



Heron Resources Limited

Quarterly Report

March 2015

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30 April 2015

HIGHLIGHTS

Woodlawn Zinc-Copper Project

- Preliminary Economic Assessment (PEA) delivers strong business case:

Underground with Tailings base load "UG Starter Case"	Post-tax NPV _{8.3}	A\$300 million
	Post-tax IRR	46%
	Initial Capital	A\$140 million
	Payback Period	2.0 years from commissioning
	Net Cash Flow After Tax	A\$594 million

Refer to Heron's announcement of 22 April 2015 for full details, assumptions and commentary.

- Initial 11 year mine life based on underground and tailings resources, and including 1.2Mt Indicated and 2.6Mt Inferred Mineral Resource high grade contribution from underground.
 - Annual Production Target of 51Kt of zinc, 10Kt of copper, 16Kt of lead, 1.1Moz of silver and 8.7Koz of gold contained within zinc, lead, and copper concentrates.
 - C1 costs of US\$(0.01)/lb zinc and C3 of US\$0.44/lb expected to place the Project firmly in the lower half of the cost curve.
 - Significant leverage to zinc, which comprises approximately 47% of total payable metal value.
 - Heron's Board has committed to commence the Feasibility Study (FS) to progress the development of the Project, drill rigs now on site for FS drilling
- ### Woodlawn Regional Exploration
- A Fixed Loop EM survey completed at the Currawang VMS Prospect, 10km NW of Woodlawn with a high priority target identified approximately 300m south of the originally mined deposit. Further EM surveys are planned prior to drill testing.
- ### Other NSW Projects
- A program of mapping and rock chip sampling was undertaken at the Lewis Ponds VMS Project in central NSW over airborne EM anomalies. Planning is progressing to drill test a number of these targets.
 - A revised Mineral Resource estimate and scoping study was released for the Copper Hill Project in central NSW where Heron retains a 18.9% stake in Golden Cross Resource Ltd (GCR). The scoping study delivered a positive result and provided a framework for the future advancement of the Project.
- Appointment of Ms Fiona Robertson as independent Non-executive Director on 9 April 2015. Effective from 30 April 2015, the appointment of Mr Stephen Dennis to the Non-executive Chairman's role and the resignation of Mr Craig Readhead from the Board of Directors.
 - Cash A\$25.6 million and listed investments A\$2.8 million at 31 March 2015.

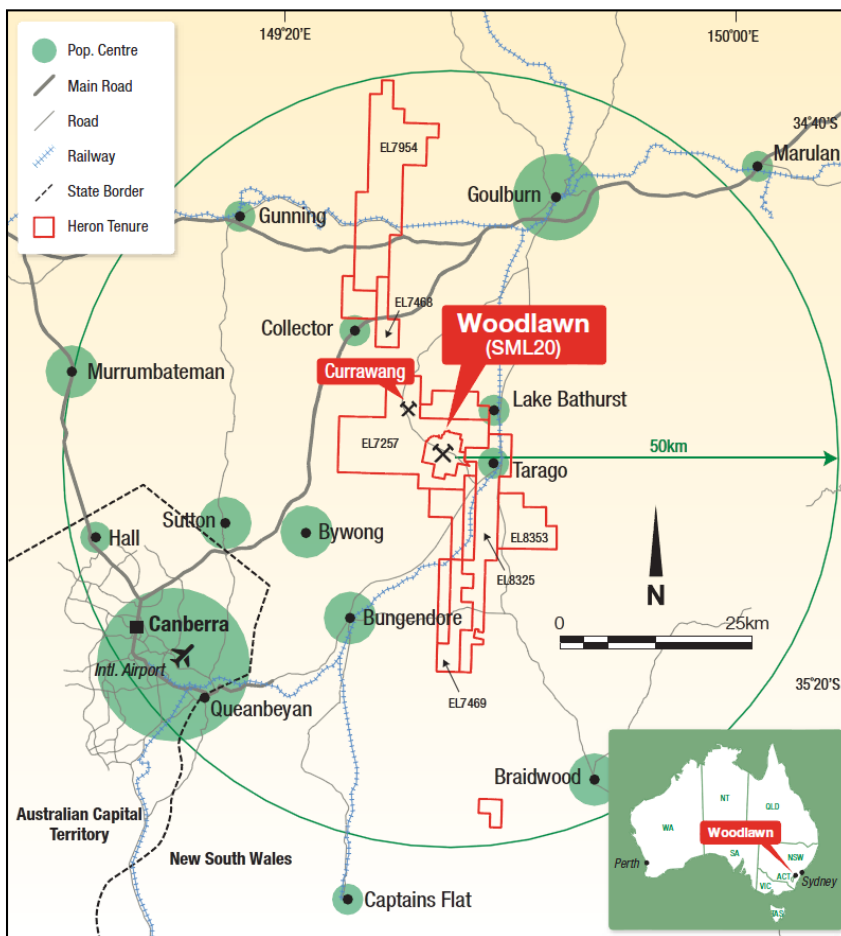
ASX:HRR / TSX:HER

Issued Shares	361M
Share Price	\$0.13
Market Cap	\$47M
Cash (31 Mar 15)	\$25.6M
Investments	\$ 2.8M
Total C+I	\$28.4M

Heron Resources (“Heron” or the “Company”) is pleased to provide the report for the March Quarter 2015. During this reporting period the Company has principally been focused on advancing the Woodlawn Project through the completion of the Preliminary Economic Assessment (PEA) covering an initial underground ‘Starter Case’ along with the co-treatment of the tailings resource. The results from the PEA were made available subsequent to the end of the Quarter but prior to the release of this Quarterly Report.

WOODLAWN ZINC-COPPER PROJECT

Heron holds a direct 100% ownership of the mineral rights at the Woodlawn Mine site situated 40km south of Goulburn and 200km south-west of Sydney, in southern NSW, Australia (Figure 1). It is Heron’s aim to create a profitable, long life and low cost mineral processing operation at Woodlawn that produces base and precious metal concentrates. Heron also holds a portfolio of advanced stage exploration tenements adjacent to the Woodlawn site covering the prospective felsic volcanics that host the Woodlawn VMS deposit.



Historically, the Woodlawn Mine operated from 1978 to 1998 and processed 13.8 million tonnes of ore from the Woodlawn open pit, underground and satellite deposits grading 9.1% zinc, 1.6% copper; 3.6% lead, 0.5g/t gold and 74g/t silver.

The mine was closed in March 1998 due to prevailing low metal prices and external corporate issues. Post mine closure, the mineral rights contained within the Woodlawn Mining Licence SML20 were purchased by TriAusMin Ltd. Since that time, work has focused on evaluating the potential to re-process tailings from previous mining operations (termed the **Woodlawn Retreatment Project – WRP**), and to re-develop the underground mine (the **Woodlawn Underground Project – WUP**). Regional exploration has also been undertaken in the vicinity of Woodlawn with the objective of discovering new, high grade satellite deposits (**Woodlawn Exploration Project – WEP**).

Figure 1: Woodlawn location map

The WRP has previously been studied to a higher level of detail (Feasibility Study and Front End Engineering Design Study 2012). In August 2014, following the merger with TriAusMin, the Company committed to undertaking a significant drilling program and formal study (PEA) centred on the combined development of the WUP and WRP. During the Quarter this drilling program was completed, resources estimated and significant progress made on the PEA study.

Woodlawn Project – Preliminary Economic Assessment (PEA)

Subsequent to the end of the Quarter the Company released the results of the PEA focused on the combined development of the WUP ‘Starter Case’ and WRP projects at Woodlawn with the principle objective of demonstrating the technical and economic viability in establishing new operations at the site. This Quarterly Report incorporates by reference the complete ASX announcement relating to these results which was released to the market on 22 April 2015 and is entitled “Preliminary Economic Assessment Delivers Strong Business Case for the Woodlawn Zinc-Copper Project” (“PEA Announcement”). The PEA Announcement is available from the Company website at www.heeronresources.com.au or from the ASX or SEDAR, and contains the JORC Table 1 relating to the Underground Mineral Resources as well as the detailed technical and financial assumptions which underpin the PEA results.

The PEA delivered a strong base case with key financial measures of:

Combined Underground plus Tailings base load “UG Starter Case”	Post-tax NPV _{8.3} *	A\$300 million
	Post-tax IRR	46%
	Initial Capital	A\$140 million
	Payback Period	2.0 years from commissioning
	Net Cash Flow After Tax	A\$594 million

*Results reported using an 8.3% post tax real discount rate (approx. 10% post-tax nominal), with AUD/USD FX trending from 0.80 to 0.73 by 2021, and with flat real commodity prices of US\$1.09/lb Zn, US\$0.95/lb Pb, US\$3.00/lb Cu, US\$18.5/oz Ag and US\$1,200/oz Au. Other assumptions are detailed later in this release and in the release dated 22 April 2015.

- C1 costs of US\$(0.01)/lb zinc and C3 of US\$0.44/lb are expected to place the Project firmly in the lower half of the cost curve.
- Economics remained robust using current commodity prices (forward curve adjusted), achieving a post-tax NPV_{8.3} of A\$192 million and IRR of 34%.
- Significant leverage to zinc, which comprised approximately 47% of total payable metal value.

