



Heron Resources Limited

ASX/TSX Release

1 August 2017

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Heron Closes C\$2,750,000 Subscription Receipt Financing

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Heron Resources Limited (ASX:HRR TSX:HER, "Heron" or the "Company") announces the closing of the North American tranche of the Institutional Placement noted in the Company's press release of 30 June 2017 (the "Financing Announcement"). A total of 39,285,715 subscription receipts of the Company (the "Subscription Receipts") were sold at a price of C\$0.07 per Subscription Receipt for gross proceeds of C\$2,750,000. Paradigm Capital Inc. (the "Agent") acted as sole North American agent for the sale of the Subscription Receipts.

The Subscription Receipts were issued pursuant to a subscription receipt agreement dated August 1, 2017 (the "Subscription Receipt Agreement") between the Company, the Agent and Capital Transfer Agency Inc., as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering have been placed in escrow pending delivery of a notice that the escrow release conditions set out in the Subscription Receipt Agreement (the "Escrow Release Conditions") have been met. The Escrow Release Conditions comprise all of the following conditions precedent: (i) the holders of ordinary shares of the Company (the "Shares") shall have passed a resolution to approve the issuance of the Shares to be issued upon conversion of the Subscription Receipts (the "Underlying Shares"); (ii) the Company advising that all conditions precedent to completion of the Cornerstone Equity Financing (as described in the Financing Announcement) have been satisfied or waived; (iii) receipt of governmental and internal approvals required by investors to complete the Cornerstone Equity Financing, including, if applicable, Australian Foreign Investment Review Board approvals; (iv) the receipt of all required approvals including, without limitation, the conditional approval of the Toronto Stock Exchange ("TSX") and the Australia Securities Exchange ("ASX") for the financings as described in the Financing Announcement, if applicable, and the conditional approval of the TSX and ASX for the listing of the Underlying Shares; and (v) the Company and the Agent shall have delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) through (v) have been met or waived. If the Escrow Release Conditions are satisfied by 5:00 p.m. (Toronto time) on September 30, 2017, then the escrowed funds will be released to the Company. The Company will use such funds for the construction and ramp-up of its 100% owned the Woodlawn Zinc-Copper Project, located in New South Wales, Australia. If either (i) the Escrow Release Conditions are not satisfied by such time, or (ii) Heron advises the Agent or announces to the public that it does not intend to satisfy any of the Escrow Release Conditions, then at the earlier of such time, the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts plus the amount of any interest earned on the escrowed funds.

Each Subscription Receipt will automatically convert into one Share, without any further payment or action on the part of the holder thereof, provided that the Escrow Release Conditions having been satisfied, at the time that is the earlier of: (i) 12:01 a.m. (Toronto time) on September 30, 2017; and (ii) 12:01 a.m. (Toronto time) on the third business day after the issuance of a final receipt by the Ontario Securities Commission for a final prospectus (the "Prospectus") qualifying the issuance of the Shares underlying the Subscription Receipts.

All securities issued in the Offering are subject to a four month and one day resale restriction period expiring December 2, 2017. The Company has agreed to use its best efforts to file the Prospectus qualifying the Underlying Shares to be issued upon the automatic conversion of the Subscription Receipts.

This press release is not an offer of Subscription Receipts or Shares for sale in the United States. The Subscription Receipts and Shares may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended, or an exemption from such registration. The Company has not registered and will not register the Subscription Receipts or Shares under the U.S. Securities Act of 1933, as amended. The Company does not intend to engage in a public offering of Shares in the United States. This press release shall not constitute an



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offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

About Heron Resources Limited

Heron is engaged in the exploration and 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.

For further information regarding Heron please visit www.heeronresources.com.au or contact:

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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, business prospects and opportunities, the use of proceeds of the Offering and the timing for filing the Prospectus. 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.