawn Tailings Retreatment Project provides an advanced and lower risk platform from which to develop potential early cash flow or an attractive combined project.

In the near term, Heron is committed to investing capital in the drilling out of the Underground Project, investigating the optimisation of the Tailings Retreatment Project and a bankable feasibility study on the combined project".

The Directors of TriAusMin have considered the advantages and disadvantages of the proposed Transaction and, in the absence of a Superior Proposal and subject to an Independent Expert's Report concluding that the Transaction is in the best interests of TriAusMin shareholders, recommend that TriAusMin shareholders vote in favour of the Transaction, and intend to vote all TriAusMin shares that they control in favour of the Transaction.

TriAusMin has also received support for the Transaction from major shareholders Tri Origin Exploration Ltd and Chairman James Gill who together own 26.4% of TriAusMin's shares on issue, subject to there being no Superior Proposal and subject to an Independent Expert's Report concluding that the Transaction is in the best interests of TriAusMin shareholders.

Background to the merger

TriAusMin is a dual ASX and TSX listed natural resources exploration and development company based in Sydney focused on the Lachlan Fold Belt of New South Wales, whose major asset is a 100% interest¹ in the Woodlawn Property which hosts the past producing Woodlawn base metal deposit. The Woodlawn deposit contains approximately 8.6 million tonnes of Measured and Indicated Resources at an average grade of 10.3% Zn, 4.0% Pb, 1.8% Cu plus by-product precious metals. Recent drilling carried out by TriAusMin has identified significant high grade extensions to the current Resources down dip/plunge along with the discovery of the new "I-2" and "KATE" lenses. The Woodlawn Underground Project has the potential to allow production to be re-established at Woodlawn in the near term and this will be a priority objective for the merged entity going forward.

The Woodlawn Base Metal Property also contains a tailings deposit containing proven and probable reserves of 11.2 million tonnes at an average grade of 2.2% Zn, 1.3% Pb, 0.5% Cu plus precious metals generated from the previous mining operations, the Woodlawn Tailings Retreatment Project.

TriAusMin completed a Bankable Feasibility Study for the WRP in June 2008 and released a National Instrument 43-101-compliant independent technical report on the WRP in January 2010 (available on www.sedar.com). The WRP involves reprocessing these tailings to produce separate zinc, lead and copper concentrates that contain gold and silver by-product credits with a mine life of 7.5 years. For the purposes of compliance with requirements of National Instrument 43-101 adopted by Canadian Securities Administrators concerning use of codes (foreign codes) other than the CIM definition standards for mineral resources and mineral reserves in technical reports on mineral projects, the JORC mineral resource categorization used for the WRP mineral resource is directly equivalent to the CIM categorization.

TriAusMin also holds an exploration portfolio fully complementary to that of Heron in the Lachlan Fold Belt, including the Lewis Ponds, Overflow and Calarie projects.

Heron is an ASX-listed natural resources exploration company headquartered in West Perth, Western Australia, with offices in Perth and Kalgoorlie. Heron had a market capitalisation of A\$36.7 million as at 7 March 2014 and as at 31

¹ TriAusMin claims a 100% interest in the mineral rights associated with the Woodlawn mining lease SML 20 and a 100% interest in the surrounding exploration licence EL 7257. The satisfactory advancement of the transfer of full ownership of SML 20 is a condition to the Transaction.

December 2013 held cash of A\$37.5 million and listed investments totalling A\$3.5 million. On 3 March 2014, Heron announced the acquisition of a 19.9% stake in Golden Cross Resources (ASX:GCR) for \$1.9 million.

Heron's key asset is the Kalgoorlie Nickel Project (**KNP**), a world-class nickel laterite deposit located in Western Australia. Heron also has an active exploration portfolio of gold, copper and base metals projects, including extensive tenement holdings in New South Wales and Western Australia. Heron has a publicly stated focus on the Lachlan Fold Belt of New South Wales, and a strategy of acquisition of advanced stage development or production assets where its cash can be gainfully employed.

The merger provides Heron with a major development asset strongly aligned with the strategic focus of the company, and provides TriAusMin with the necessary funds and complementary team to enable it to progress with the next stages of the proposed combined WRP + WUP project development. For all Heron and TriAusMin shareholders, the merger provides the opportunity to benefit from capital growth potential driven by the proposed investments in Woodlawn, and exposure to a high potential and historically proven high grade base metals deposit.