The project is further supported by a number of attractive attributes including:

- Initial 11 year mine life based on underground and tailings resources, and including 1.2Mt Indicated and 2.6Mt Inferred Mineral Resource high grade contribution from underground.
- Total life-of-mine (LOM) Production Target of 353Kt of zinc, 77Kt of copper, 112Kt of lead, 8.9Moz of silver and 59Koz of gold.
- Processing rate of 1.5Mtpa through standard sequential flotation, with steady state (2020-2023) annual Production Target of 51Kt of zinc, 10Kt of copper, 16Kt of lead, 1.1Moz of silver and 8.7Koz of gold contained within zinc, lead, and copper concentrates.
- Utilising existing mine and transport infrastructure to achieve significant reductions in development costs, with a revised underground portal location on the west side of the previous Woodlawn pit enabling first production from the second quarter after underground works commence.

The recent drilling program had been focused on improving the quality of the resource available for the initial underground mine plan with the production schedule being combined with the tailings resource for treatment through a single plant:

- “UG Starter Case” focused on the shallower underground areas of the deposit reflecting the success of the recent drilling program – high level of confidence for extensions to the mineralisation at depth and along strike.
- Based upon 36% Measured, 35% Indicated and 29% Inferred Mineral Resources, comprising:
 - Woodlawn Underground Project (WUP): 32% Indicated and 68% Inferred.
 - Woodlawn Tailings Retreatment Project (WRP): 47% Measured, 37% Indicated and 16% Inferred.

- Conservative approach taken to re-modelling of the underground Mineral Resource, with exclusion of all moderate to higher risk previously stoped areas – to be reconsidered post mine access and re-assessment from underground.
- Highly successful Phase I exploration drilling program over the last 8 months – defining the majority of the total underground plant feed of 1.2Mt Indicated and 2.6Mt Inferred Mineral Resources.
- Low-risk underground resource base: 80% of underground tonnes in the production schedule sourced from areas away from previous mining.

In addition to the resource extensions arising from the drilling, the program continued to highlight the excellent exploration potential from within the Woodlawn mineralised system:

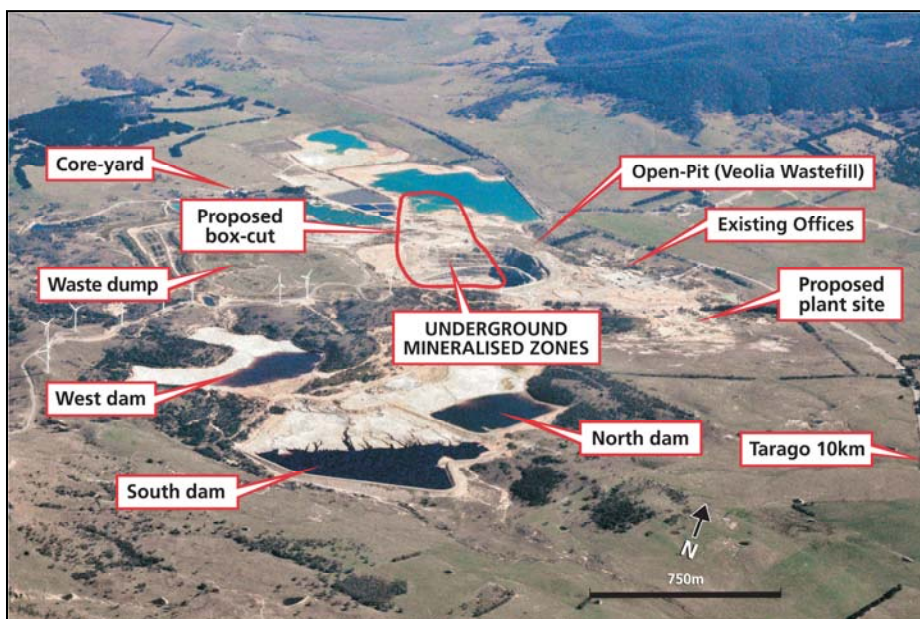
- Significant exploration potential remains within the underground environ including additional shallow, near-surface targets that will be tested in the next stage of drilling with scope to materially increase the Production Target.
- Deeper underground extensions to be targeted with underground drilling post-commissioning – management anticipates that any such depth extensions discovered have the potential to add significant project value.
- The water-filled Evaporation Dams immediately northwest of the Woodlawn deposit have previously hindered drill exploration of immediate mineralization strike extensions (addressed with drill causeways).
- Similarly, minimal drill exploration of the favourable felsic to mafic volcanics between the Woodlawn mining centre and Currawang mining centre located 10km NW.

As a result of the very positive outcomes from the PEA, the Company has adopted an expedited development path:

- Heron's Board has committed to commencing the Feasibility Study (FS) to progress the development of the Project with the objective of completing this study by mid-2016.
- Rigs mobilised for new drill program comprising in-fill drilling and follow up on high priority exploration targets.
- Early start up potential to be examined, based on a staged development of the tailings (Front-end Engineering & Design "FEED" completed 2012) followed by the integration of underground hard rock components.

The completed PEA study document will be published on Heron's web site, the ASX (ASX:HRR) and SEDAR www.sedar.com (TSX:HER) within 45 days of the PEA news release issued on 22 April 2015.

Project Overview



The Woodlawn Project benefits from a mining lease (SML 20) that has recently been renewed for a further 15 years, and major project approvals (statutory approval) that allows for mining operations at the Woodlawn site until 31 December 2034.

Figure 2 shows the Woodlawn site layout including location of the proposed plant site.

Figure 2: Woodlawn Site Layout

Underground (WUP) Mineral Resource

An updated Mineral Resource estimate (Table 1) for the Woodlawn Underground Project was compiled under JORC 2012 and NI 43-101 guidelines and incorporated the results of the Phase 1 drilling program and an extensive review of historic data. The Phase 1 drill program completed during the Quarter totalled 20 diamond core holes (DDH) for 7,613m and 11 reverse circulation (RC) holes for 1,201m. Figure 3 provides an oblique view through the Mineral Resource block model.

Drilling focused initially on the Kate Lens before drilling key positions within the near-surface portions of other lenses. The deepest hole (WNDD0006) was drilled to a depth of 940m and intersected multiple massive sulphides in the I and D lens positions. While considerable resource potential exists in deeper parts of the system, the PEA focus was on the shallower, up-dip lens positions, with the result that the underground Mineral Resource used in the production schedule for the PEA extended the depth of the mine only 80m below previous workings.

Heron adopted a deliberately cautious approach to areas that would be considered remnant, resulting in a reduction in the historical underground Mineral Resource. There were numerous areas adjacent to historical mining voids which were excluded from the new resource estimate, and there remains considerable potential to re-incorporate these zones into the mine plan once operations are under way and underground access facilitates closer and amenable to more detailed assessment.

The Mineral Resource has been reported undiluted to a lower cut-off grade of 7% ZnEq, a value that approximates the estimated lower cut-off grade for the mining methods considered by the PEA study.

Figure 3: Woodlawn underground Mineral Resource. Oblique sectional view looking north-east – block model coloured by ZnEq grades

