



# Heron Resources Limited

## ASX/TSX Release

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### Kate Lens: New Intercepts and High Grade Assays Confirm Potential

#### Assay Results:

WNDD0002: 8.8m @ 12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au & 152g/t Ag from 374m

WNDD0002: 2.3m @ 12.0% Zn, 0.6% Cu, 5.4% Pb, 1.3g/t Au & 116g/t Ag from 368m

#### New Intercept:

WNDD0007: 13.3m of massive sulphides from 413m

#### ASX:HRR/TSX:HER

Issued Shares	361M
Share Price	\$0.145
Market Cap	\$52.3M
Cash (30 Sep 2014)	\$31.0M
Investments	\$ 3.4M
Total C+I	\$34.4M

Heron Resources Limited (ASX:HRR, TSX:HER) (“Heron” or the “Company”) is pleased to report that the first assay results received from the current drill program at the Company’s 100%-owned Woodlawn Zinc-Copper Project in New South Wales confirm the high-grade tenor of the Kate Lens mineralisation. The recently received results comprise:

- WNDD0002: 8.8 metres grading 12.6% Zn, 1.6% Cu, 7.5% Pb, 2.3g/t Au and 152g/t Ag, from 374 metres
- WNDD0002: 2.3 metres grading 12.0% Zn, 0.6% Cu, 5.4% Pb, 1.3g/t Au and 116g/t Ag, from 368 metres

To date, the current drilling program has been successful in intersecting significant Woodlawn style massive sulphides in the Kate Lens in three of the four holes completed. Other significant intercepts include:

- WNDD0001: 14.4 metres from 374 metres (assays received, awaiting quality-control checks)
- WNDD0007: 13.3 metres from 413 metres (recent intercept with assays pending)

Together with the WLTD015 discovery hole in 2013, these results provide good support for the size and orientation of the modeled EM plate of 150 metres by 120 metres (refer Figure 1 overleaf). Notably, the lens remains open along strike towards the D Lens and up/down dip.

Target zone mineralised intersections of between 8.8 metres and 14.4 metres have been made in the three new Heron holes into the Kate Lens, with specific gravity typical of Woodlawn mineralisation (range from 3.8 to 4.6t/m<sup>3</sup>).

**The results from the current drill program confirm the very high potential for the Kate Lens to be an early source of high grade underground production at Woodlawn within an easily accessible un-mined area, with the lens being located only 90 metres from the nearest established drive and within 350 metres of the surface (base of previous mining 620 metres).**

Assay results for WNDD0001 are expected shortly, with the delays in receiving these being due to challenges faced by the laboratory with accurately preparing and assaying high grade Woodlawn mineralisation. As more samples are processed, it is expected that laboratory productivity will improve.

Three diamond drill rigs are currently on site and active. Drilling is continuing into I Lens down-plunge, into Kate Lens (step-out), and on geotechnical holes relating to the decline design.

Additionally, a down-hole EM program is ongoing, seeking to generate new targets as well as to provide further definition on known lenses to supplement the drill intersections.

Heron will provide a further update to the current drilling program at the Woodlawn Zinc-Copper Project once further assays have been received, and on the EM program as results become available.





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### About Heron Resources Limited:

Heron is engaged in the exploration and development of base and precious metal deposits in Australia. Heron's projects include the high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, and the Kalgoorlie Nickel Project located north of Kalgoorlie, Western Australia. In addition the Company holds a number of other high quality exploration properties located in the Lachlan Fold Belt, New South Wales.

For further information, please visit [www.heeronresources.com.au](http://www.heeronresources.com.au) or contact:

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### Technical Information

Table 1 Drill hole details for all diamond drill holes drilled to date in current Heron campaign

Hole No	WMG East (m)	WMG North (m)	WMG RL (m)	Surface Dip	WMG Surface Azimuth	Depth (m)	Target
WNDD0001	8,995	19,402	2,793	-65.0	88.0	425.5	Kate Lens
WNDD0002	9,011	19,400	2,793	-58.2	95.1	434.5	Kate Lens
WNDD0003	8,996	19,402	2,793	-71.1	88.8	463.2	Kate Lens
WNDD0004	8,977	19,637	2,786	-70.4	86.0	272.5	I Lens (up-dip)
WNDD0005	8,976	19,638	2,787	-65.3	78.7	263.6	I Lens (up-dip)
WNDD0006	8,548	19,749	2,787	-70.0	96.8	577 (in progress)	I Lens (down-dip)
WNDD0007	8,997	19,350	2,792	-60.0	91.0	580.6	Kate Lens

Notes: WMG = Woodlawn Mine Grid

Table 2 Details of massive sulphide intercepts and reported grades from current Heron campaign

Hole No	From (m)	To (m)	Downhole Width (m)	Estimated True Width (m)	Zn (%)	Cu (%)	Pb (%)	Au (g/t)	Ag (g/t)
WNDD0002	368.0	370.3	2.30	1.9	12.0	0.6	5.4	1.3	116
WNDD0002	373.97	382.74	8.77	7.2	12.6	1.6	7.5	2.3	152

Notes: True width is an estimate of the actual thickness of the intercept based on interpreted lens orientation; 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.