Importantly, the Woodlawn projects will be able to be advanced significantly using the merged entity's cash position, potentially to bankable feasibility study and decision to mine stage on the combined WRP + WUP project, with no further equity funding being required.

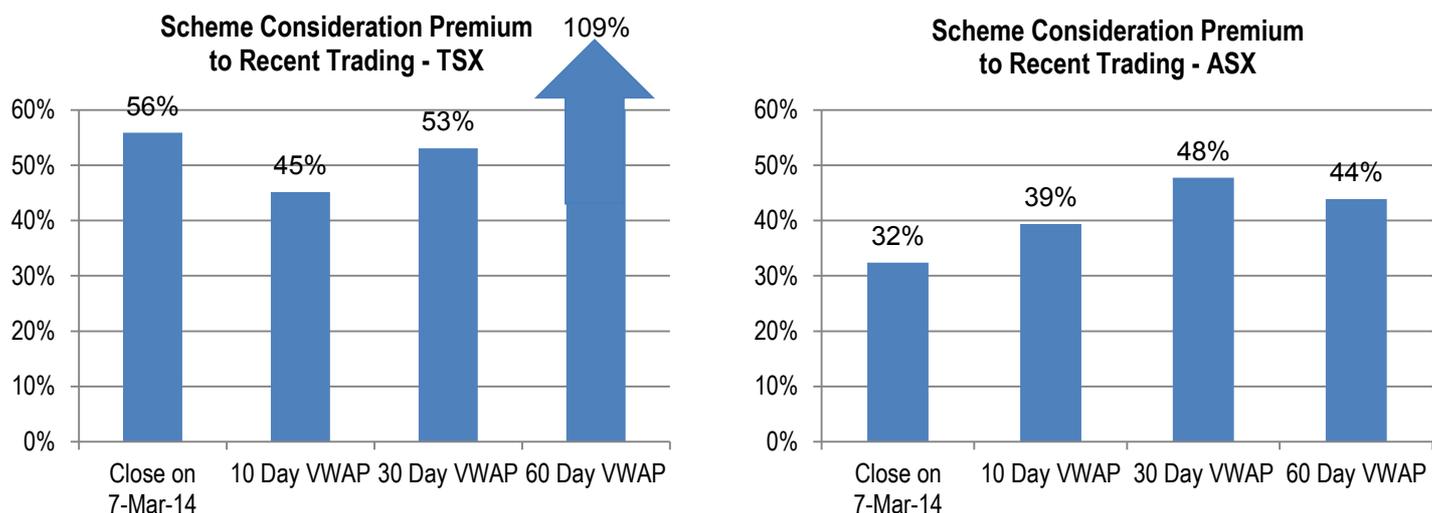
The merged entity will continue Heron's work on investigating technologies or process routes that have the potential to improve the economics of the KNP, and will have large exploration holdings, based predominantly in New South Wales and Western Australia. Following the increased focus on the Woodlawn Base Metal Property, the merged entity may seek to divest (including by spin out or farm out) exploration assets that may be considered non-core in the future.

The merged entity's head office will be based in West Perth. An exploration and development office will continue at Woodlawn.

Transaction details

Under the proposed Scheme of Arrangement (**Scheme**), Heron will acquire all issued ordinary shares of TriAusMin. The Scheme consideration offered to TriAusMin shareholders is one fully paid ordinary share in Heron in exchange for every 2.33 ordinary fully paid shares held in TriAusMin.

This ratio equates to a substantial premium to TriAusMin's recent trading on both the ASX and TSX as shown below:



Notes:

- The statements of premium illustrated above have been calculated on the basis of the TriAusMin Volume Weighted Average Price (**VWAP**) for the relevant period to 7 March 2014 multiplied by 2.33 expressed as a premium to the equivalent Heron VWAP. Data has been sourced from Bloomberg, ASX and TSX.
- VWAPs have been calculated using prices up to and including 7 March 2014 and are based on ASX or TSX trade data on days where trading volume is greater than zero, using VWAP x Volume, with share price conversions into AUD, where required, based on the exchange rate at the time (varying between 1.00 and 1.06 AUD to 1.00 CAD).