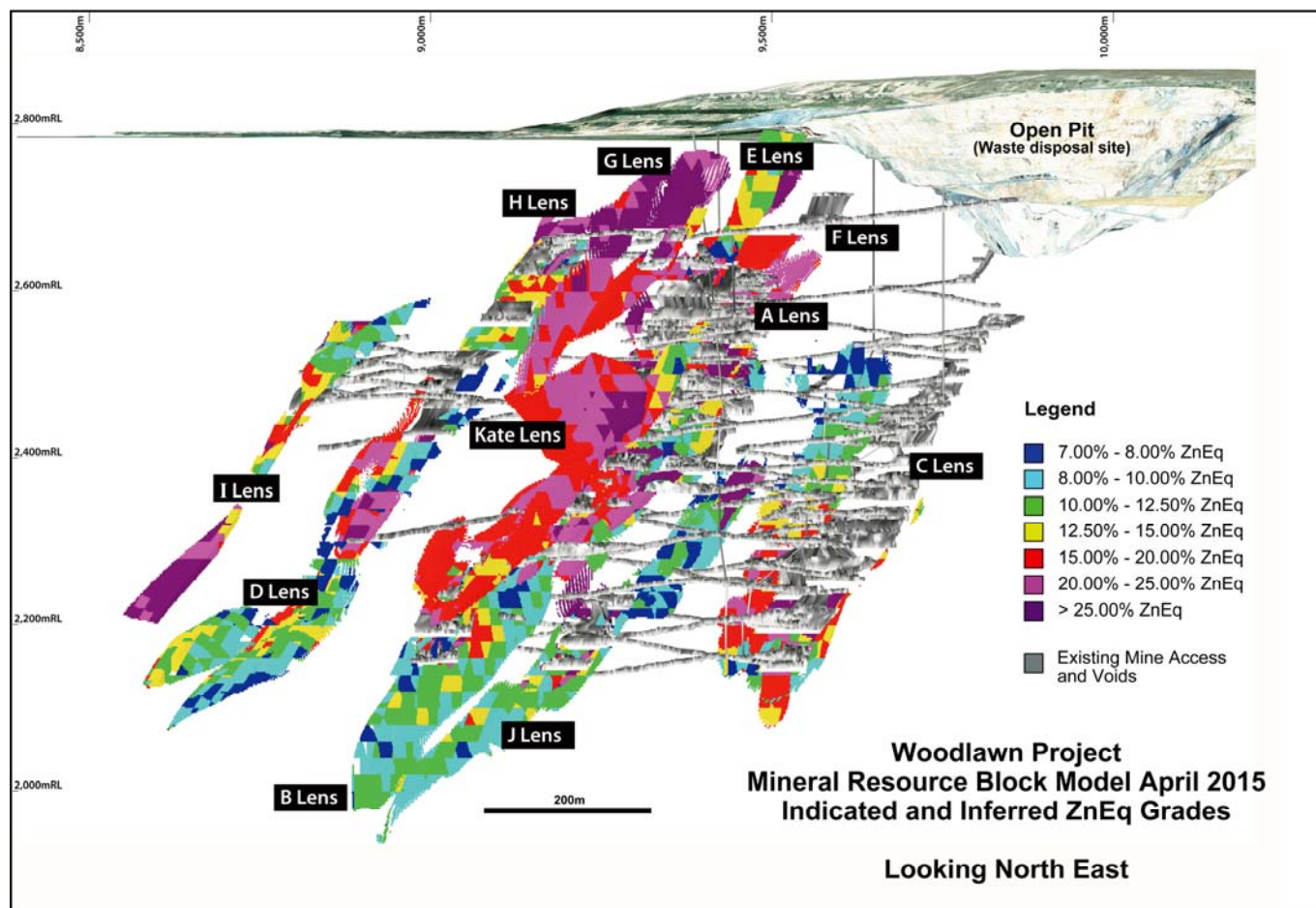


Table 1: Mineral Resource Estimate - Woodlawn Underground Project (WUP)

<i>Reported at a 7% ZnEq lower cut-off grade</i>			Grades					
Type	Resource Category	Quantity (Mt)	ZnEq(%)	Zn(%)	Cu(%)	Pb(%)	Au(g/t)	Ag(g/t)
Polymetallic	Indicated	1.6	21	10.7	1.5	4.0	0.46	78
Polymetallic	Inferred	3.0	19	8.1	1.6	3.2	0.88	70
Copper	Indicated	0.8	10	1.0	2.8	0.3	0.07	16
Copper	Inferred	1.1	11	1.1	2.8	0.2	0.14	15

Notes to accompany Mineral Resource Table: Refer to the PEA Announcement for further details. Please refer to the final page of this release for Qualified Persons statements. ZnEq% refers to a calculated Zn equivalent grade the formula for which is stated in the PEA Announcement; Polymetallic Type refers to polymetallic massive sulphide mineralisation with high-grade Zn and Pb; Copper Type refers to Cu dominated massive and stringer sulphide mineralisation; Values are rounded to two significant numbers and some rounding related discrepancies may occur in the totals; the Mineral Resource is reported in accordance with the guidelines set out in the JORC (2012) and NI 43-101 Codes; further details of the Mineral Resources estimation can be found in the PEA Announcement and in the JORC Code (2012) appended to the PEA Announcement.

PEA Scope & Plant Feed

The PEA was prepared by SRK Consulting (Australasia) Pty Ltd (SRK) with contributions from GR Engineering Services Limited (GRES), other consultants and Company employees.

It is envisaged that the Project will be developed as a combined underground project together with a tailings retreatment as project base load, with feed processed through a single plant designed for co-treatment. The base case Plant Feed Estimate, detailed in Table 2 below, of 15Mt ("UG Starter Case") assumed the following parameters:

- Underground tonnages above a variable 4.7 to 6.6% ZnEq cut-off grade depending on stoping method;
- Underground mining recoveries ranging from 85 to 98% depending on the stoping method and stope width;
- Underground dilution of mineralisation includes a minimum mining width of 3m and in addition dilution ranging from 9 to 20% at zero grade depending on lens location and stope width;
- Tailings tonnages above the 0% ZnEq cut-off grade;
- Tailings mining recovery based on an average expected loss of 20cm of tailings material in contact with other material; and
- Tailings dilution equivalent to 10cm average vertical gain at no grade to account for potential contamination from the original ground surface.

Table 2: Woodlawn PEA Plant Feed Estimate

Type	Category	Quantity (Mt)	ZnEq(%)	Zn(%)	Cu(%)	Pb(%)	Au(g/t)	Ag(g/t)
Underground								
Polymetallic	Indicated	1.0	16.1	7.9	1.3	2.9	0.32	54
	Inferred	2.1	15.5	6.6	1.4	2.6	0.78	59
Copper	Indicated	0.2	10.2	2.4	2.1	0.8	0.11	21
	Inferred	0.5	9.1	1.1	2.4	0.3	0.05	10
Tailings								
Tailings	Measured & Indicated	9.4	6.3	2.3	0.5	1.4	0.30	32
	Inferred	1.8	4.4	1.7	0.4	1.1	0.15	26

Notes to accompany Woodlawn PEA Plant Feed Estimate Table 3: 1) Please refer to the final page of this release for Qualified Persons statements; 2) ZnEq% refers to a calculated Zn equivalent grade, the formula for which is stated in the PEA Announcement. Values are rounded to two significant numbers and some rounding related discrepancies may occur in the totals.

Whilst the current Mineral Resource base forms the foundation of the PEA and will also be the starting point for the future FS, the Board is of the view that there is very strong potential for the Project to deliver significantly greater tonnages from underground based on the exploration potential of the Woodlawn mineralised system.

Plant Design

GR Engineering Services Limited have updated the previous Woodlawn Retreatment Project Feasibility Study / FEED Study design for the 1.5Mtpa tailings processing facility to deliver a plant that has been designed on the basis of a 50% blend of fresh underground material being co-treated with 50% reclaimed tailings over life-of-mine. The design allows initial operations to treat 100% reclaimed tailings, whilst at the same time the development of the initial mine decline will be undertaken. The contribution from underground approaches 700Ktpa during the middle years of the current preliminary mine life and the mill feed blend ratio will be reviewed further in the next stage of the project studies.

For underground production, a two stage crushing circuit has been incorporated into the plant design, together with a primary grind ball mill. For tailings material, a fine grind mill is planned that reduces the particle size down to 30µm, a size which previous and current testwork confirms maximises recovery performance from the flotation circuit. For the underground material, the initial float (copper concentrate) is undertaken at a 75µm grind size, with a regrind of copper tails to 30µm being employed subsequent to that stage to maximise the recoveries from the lead and zinc flotation stages.

The flotation circuit comprises a talc, copper, lead and zinc differential flotation sequence to produce marketable copper, lead and zinc concentrates. The overall plant design is consistent with the design of the original 1978-1998 plant that was historically used to successfully treat Woodlawn ore. Tailings from the flotation plant will be thickened for recovery of process water and underground paste fill, with slime tailings deposited into a new tailings storage facility TSF4.

As outlined in the Company's release of 11 February 2015 - "Successful Metallurgical Testwork", the PEA metallurgical testwork program represents the first full suite of metallurgical tests undertaken on the underground mineralisation since the 1998 mine closure, and also the first tests on a combination of the tailings and fresh zinc-copper mineralisation. The overall results from this work have demonstrated better than historical operational performance and reflect the advancements made in the field of sulphide flotation, and in-particular fine grinding technology. The testwork confirmed the ability to produce three readily saleable concentrates.

Copper and zinc concentrates will be shipped via Port Kembla in bulk carriers. Transport of the concentrate from site will be by road with concentrate loaded into half-height containers via front end loader at site. The high precious metals lead concentrates will be loaded into "bulka" bags via a bagging plant at the process plant. Loaded bags will then be containerised for dispatch via Port Botany or Port Kembla.

Final flotation tailings will be de-slimes and used in the paste fill plant which will generate a cemented paste that will be reticulated underground and used to backfill completed stopes.

Underground Mining

An east coast Australia-based specialist consultancy was engaged to assist with the rock mechanics input to the proposed underground operation. Historical mine records have been reviewed and in addition, inspection and geotechnical logging of Kate Lens diamond drill core has led to a conclusion that the hanging wall appears competent for this new lens. This competency, together with the use of competent backfill, are important input parameters for the selection of an appropriate mining method that provides for maximum recovery and high productivity.

The deposit will be accessed with a box cut located on the western side of the existing open-pit, which provides for early access to underground material. Stopping areas will be accessed by rehabilitating some of the existing workings and constructing additional underground declines and levels to access the new areas.