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### **Compliance Statement (JORC 2012 and NI43-101)**

*The technical information in this news release relating to the exploration results at the Woodlawn Project is based on information compiled by Mr Rod Arnold, who is a Member of the Australian Institute of Geoscientists. Mr Arnold is a full time employee of Heron Resources Limited and has sufficient experience, which is relevant to the style of mineralization 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 Arnold consents to the inclusion in this news release of the information in the form and context in which it appears.*

### **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 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.**



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### Appendix 1 – 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	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> </ul>	<ul style="list-style-type: none"> <li>Samples from the diamond-core holes are being taken from mostly NQ sized core, and sampled on a nominal 1 metre basis. The core is cut in half along the core orientation line (where available) and then one portion is quartered for assaying, the half core is preserved for metallurgical testing and the remaining quarter is retained as reference material in the core trays.</li> <li>Samples from the RC holes are being produced from a 4.5 inch sized bit and sampled on an initial 4 metre down-hole composite basis, with zones of mineralisation being samples over 1 metre intervals. The 4 metre composites are taken via a spear method into the plastic sample bags, while the 1 metre samples are split via a riffle splitter.</li> <li>These sampling methods are standard industry methods and are believed to provide acceptably representative samples for the type of mineralisation likely to be encountered.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details.</li> </ul>	<ul style="list-style-type: none"> <li>Diamond-core drilling is being undertaken by a McCulloch DR800 rig with HQ sized core being drilled to approximately between 80-200m before switching to NQ size. Various techniques are employed to ensure the hole is kept within limits of the planned position. The core is laid out in standard cores trays.</li> <li>The RC drilling has been undertaken by a Schramm T450WSI rig that is drilling a 4.5 inch hole with face sampling hammer. A booster and auxiliary compressor is used to increase the volume and pressure of air. The 1 metre samples are fed through a cyclone and riffle splitter before passing into green plastic bags which are laid out in rows on the ground. A dust suppression system is in use.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul style="list-style-type: none"> <li>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 and marked with 1 metre downhole intervals for sampling.</li> <li>The recoveries for the RC drilling are also recorded and have mostly been 100% with no recovery issues being recorded.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Both diamond core and RC holes are fully geologically logged by 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.</li> </ul>



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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The RC samples are pulverised directly in the LM5 ring pulveriser with the same quartz flush procedure as above.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sample preparation and assaying was conducted through ALS Laboratories, Orange, NSW.</li> <li>Gold is determined by 30g fire assay fusion with ICP-AES analysis to 1ppb LLD.</li> <li>Other elements by mixed acid digestion followed by ICP-AES analysis.</li> <li>Laboratory quality control standards (blanks, standards and duplicates) are inserted at a rate of 5 per 35 samples for ICP work.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>An internal review of results was undertaken by company personnel. No independent verification was undertaken at this stage.</li> <li>All field and laboratory data has been entered into an industry standard database 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.</li> <li>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.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>The diamond drilling is mostly following-up in various directions from previous intercepts with a nominal intercept spacing of no less than 40m. This drill hole spacing will be sufficient to provide Mineral Resource estimates in the future.</li> </ul>



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Criteria	JORC Code explanation	Commentary
	<p><i>procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling orientation is designed to intersect the mineralised lenses at a close to perpendicular angle. The mineralised lenses are dipping at approximately 50-70 degrees to the west and the drilling is approximately at 60 degrees to the east. This will vary from hole to hole.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples are being secured in green plastic bags and are being transported to the ALS laboratory in Orange, NSW via a courier service or with Company personnel.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A review and assessment of the laboratory procedures was under taken by company personnel resulting in some changes to their sample pulverising procedure.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Woodlawn project is located 250km south-west of Sydney in the state of New South Wales. The area is near the top of 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, special mining lease 20 (SML20). The lease is completing its second 21 year term on the 16 November 2014 and the Company has applied for an extension of this term for a further 21 years. The Company is not aware of any reason why SML20 will not be renewed.</li> <li>• The project area is on private land owned by Veolia who operate a waste disposal facility that utilises the historical open-pit void. An agreement is in place with Veolia for the Company to purchase certain sections of this private land to facilitate future mining and processing activities. A cooperation agreement is also in place between Veolia and the Company that covers drilling and other exploration activities in the area.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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 (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</li> </ul>



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Criteria	JORC Code explanation	Commentary
		1999 who conducted further studies on a tailings re-treatment and revived underground operation. Heron took 100% ownership of the project in August 2014 following the merger of the two companies. Some 980 surface and underground drillholes have been completed on the project to date and several studies undertaken.
Geology	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralization.</li> </ul>	<ul style="list-style-type: none"> <li>• The Woodlawn deposit comprises volcanogenic massive sulphide mineralisation consisting of stratabound lenses of pyrite, sphalerite, galena and chalcopyrite. The mineralisation is hosted in the Silurian aged Woodlawn Felsic Volcanic package of the Goulburn sub-basin on the eastern side of the Lachlan Fold Belt.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• A table detailing the drill hole information is given in the body of the report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• For the results reported here for hole WNDD0002 no weighting was included for specific gravity measurements that have been taken for all sample intervals. This is because the recorded specific gravities were all consistently around the 4.5 level.</li> </ul>
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• A long-section 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.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high</li> </ul>	<ul style="list-style-type: none"> <li>• The reporting is considered to be balanced and all relevant results have been disclosed for this current phase of exploration.</li> </ul>





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Criteria	JORC Code explanation	Commentary
	<i>grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"><li><i>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.</i></li></ul>	<ul style="list-style-type: none"><li>There is no other substantive exploration data that has been generated for inclusion in this report. The drillholes are being cased with 40 millimetre PVC for down-hole EM surveying.</li></ul>
<i>Further work</i>	<ul style="list-style-type: none"><li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li></ul>	<ul style="list-style-type: none"><li>The drilling program is ongoing at the Woodlawn Project and a systematic program is planned to test the up-dip and down-dip extensions to a number of the known ore lenses.</li></ul>