The Scheme will be subject to an Independent Expert's Report and, subject to that Report providing an opinion that the Scheme is in the best interests of TriAusMin shareholders, TriAusMin has agreed to put the Scheme forward for approval of its shareholders pursuant to the requirements of Section 411 of the Corporations Act (Australia) and the requirements of Canadian Securities Laws and TSX rules. No Heron shareholder approval is expected to be required.

The Scheme does not include any terms for the acquisition of the existing unlisted options in TriAusMin, which will be exchanged on like-for-like terms by private treaty.

Board and senior management

The merged entity will have a strengthened Board and management team with extensive experience across the resources sector and a common vision around the pursuit of the development of the Woodlawn projects.

Heron currently has three Board members: independent Non-executive Chairman Craig Readhead, Managing Director Ian Buchhorn and independent Non-executive Director Stephen Dennis.

TriAusMin currently has five Board members, of which three are based in Canada. These are independent Non-executive Chairman Dr James Gill (Canada), Managing Director Wayne Taylor (Australia), independent Non-executive Director William Killinger (Australia), Non-executive Director Alan Snowden (Canada), and Non-executive Director Dr Robert Valliant (Canada). Dr Gill was the founder, President and CEO of Aur Resources, a very successful North American resources company that developed multiple mining projects with similar characteristics to Woodlawn. Aur was taken over by Teck Resources Ltd in 2007.

Following the implementation of the Transaction, Heron and TriAusMin have agreed Board membership will be reduced from eight to five Board members in total, comprising three from Heron and two from TriAusMin. Heron's Mr Readhead will assume the role of independent Non-executive Chairman, with TriAusMin's Dr Gill being appointed Non-executive Deputy Chairman. TriAusMin's current Managing Director, Mr Taylor, will become CEO and Managing Director. Mr Buchhorn, Heron's current Managing Director, will assume an Executive Director role, focusing on monetising the KNP.

Convertible Loan

As at 31 December 2013 TriAusMin had A\$0.8 million in cash and therefore has a need for additional capital to meet the expected costs associated with exploration commitments, the Transaction, and working capital. As a result, Heron has agreed to invest A\$1.3 million in TriAusMin by way of a convertible loan with a term of approximately 9 months and an interest rate of 8% (**Convertible Loan**). The Convertible Loan may be converted into TriAusMin shares at a share price of A\$0.04 under certain limited circumstances, and will be cancelled upon successful completion of the Transaction. Should the Convertible Loan be converted into equity, Heron would hold up to a 12% interest in TriAusMin.

Conditions to the Transaction

The Transaction is subject to customary conditions including TriAusMin shareholder approval, court approval of the Scheme, no prescribed occurrences and no material adverse change. In addition, the Transaction is conditional upon the satisfactory advancement of the transfer of title for the Woodlawn mining lease SML 20 to TriAusMin and Heron otherwise being reasonably satisfied with the results of its due diligence on Woodlawn mining lease SML 20.

Full details of the conditions to the Scheme are provided in the Implementation Deed, which is being released alongside this announcement.

Indicative Timetable

TriAusMin shareholders will be issued a Scheme booklet which will set out in detail those matters for consideration in determining whether to vote in favour of the Scheme, and will include a description of each company and the merged entity, and an Independent Expert's Report on whether the Scheme is in the best interests of shareholders.

TriAusMin expects to provide the Scheme booklet to shareholders by early May, with a shareholders meeting expected to be held in June, followed by implementation of the Scheme in July. Further detail on the timetable will be provided in due course.

Technical Information

The technical information in this announcement has been reviewed by Robin Rankin, Consulting Geologist, a “Qualified Person” under National Instrument 43-101 (NI 43-101) of the Canadian Securities Administrators and a “Competent Person” as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). He is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and accredited as a Chartered Professional (CP) by the AusIMM in the Geology discipline. He provides paid geological consulting work (on a time-based fee basis upon which results and opinions are not contingent) to TriAusMin in his capacity as Principal Consulting Geologist and operator of independent geological consultancy GeoRes. He is professionally and financially independent of both TriAusMin and Heron, and to date has never been involved with or consulted to Heron (except in an indirect sense in supplying Woodlawn technical details on behalf of TriAusMin).



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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This news release 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 news release. 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 generation of revenues by Heron Resources Limited or TriAusMin Limited (each a "Company"), 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 news release 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 news release.