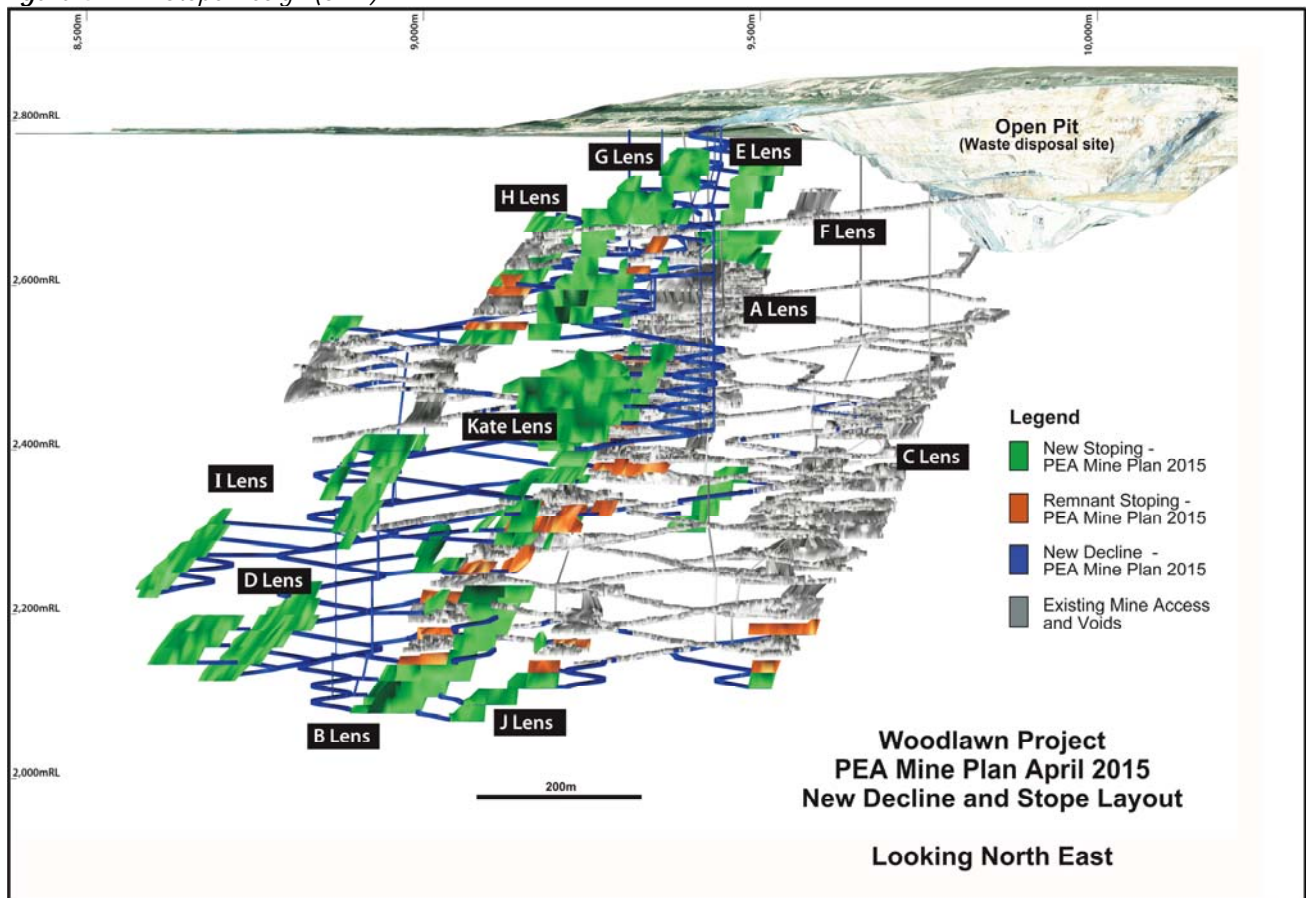
The mining methods have been selected to mine both areas of unmined and remnant material around the previously mined areas of the deposit. The mine design has assumed that stopes will be filled with paste fill, and multi-level continuous fill method areas will be filled using rock fill.

Production will be transferred from stopping areas to loading bays and a haulage fleet used to deliver plant feed to the run-of-mine (ROM) pad.

The production schedule for the underground benefits from the inclusion of significant material discovered from the recent drilling campaigns, with approximately 2.6 million tonnes of Inferred Mineral Resources identified from this work. Importantly, 80% of the total underground plant feed material is away from former mining areas and is amenable to low cost, low risk mining methods. Figure 4 below shows the planned stope designs, with stopes coloured green being material

which is away from previously mined areas and hence amenable to lower cost, lower risk mining methods, with areas in orange being adjacent to previously mined areas for which more conservative mining methods have been employed.

Figure 4: PEA Stope Design (SRK)



Previous mining was undertaken to a depth of 620m below surface. The underground Resource within the production schedule for the PEA extends this by only 80m to 700m. Considerable potential remains to investigate further depth extensions to the mineralisation, which will best be assessed by underground drilling once underground access is secured.

Capital and Operating Costs

Capital costs have been estimated to a +/-25% accuracy. Tailings retreatment process plant capital costs have been updated to allow for installation of equipment sized to also accommodate the underground feed, potentially allowing a staged development of the project to be undertaken. Initial capital costs to Peak Cash Draw are estimated at A\$101.4 million for the tailings components, with an incremental A\$38.6 million required to complete the underground access and plant additions, for a total of A\$140.0 million including contingency.

Site operating costs have been estimated by GRES for the plant component (A\$23.42/t) and by SRK for the mining component (A\$48.90-A\$65.2/t), with additional costs estimated by Heron (A\$4.25/t). Offsite costs covering concentrate transport to port, port charges, ocean freight and realisation costs were provided by third parties and consistent with normal market terms. The resulting cost profile for the operation based on the Production Target provides C1 costs of US\$(0.01)/lb or US\$(30)/tonne) of zinc in concentrate produced over the initial 11 year mine life.

On a C3 cost basis, the operation averages costs of US\$0.44/lb of zinc in concentrate.

Summary Economics

The Woodlawn project economics were assessed using the discounted cash flow method, based on quarterly scheduled tonnes mined and processed from both the WUP and the WRP. Capital and operating costs were applied to mining, processing and overheads. The processed material had recovery factors applied, together with flotation splits to the three

concentrates which make up the project production. Shipping and logistics, product payability, treatment and refining costs, state royalties and taxes are adjusted for to derive a Net Present Value (NPV) for the project.

The Project's post-tax NPV at an 8.3% post-tax real discount rate (approximately equivalent to a 10% post-tax nominal discount rate) is A\$300 million and the IRR is 46%. Payback of start-up capital is achieved approximately 2 years from commissioning.

Table 3: Woodlawn PEA Summary Economics

		Forecast Commodity Price Deck	Forward Curve Price Deck
UG Starter Case	Post-tax NPV _{8.3}	A\$300 million	A\$192 million
	Post-tax IRR	46%	34%
	Initial Capital	A\$140M / US\$112M	A\$141M / US\$113M
	Payback Period	2 years from commissioning	2.5 years from commissioning
	Mine life	11 years	11 years
	Post-tax Cash Flow ¹	A\$594M	A\$408M
	C1 Cash Cost	US\$(0.01)/lb Zn	US\$0.12/lb Zn
	C3 Total Cost	US\$0.44/lb Zn	US\$0.56/lb Zn

1: Net increase in cash after tax and after paying back capital.

Results are based on AUD/USD FX trending from 0.80 to 0.73 by 2021 (forward curve as at 31 March 2015). The Forecast Commodity Price Deck was based on the average of a number of forecasts for each commodity resulting in prices of US\$1.09/lb Zn, US\$0.95/lb Pb, US\$3.00/lb Cu, US\$18.5/oz Ag and US\$1,200/oz Au.

For comparison, the economics are also shown using commodity forward curves which were sourced and applied as at 27 March 2015. The results demonstrate that the project economics remain robust at lower prices.

The project is highly leveraged to commodity prices. In particular, zinc makes up around 47% of expected total payable metal value for the project. Hence the project provides excellent exposure to what is anticipated to be a market where demand will exceed supply, with positive potential implications for the future price of zinc.

Whilst the WUP Starter Case presents a strongly positive economic outcome for the project and will form the basis for the future FS in order to minimise development time and costs, there is potential for the project to deliver significantly greater tonnages from underground based on both expansion of the current resource and on the broader exploration potential of the Woodlawn mineralised system. The excellent drill exploration results for the recently completed Phase 1 drilling confirm the prospectivity of the WUP.

Further details are provided in the PEA Announcement.

Exploration

Very significant exploration potential exists for the Project, with the majority of the recent drilling focused on shallow extensional targets within the underground to develop the production schedule for the PEA. Future exploration will focus on:

- Following up on additional shallow, up-dip and down-dip positions which have the potential to be added in to the resource base for the underground;
- Regional targets including the Montrose, Cowley Hills and the Currawang prospects; and
- Deeper targets at the Woodlawn mine.

Project Funding Strategy

The funding strategy for the Woodlawn Project is to finance the project through a combination of debt and equity.

An early stage development concept is being evaluated which would allow construction of the plant to commence whilst the FS for the underground mine is being completed. Under this staged scenario the plant would be commissioned and run on tailings only with underground feed to be introduced as soon as practicable.

Whilst the staged development option is under consideration, the Company continues to be fully funded for the forthcoming FS on the combined Project and is continuing with this work.

