



Heron Resources Limited

ASX Release

11 October 2019

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PROSPECTUS DESPACHED FOR RETAIL ENTITLEMENT OFFER

Heron Resources Limited (ASX:HRR “Heron” or the “Company”) confirms that the Prospectus for the Retail Entitlement Offer on the basis of 0.7324 New Shares for every one (1) Share held at the record date, 8 October 2019, at an issue price of \$0.20 per New Share, to raise approximately A\$35.4 million before issue costs was despatched to Eligible Retail Shareholders today, together with a personalised Entitlement and Acceptance Form. In addition, letters to Ineligible Shareholders were despatched today, together with a copy of the Prospectus for information purposes only. Copies of these letters are attached to this announcement.

For and on behalf of the Board

Stephen Dennis

Chairman

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.



Heron Resources Limited

11 October 2019

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO ELIGIBLE SHAREHOLDERS

On 4 October 2019, Heron Resources Limited (**Company**) announced a capital raising of approximately A\$35.4 million (before costs) through an accelerated non-renounceable entitlement offer of 0.7324 fully paid ordinary shares (**New Shares**) for every one (1) existing share to eligible shareholders with a registered address in Australia, New Zealand and the United States (to the extent such persons are US Accredited Investors) (**Eligible Shareholders**) held as at 5.00pm (AEDT) on 8 October 2019 (**Record Date**) (**Entitlement Offer**).

The Entitlement Offer is underwritten by CL V Investment Solutions LLC and Greenstone Management (Delaware) II LLC in its capacity as a general partner of Greenstone Resources II (Australia) Holdings L.P. (Greenstone) for an aggregate amount of \$10.9 million. Patersons Securities Limited and Nascent Capital Partners Pty Ltd are acting as Joint Lead Managers to the Entitlement Offer.

The institutional component of the Entitlement Offer was successfully completed on 8 October 2019.

As an Eligible Shareholder, you will be able to subscribe for 0.7324 New Shares for every one (1) existing shares held on the Record Date (**Entitlement**) under the retail component of the Entitlement Offer.

The retail component of the Entitlement Offer is being made by the Company pursuant to a prospectus in accordance with section 713 of the *Corporations Act 2001 (Cth)* (**Prospectus**), a copy of which is attached to this letter together with your personalised Entitlement and Acceptance Form.

You should read the entirety of the Prospectus carefully before deciding whether to participate in the Entitlement Offer. An investment in the Company and the New Shares, is speculative and subject to a range of risks, which are more fully detailed in section 6 of the Prospectus. If any of these risks or other material risks eventuate, it will likely have a material adverse impact on the Company's future financial performance and position.

Your Entitlement may have value and it is important you determine whether to (in whole or in part) take up or do nothing in respect of your Entitlement. If you take up your Entitlement, you can also apply for additional New Shares under the Shortfall Offer. Your Entitlement to participate in the Entitlement Offer is non-renounceable and therefore will not be tradeable or otherwise transferable.

If you have any questions in relation to the Entitlement Offer, please call Simon Smith, Company Secretary on +61 2 9119 8111 at any time between 8.30am to 5.30pm (AEDT), Monday to Friday before the Entitlement Offer closes, or consult your stockbroker or professional advisor.

The Company thanks you for your continuing support and looks forward to your participation in the Entitlement Offer.

Yours faithfully,

Stephen Dennis
Chairman
Heron Resources Limited

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Heron Resources Limited

11 October 2019

Dear Shareholder,

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 4 October 2019, Heron Resources Limited (**Company**) announced a capital raising of approximately A\$35.4 million (before costs) through an accelerated non-renounceable entitlement offer of 0.7324 fully paid ordinary shares (**New Shares**) for every one (1) existing share to eligible shareholders held as at 5.00pm (AEDT) on 8 October 2019 (**Record Date**) (**Entitlement Offer**).

The Entitlement Offer is underwritten by CL V Investment Solutions LLC and Greenstone Management (Delaware) II LLC in its capacity as a general partner of Greenstone Resources II (Australia) Holdings L.P. (Greenstone) for an aggregate amount of \$10.9 million. Patersons Securities Limited and Nascent Capital Partners Pty Ltd are acting as Joint Lead Managers to the Entitlement Offer.

The institutional component of the Entitlement Offer was successfully completed on 8 October 2019. Further details on the retail component of the Entitlement Offer are set out in the prospectus dated 4 October 2019 (**Prospectus**), a copy of which was lodged with ASX on 4 October 2019 and which is attached to this letter.

The Company has decided that it is unreasonable to extend the Entitlement Offer to shareholders with a registered address outside Australia, New Zealand or the United States (to the extent they are an institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3) or (7) under the U.S. Securities Act of 1933 (as amended)) (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the shares under the Entitlement Offer to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the Prospectus prepared by the Company in relation to the Entitlement Offer is being sent to you for information purposes only.

The Company proposes to undertake a nominee sale process for Ineligible Shareholders to arrange the sale of the entitlements which would have been offered to the Ineligible Shareholders (**Ineligible Shareholder Shares**). The Company has appointed Patersons Securities Limited (**Nominee**) as nominee to sell the Ineligible Shareholder Shares pursuant to the Prospectus to which Ineligible Shareholders are entitled. Please refer to section 3.12 of the Prospectus which contains further details of this process.

The net proceeds of the sale of the Ineligible Shareholder Shares will be distributed (after deducting the costs of sale including brokerage and commission) to Ineligible Shareholders in proportion to shareholdings as at the Record Date. If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You do not have to take any further action in relation to the Entitlement Offer.

If you have any questions in relation to any of the above matters, please contact Simon Smith, Company Secretary on +61 2 9119 8111 at any time between 8.30am to 5.30pm (AEST), Monday to Friday.

Yours sincerely,

Stephen Dennis
Chairman
Heron Resources Limited

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