Forward Program

Heron's Board determined that it will continue with the further study of the Woodlawn project through undertaking a FS on the combined underground and tailings projects. Whilst detailed planning is currently under way, the Company considers that the FS could be completed within approximately 12 months.

An initial step in the FS is a further drilling program that will cover the required resource in-fill drilling as well as the testing of high priority exploration targets. The in-fill drilling is designed to lift the resource classification to permit the calculation of a Mineral Reserve. The high priority exploration targets include locations previously generated from downhole EM surveys, unexplained historic high-grade intercepts and interpreted structural positions, all of which have the potential to discover new massive sulphide lenses. The program consists of approximately 18,000 to 19,000 metres of core drilling and has been approved by the Heron Board. The Company is mobilising the equipment and resources to commence this work.

Woodlawn Exploration Project (WEP) (100% Heron unless otherwise stated)

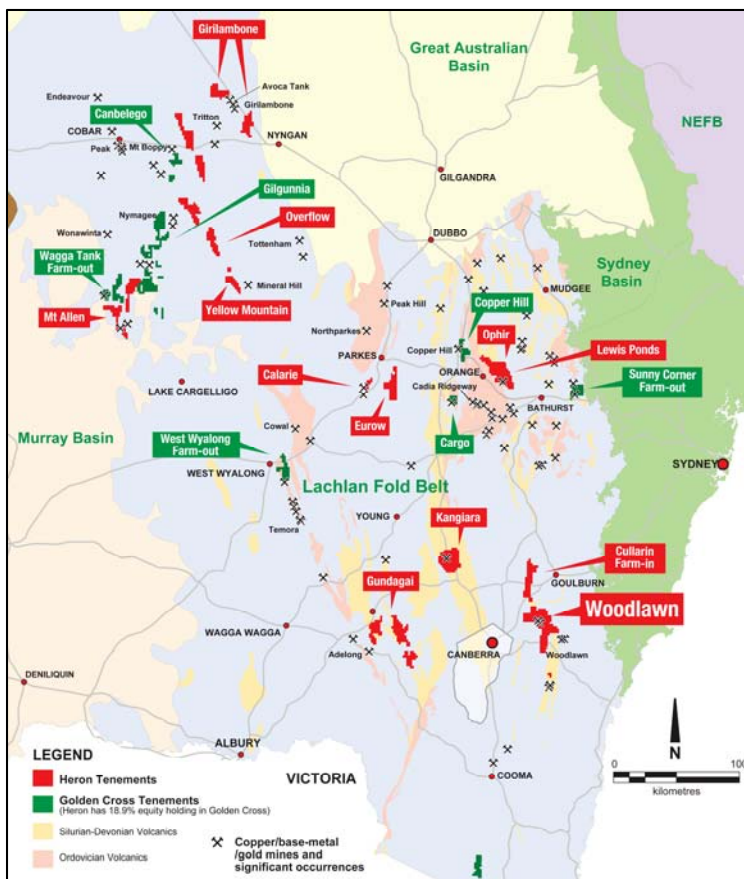
A Fixed Loop EM survey completed at the Currawang VMS Prospect, 10km NW of Woodlawn with a drill target being identified approximately 300m south of the originally mined deposit. Six 100m spaced lines with 20m station spacing were completed. Further EM surveys are planned prior to drill testing.

EXPLORATION PROJECTS

New South Wales – Copper-Gold Exploration

Heron maintains a significant tenement holding in the Lachlan Fold Belt with some 3,739km² under tenure (Figure 6). Three regional structural settings have been the focus for Heron acquisitions:

Figure 6: Heron's tenement holdings and interests in NSW



1 Woodlawn VMS Belt base metals

Centred on the Woodlawn Project, the exploration target is the world-class VMS systems occurring in the N-S Silurian acid volcanic rift from south to north being Stockmans, Captains Flat, Woodlawn and Cullarin. All Lachlan VMS centres are characterized by multiple lenses associated with a discrete exhalative Silurian felsic volcanic/pelite stratigraphy.

2 Lachlan Transverse Zone copper-gold

Centred on the Copper Hill mining centre, world-class porphyry copper-gold occurs within N-S trending Macquarie Arc Ordovician andesite belt intruded by Silurian monzonite-tonalite in the WNW trending Lachlan Transverse Zone from east to west on the southern bounding fault being Forest Reefs, Cadia-Ridgeway, Cargo; and from east to west on the northern bounding fault being Sunny Corner, Lewis Ponds, Copper Hill, and Northparkes.

3 Gilmore Suture gold-copper

Centred on the Overflow mining centre, the exploration target is the porphyry/epithermal gold-copper systems occurring in Silurian-Devonian crustal rift from south to north Gundagai, Adrah, West Wyalong, Temora, Yellow Mountain, Mineral Hill, Overflow, and Mt Boppy.

The key focus of the exploration is on the Lewis Ponds and Overflow projects. The other mainly grass-roots projects are being reviewed with the potential to farm out to suitable partners.

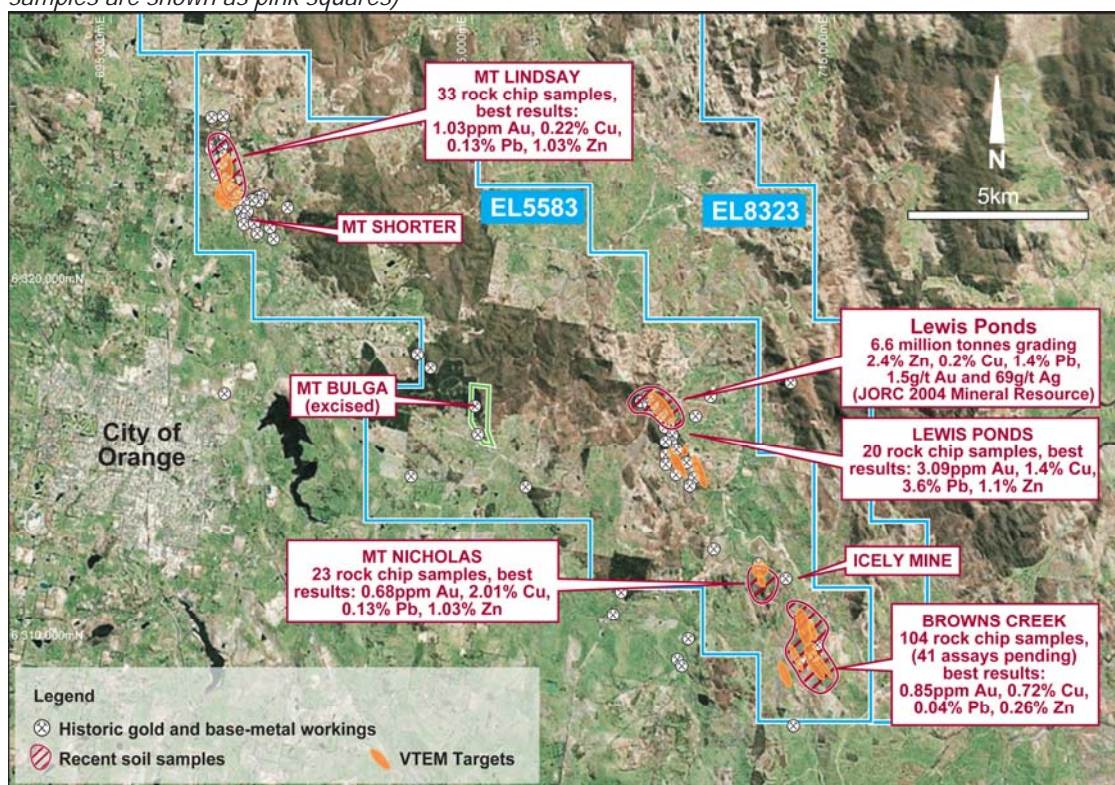
Lewis Ponds Gold-Copper Project (100% Heron)

Lewis Ponds is located 15km east of Orange, in central NSW (Figures 6 & 7) the project contains the Lewis Ponds VMS deposit (6.6 million tonnes grading 2.4% Zn, 0.2% Cu, 1.4% Pb, 1.5g/t Au and 69g/t Ag JORC 2004 Mineral Resource¹) – made up of Main Zone and Tom’s Zone which occur in a sequence of deformed Silurian felsic-to intermediate-volcano marine-sedimentary rocks.

A program of reconnaissance rock chip sampling (~220 samples) was undertaken during the Quarter and returned strong results, confirming the prospectivity in a number of areas. These include copper up to 2.01%, lead up to 3.64%, and zinc up to 1.03%. Gold grades were up to 3.1g/t, with 35 samples anomalous at >0.1g/t. The best results were at the Lewis Ponds mine prospect, however both northern and southern prospects within the tenement area contained highly anomalous in-situ results. Potential for a MacPhillamy’s style bulk tonnage gold system would appear to be present and Heron will aim to evaluate in its proposed drilling.

A comprehensive review of the airborne EM (VTEM) data for the area has been completed by Heron’s geophysical consultants (Mitre Geophysics) and has identified a number of significant anomalies that are now being assessed for potential drill targets.

Figure 7: Lewis Ponds Project showing key prospects and target areas for follow-up in the SE corner (recent rock-chip samples are shown as pink squares)



Overflow Gold-Base Metal Project (Heron 75.5% on certain blocks and 100% on the remainder)

The Overflow project is located 110km south-east of Nynghan and 50km north-west along strike from the Mineral Hill operation (owned by KBL Mining Ltd). The project is located along the northern extension of the Gilmore Suture within Ordovician and Devonian aged meta-sediments and has the potential to host both epithermal and Cobar-style gold and base-metal mineralisation. No field work was undertaken during the Quarter.

¹ Refer to Section 8.0 of Heron’s 2014 Annual Report

Other NSW Exploration Projects

Copper Hill Gold-Copper Project (100% Golden Cross Resources, Heron holds 18.9% of GCR)

A revised Mineral Resource estimate and scoping study was released for the Copper Hill Project in central NSW where Heron retains a 18.9% stake in Golden Cross Resource Ltd (ASX:GCR). The Copper Hill scoping study was positive and provided a framework for the future development of the Project as an open pit mine and concentrator processing operation.

GCR reported an estimated metal-in-concentrate for the two Copper Hill production scenarios as:

- 2Mtpa, average 7.7Ktpa copper and 20.7Kozpa gold, peak year 10.8Kt copper and 41.8Koz gold.
- 3Mtpa, average 11.0Ktpa copper and 29.9Kozpa gold, peak year 14.7Kt copper and 54.4Koz gold.

It was also reported that significant mineralisation remains outside the conceptual pit shell defined for the scoping study. This highlighted the potential to increase the material within the possible mine plan. It has been proposed that these areas will be targeted as a part of the 2015 PFS drilling.

Heron continues to monitor its investment in GCR and the advancement of the Copper Hill Project with the aim of maximising the overall return to Heron shareholders.

Western Australia – Nickel Sulphide Exploration

Heron retains a substantial portfolio of tenements in the Eastern Goldfields of Western Australia that are prospective for Archean-style nickel sulphide mineralisation. The key prospects are described below:

Emu Lake Project (100% Heron)

The Emu Lake Project is located some 65km north-east of Kalgoorlie and work by previous workers (Including Xstrata Nickel Ltd) has identified a fertile nickel sulphide horizon that extends for extends for some 8km through the Heron tenure. Historical drill results include ELD015: 2m at 6.2% nickel and 1.8% copper from 336m depth and demonstrate the potential for high grade nickel sulphide mineralisation in the area. Heron is currently in discussion with a group that is interested in farming into the prospect.

Bedonia Project (100% Heron)

The Company's Bedonia Project is located 75km east of Norseman, Western Australia and 60km west-southwest of the Nova-Bollinger nickel-copper discovery (by Sirius Resources NL) within the Albany Fraser Mobile Zone. Total tenement holding is now approximately 1,500 km².

In the south of the project area the Company is seeking Nova-style nickel-copper mineralization hosted within the interpreted Proterozoic-aged Mount Andrews Gneiss Complex where there is potential for discrete mineralized mafic intrusive bodies. There is also potential for nickel, copper and PGE mineralisation along the margins of the Proterozoic Jemberlana dyke that traverses the area and where a number of significant geochemical anomalies have been identified.

Auger programs earlier in 2014 identified a number of nickel sulphide targets at the Beaker, Woodline and Mordicus prospects. The Company is currently seeking a joint venture partner to advance the Bedonia targets. Some reduction and rationalisation of the Company's tenement holding in this area commenced during the Quarter.

Mt Zephyr Gold and Nickel Sulphide Project (100% Heron)

The Mt Zephyr Project is located 80km north-northeast of Leonora and is prospective for Archaean gold mineralization within high-grade laminated quartz occurrences identified by a local prospector in the north of the project area (Paul's Find).

In addition, a strong basal contact anomaly of **500-1,000ppm nickel** was generated in 2014 through soil auger sampling north of Paul's Find where Archaean ultramafic units occur at a similar stratigraphic level to the Mt Windarra ultramafic units north of Laverton. Follow-up sampling and a possible EM survey is being planned. The Company will be seeking a joint venture partner to advance specific targets.

Kalgoorlie Nickel Project, 100% Heron (KNP)

Partner Search

The KNP provides significant exposure to long-term, low cost nickel production in a highly stable and mining-orientated jurisdiction. The project is located in the Eastern Goldfields of Western Australia, 50-100km north and east from Kalgoorlie with a tenement holding covering 850km². The nickel laterite rights are 100% held by Heron on unencumbered tenure. With the combination of a large resource base and screen beneficiation of siliceous material, a potential Leach Feed Grade of 1.1-1.5% nickel is possible over a long mine life. The project is also well supported by gas, road and rail infrastructure that is suitably located to support the development of the KNP plant site. To date more than A\$50 million has been spent on the resource drill-out, with the most recent scoping studies focused on the use of Simulus' CFNP process, which demonstrated that the KNP has the potential to provide a source of long term, low capital intensity, and high margin nickel concentrates to the market.

During the Quarter Heron continued its bench-scale metallurgical test work at the Simulus Engineering facility in Perth.

Joint Venture Projects WA and NSW

Bulong Gold Project (Heron 20%, Southern Gold Ltd 80%; Heron retains 100% of nickel laterite rights Bulong East)

The Bulong Gold Project is located 30km east of Kalgoorlie. No field activities were undertaken during the January - March Quarter. However, a drilling program of up to 3 holes for 600 meters has been prepared for testing the Railway South anomaly on E25/250. It is anticipated that this work will be undertaken early in the June Quarter following receipt of relevant approvals. Southern Gold continues to seek potential partners to evaluate the significant nickel sulphide prospectivity in the JV areas as it also moves towards gold production at its wholly owned Canon deposit located adjacent to the JV ground.

Joint Venture Projects WA and NSW

Rocky Gully Nickel-Copper Prospect (100% Heron, PLD Corporation Ltd right to purchase 90%)

PLD Corporation Ltd elected to exercise their option to acquire a 90% interest in the Rocky Gully Project during the Quarter comprising the three tenements: E70/2801, E70/4543 and E70/4437. Heron retains a 90% interest in the tenements through to the completion of pre-feasibility study. Heron is encouraged by recent exploration results that PLD has generated in this area and looks forward to further exploration progress. In consideration for the 90% interest and subject to regulatory approval PLD will issue Heron 28,750,000 PLD shares or pay Heron the cash equivalent.

Calarie Copper-Gold Project (EL7023 and ML739 – farmed out to Kimberley Diamonds Ltd who is earning a 75% interest)

Located 25km south-southwest of Parkes the area is prospective for principally gold mineralisation associated with the old Lachlan gold working where several encouraging drill intercepts have been returned in recent years. No field work was reported for the Quarter. Minor rehabilitation work is being completed on the site.

CORPORATE

On 12 February 2015 a General Meeting was held to consider the re-election of the Board with the exception of the Managing Director. All four Directors were successfully re-elected.

Changes to the composition of the Board were foreshadowed in December last year, at which time the Company's current Chairman, Mr Craig Readhead, indicated he would be stepping down from the Chairman's role. Subsequent to the end of the Quarter, Ms Fiona Robertson was appointed as an independent Non-executive Director on 9 April 2015 and Mr Readhead has also indicated his intention to step down from the Board effective 30 April 2015. The appointment of Mr Stephen Dennis to the role of independent Non-executive Chairman will take effect from 30 April 2015.

Cash - At the end of the Quarter (31 March 2015) Heron held A\$25.6M in cash (excluding A\$0.3M in bonds) and A\$2.8M in investments.

Compliance Statement (JORC 2012 and NI43-101)

The technical information in this news release relating to the exploration results is based on information compiled by Mr David von Perger, who is a Member of the Australian Institute of Mining and Metallurgy (Chartered Professional – Geology). Mr von Perger is a full time employee of Heron Resources Limited and has sufficient experience, which is relevant to the style of mineralisation 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 von Perger has reviewed this press release and consents to the inclusion in this news release of the information in the form and context in which it appears.

Preliminary Economic Assessment (PEA)

The Canadian Securities Administrators ("CSA") published Staff Notice 43-307 Mining Technical Reports – Preliminary Economic Assessments, clarifying the definition of "preliminary economic assessment" ("PEA") in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 defines a PEA as "a study, other than a pre-feasibility study or feasibility study, which includes an economic analysis of the potential viability of mineral resources". The terms pre-feasibility study ("PFS") and feasibility study ("FS") have the meanings ascribed by the CIM Definition Standards for Mineral Resources and Mineral Reserves.

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.

Corporate Directory

<p>Directors</p> <p>Craig Readhead* <i>Chairman (resigns 30 April 2015)</i></p> <p>Stephen Dennis*+ <i>Chairman (effective 30 April 2015)</i></p> <p>Borden Putnam III*+</p> <p>Fiona Robertson *+</p> <p>Ian Buchhorn</p> <p>Wayne Taylor</p> <p>* Denotes Non-executive +Denotes Independent</p> <p>Executive Management</p> <p>Wayne Taylor <i>Managing Director & Chief Executive Officer</i></p> <p>Ian Buchhorn <i>Executive Director</i></p> <p>Simon Smith <i>Chief Financial Officer & Company Secretary</i></p> <p>David von Perger <i>General Manager Exploration</i></p> <p>Charlie Kempson <i>General Manager Strategy & Business Development</i></p>	<p>Issued Share Capital</p> <p>As at the date of this report, Heron Resources Limited had 360,877,723 ordinary shares, 16,005,718 options.</p> <p>The options have expiry dates ranging from 23 June 2015 to 31 January 2019 and have exercise prices ranging from A\$0.09 to A\$0.6864</p> <p>Heron trades on the ASX as 'HRR' and on the TSX as 'HER'.</p> <p>Monthly Share Price Activity</p> <p style="text-align: center;">(A\$ per share - ASX)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr><td>Apr 14</td><td>0.140</td><td>0.120</td><td>0.130</td></tr> <tr><td>May 14</td><td>0.130</td><td>0.120</td><td>0.120</td></tr> <tr><td>Jun 14</td><td>0.120</td><td>0.105</td><td>0.100</td></tr> <tr><td>Jul 14</td><td>0.140</td><td>0.120</td><td>0.160</td></tr> <tr><td>Aug 14</td><td>0.180</td><td>0.140</td><td>0.190</td></tr> <tr><td>Sep 14</td><td>0.205</td><td>0.140</td><td>0.160</td></tr> <tr><td>Oct 14</td><td>0.160</td><td>0.135</td><td>0.145</td></tr> <tr><td>Nov 14</td><td>0.145</td><td>0.120</td><td>0.125</td></tr> <tr><td>Dec 14</td><td>0.135</td><td>0.115</td><td>0.125</td></tr> <tr><td>Jan 15</td><td>0.130</td><td>0.125</td><td>0.125</td></tr> <tr><td>Feb 15</td><td>0.15</td><td>0.125</td><td>0.140</td></tr> <tr><td>Mar 15</td><td>0.14</td><td>0.125</td><td>0.135</td></tr> </tbody> </table> <p style="text-align: center;">(CA\$ per share - TSX)</p> <table border="1"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr><td>Aug 14</td><td>0.250</td><td>0.150</td><td>0.185</td></tr> <tr><td>Sep 14</td><td>0.205</td><td>0.145</td><td>0.170</td></tr> <tr><td>Oct 14</td><td>0.170</td><td>0.120</td><td>0.150</td></tr> <tr><td>Nov 14</td><td>0.145</td><td>0.100</td><td>0.130</td></tr> <tr><td>Dec 14</td><td>0.145</td><td>0.090</td><td>0.145</td></tr> <tr><td>Jan 15</td><td>0.130</td><td>0.105</td><td>0.125</td></tr> <tr><td>Feb 15</td><td>0.140</td><td>0.110</td><td>0.130</td></tr> <tr><td>Mar 15</td><td>0.135</td><td>0.11</td><td>0.125</td></tr> </tbody> </table>	Month	High	Low	Close	Apr 14	0.140	0.120	0.130	May 14	0.130	0.120	0.120	Jun 14	0.120	0.105	0.100	Jul 14	0.140	0.120	0.160	Aug 14	0.180	0.140	0.190	Sep 14	0.205	0.140	0.160	Oct 14	0.160	0.135	0.145	Nov 14	0.145	0.120	0.125	Dec 14	0.135	0.115	0.125	Jan 15	0.130	0.125	0.125	Feb 15	0.15	0.125	0.140	Mar 15	0.14	0.125	0.135	Month	High	Low	Close	Aug 14	0.250	0.150	0.185	Sep 14	0.205	0.145	0.170	Oct 14	0.170	0.120	0.150	Nov 14	0.145	0.100	0.130	Dec 14	0.145	0.090	0.145	Jan 15	0.130	0.105	0.125	Feb 15	0.140	0.110	0.130	Mar 15	0.135	0.11	0.125	<p>Registered Office and Address for Correspondence</p> <p>Perth</p> <p>Level 1, 37 Ord Street West Perth, WA 6005</p> <p>Telephone +61 8 6500 9200</p> <p>Sydney</p> <p>Suite 702, 191 Clarence Street Sydney NSW 2000</p> <p>Telephone +61 2 9119 8111</p> <p>Email heron@heronresources.com.au</p> <p>Website www.heronresources.com.au</p> <p>In Canada;</p> <p>Telephone +1 905 727 8688</p> <p>Email CMuir@heronresources.com.au</p> <p>Website www.heronresources.com.au</p> <p>Share Registry (Australia)</p> <p>Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, 6153, WA</p> <p>Telephone +61 8 9315 2333</p> <p>Fascimile +61 8 9315 2233</p> <p>Email registrar@securitytransfer.com.au</p> <p>Please direct enquiries regarding Australian shareholdings to the Share Registrar.</p> <p>Transfer Agent (Canada)</p> <p>TMX Equity Transfer Services Inc 200 University Avenue, Suite 300 Toronto ON M5H 4H1</p> <p>Toll Free: 1 (866) 393-4891 Tel: (416) 361-0930 Email: TMXInvestorservices@tmx.com</p> <p>Please direct enquiries regarding North American shareholdings to the Transfer Agent.</p>
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Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HERON RESOURCES LIMITED

ABN

30 068 263 098

Quarter ended

31 March 2015

Consolidated statement of cash flows

	Current Qtr \$A'000	Year to Date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) production (b) development (c) administration	(1,165)	(2,970)
1.3 Dividends received		
1.4 Interest and other items of similar nature received	227	784
1.5 Interest and other costs of finance paid		
1.6 Taxes (paid)/refunded	523	523
1.7 Other –GST	-	
Net Operating Cash Flows	(415)	(1,663)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investment (c) other fixed assets (d) exploration activities	(15) (54) (1,937)	(393) (83) (5,285)
1.9 Proceeds from sale of: (a) prospects (b) equity investment (c) other fixed assets	-	89
1.10 Loans to other entities – TriAusMin converting note		
1.11 Loans repaid by other entities		
Net Investing Cash Flows	(69)	(5,672)
1.12 Total operating and investing cash flows (carried forward)	(2,421)	(7,335)

1.12 Total operating and investing cash flows (brought forward)	(2,421)	(7,335)
Cash flows related to financing activities		
1.13 Proceeds from the issue of shares, options, etc.		
1.14 Proceeds from the sale of forfeited shares		
1.15 Proceeds from borrowings		
1.16 Repayment of borrowings		
1.17 Dividends paid		
1.18 Other (provide details if material)		
Net financing cash flows		
Net increase (decrease) in cash held	(2,421)	(7,335)
1.19 Cash at beginning of quarter/year	28,316	32,915
1.20 Cash acquired via TriAusMin acquisition	-	315
1.21 Cash at end of quarter	25,895	25,895

**Payments to directors of the entity and associates of the directors,
payments to related entities of the entity and associates of the related entities**

	Current Qtr \$A'000
1.22 Aggregate amount of payments to the parties included in item 1.2	307
1.23 Aggregate amount of loans to the parties included in item 1.10	

1.24 Explanation necessary for an understanding of the transactions

Director's fees, salaries and superannuation (A\$250,280). Provision of legal services by director related entity (A\$38,370) Provision of office accommodation by director related entity (A\$18,450)
--

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

See attached schedule

Financing facilities available*Add notes as necessary for an understanding of the position*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	-
4.3 Production	-
4.4 Administration	850
Total	2,850

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	734	254
5.2 Deposits at call	24,785	27,638
5.3 Bank Overdraft		
5.4 Other (provide details)		
Property Rental bond	47	47
Environmental bonds	329	377
Total: cash at end of quarter (Item 1.21)	25,895	28,316

6.1 Interests in Mining Tenements transferred, relinquished, withdrawn, reduced or lapsed.

Changes in interests in mining tenements

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
E29/00710	104km WNW of Menzies, WA	100.0	100.0	0
E30/00368	130km N of Southern Cross, WA	100.0	100.0	0
E29/00736	104km WNW of Menzies, WA	100.0	100.0	0
E25/00510	36km ENE of Kalgoorlie, WA	100.0	Pending	0
P24/04203	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04204	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04205	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04206	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04219	70km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04220	70km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04221	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04208	75km NW of Kalgoorlie, WA	100.0	100.0	0
E15/01405	60km NE of Norseman, WA	100.0	Pending	0
E15/01406	65km NE of Norseman, WA	100.0	Pending	0
E63/01678	42km ENE of Norseman, WA	100.0	Pending	0
E28/02372	86km NE of Norseman, WA	100.0	Pending	0
P24/04243	75km NW of Kalgoorlie, WA	100.0	100.0	0
E29/00936	91km NNW of Kalgoorlie, WA	100.0	Pending	0
M24/00917	75km NW of Kalgoorlie, WA	100.0	100.0	0
E39/01817	170km NNE of Kalgoorlie, WA	100.0	Pending	0
E28/02324	69km NE of Norseman, WA	100.0	Pending	0
P24/04207	75km NW of Kalgoorlie, WA	100.0	100.0	0
P24/04488	71km NW of Kalgoorlie, WA	Rights to 100% Ni only	100.0	0
P24/04202	75km NW of Kalgoorlie, WA	100.0	100.0	0
E63/01670	80km ENE of Norseman, WA	100.0	Pending	0
EL8223	41km E Cobar, NSW	100.0	100.0	0
EL8057	50km E of Cobar, NSW	100.0	100.0	0

Interests in Mining Tenements acquired or increased

Tenement	Location	Nature of Interest	% Beginning of Quarter	% At end of Quarter
E39/01872	170km NNE of Kalgoorlie	Registered Applicant	0	Pending
E39/01854	70km NW of Laverton	Registered Applicant	0	Pending
E28/02532	69km NE of Norseman	Registered Applicant	0	Pending
EL8337	Woodlawn	Registered Applicant	0	100
EL8356	59km WSW of Tottenham	Registered Applicant	0	100
EL8353	7.5km SE of Woodlawn	Registered Applicant	0	100

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during Quarter				
(a) Increases through share issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	360,877,723	360,877,723		
7.3 Changes during Quarter *				
(a) Increases through share issues				
(b) Decreases through returns of capital, buybacks				
7.4 Convertible debt securities <i>(description)</i>				
7.5 Changes during Quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.6 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expiry Date</i>
	5,000,000	Nil	\$0.6864	7/09/2016
	2,500,000	Nil	\$0.27	23/06/2015
	2,500,000	Nil	\$0.31	23/06/2016
	333,333	Nil	\$0.27	16/01/2016
	333,334	Nil	\$0.31	16/01/2017
	1,000,000	Nil	\$0.22	5/03/2016
	1,000,000	Nil	\$0.27	5/03/2017
	1,000,000	Nil	\$0.31	5/03/2018
	135,907	Nil	\$0.14	23/10/2017
	85,836	Nil	\$0.27	27/06/2016
	21,459	Nil	\$0.58	23/06/2015
	21,459	Nil	\$0.22	13/06/2017
	21,459	Nil	\$0.15	13/03/2018
	214,592	Nil	\$0.23	18/11/2015
	57,224	Nil	\$0.23	21/11/2017
	21,459	Nil	\$0.27	4/02/2017
	858,369	Nil	\$0.37	19/03/2016
	858,369	Nil	\$0.09	20/11/2018
	21,459	Nil	\$0.17	22/02/2018
	21,459	Nil	\$0.09	31/01/2019
7.7 Issued during Quarter	Nil	Nil		
7.8 Exercised during Quarter				

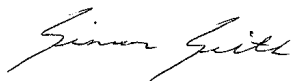
7.9 Expired during Quarter	333,333 57,226 28,613	N/A N/A N/A	\$0.22 \$0.14 \$0.23	16/1/2015 23/10/2017 21/11/2017
7.10 Debentures (totals only)				
7.11 Unsecured notes (totals only)				

Compliance 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

Nothing to report

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here: _____
Company Secretary

Date: 30/4/2015

Print name: _____ Simon Smith

Notes

1. The Quarterly Report is to provide a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Table 3
Heron Resources Ltd Tenement Schedule for March 2015 Quarterly Report

Tenement	Location	Heron Interest (%)	Status	Note	Tenement	Location	Heron Interest (%)	Status	Note
E16/00332	62km NW of Kalgoorlie	100 of Ni only	Live	3	M25/00187	40km E of Kalgoorlie	100	Live	
E25/00510	36km ENE of Kalgoorlie	100	Pending		M25/00207	40km E of Kalgoorlie	100 Ni Lat	Live	6
E27/00524	67km NE of Kalgoorlie	100	Pending		M25/00209	40km E of Kalgoorlie	100 Ni Lat	Live	6
E27/00529	72km NE of Kalgoorlie	100	Live		M25/00210	40km E of Kalgoorlie	100 Ni Lat	Live	6
E28/01224	63km NE of Kalgoorlie	100	Live		M25/00220	40km E of Kalgoorlie	100 Ni Lat	Live	6
E28/02311	70km E of Norseman	100	Pending		M25/00234	40km E of Kalgoorlie	100 Ni Lat	Live	6
E29/00850	105km NNW of Kalgoorlie	100	Live		M27/00395	68km NE of Kalgoorlie	100	Live	
E29/00889	78km NW of Kalgoorlie	100	Pending		M28/00199	65km NE of Kalgoorlie	100	Live	
E29/00934	67km NNW of Kalgoorlie	100	Pending		M28/00201	65km NE of Kalgoorlie	100	Live	
E29/00941	140km NNW of Kalgoorlie	100	Live		M28/00205	66km NE of Kalgoorlie	100	Live	
E31/01092	140km NNE of Kalgoorlie	100	Pending		M29/00167	87km NNW of Kalgoorlie	100	Live	
E39/01706	70km NW of Laverton	100	Pending		M29/00202	86km NNW of Kalgoorlie	100	Live	
E39/01757	70km NW of Laverton	100	Pending		M29/00214	100km NNW of Kalgoorlie	100	Live	
E39/1872	170km NNE of Kalgoorlie	100	Pending		M29/00272	77km NNW of Kalgoorlie	100	Live	
E63/01355	80km ENE of Norseman	100	Live		M29/00278	74km NNW of Kalgoorlie	100	Live	
E63/01518	70km E of Norseman	100	Live		M29/00312	78km NW of Kalgoorlie	100	Live	
E63/01699	68km ENE of Norseman	100	Pending		M29/00416	90km NNW of Kalgoorlie	87.5	Live	
E70/02801	85km NW of Albany	100	Live		M29/00423	76km NNW of Kalgoorlie	100	Pending	
E70/04543	105km NW of Albany	100			M31/00475	129km NE of Kalgoorlie	100	Live	5
M24/00541	67km NNW of Kalgoorlie	100	Live		M31/00477	129km NE of Kalgoorlie	100	Live	5
M24/00634	78km NW of Kalgoorlie	100	Live		M31/00479	129km NE of Kalgoorlie	100	Live	5
M24/00658	75km NW of Kalgoorlie	100	Live		M31/00483	146km NNE of Kalgoorlie	100	Live	5
M24/00660	75km NW of Kalgoorlie	100	Live		P16/02811	100km NNW of Kalgoorlie	100	Live	1
M24/00663	75km NW of Kalgoorlie	100	Live		P24/04395	70km NW of Kalgoorlie	100	Live	
M24/00664	75km NW of Kalgoorlie	100	Live		P24/04396	70km NW of Kalgoorlie	100	Live	
M24/00665	75km NW of Kalgoorlie	90	Live	2	P24/04400	70km NW of Kalgoorlie	100	Live	
M24/00683	78km NW of Kalgoorlie	100	Live		P24/04401	70km NW of Kalgoorlie	100	Live	
M24/00686	75km NW of Kalgoorlie	100	Live		P24/04402	70km NW of Kalgoorlie	100	Live	
M24/00731	70km NNW of Kalgoorlie	100	Live	4	P24/04403	70km NW of Kalgoorlie	100	Live	
M24/00732	70km NNW of Kalgoorlie	100	Live	4	P24/04653	75km NW of Kalgoorlie	100	Live	
M24/00744	75km NNW of Kalgoorlie	100	Live		P25/02062	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00757	63km NW of Kalgoorlie	100	Live		P25/02171	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00772	71km NW of Kalgoorlie	100	Live		P25/02251	40km E of Kalgoorlie	100	Live	
M24/00778	70km NNW of Kalgoorlie	100	Live	4	P25/02252	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00797	78km NW of Kalgoorlie	100	Live		P25/02253	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00845	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02254	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00846	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02255	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00847	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02256	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00848	71km NW of Kalgoorlie	100 of Ni only	Live	3	P25/02257	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00915	78km NW of Kalgoorlie	100	Live		P25/02258	40km E of Kalgoorlie	100 Ni Lat	Live	6
M24/00916	78km NW of Kalgoorlie	100	Live		P29/02264	90km NNW of Kalgoorlie	100	Live	
M25/00059	34km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02265	90km NNW of Kalgoorlie	100	Live	
M25/00134	40km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02266	90km NNW of Kalgoorlie	100	Live	
M25/00145	40km E of Kalgoorlie	100 Ni Lat	Live	6	P29/02267	90km NNW of Kalgoorlie	100	Live	
M25/00151	38km E of Kalgoorlie	100	Live		P31/02038	113km NE of Kalgoorlie	100	Pending	
M25/00161	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02039	113km NE of Kalgoorlie	100	Pending	
M25/00162	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Pending	
M25/00171	40km E of Kalgoorlie	100 Ni Lat	Live	6	P31/02040	113km NE of Kalgoorlie	100	Pending	

NSW Tenements									
EL5583	15km E of Orange	100	Live		EL8221	15km SE of Gundagai	100	Live	
EL5878	100km NW of Condobolin	100	Live		EL8267	70km SE of Cobar	100	Live	
EL7023	10km N of Forbes	100	Live		EL8313	27km NNE of Yass	100	Live	
EL7257	40km SSW of Goulburn	100	Live		EL8318	27km NW of Nyngan	100	Live	
EL7468	5km E of Collector	100	Live		EL8323	10km NE of Orange	100	Live	
EL7469	15km E of Bugendore	100	Live		EL8325	60km ENE of Canberra	100	Live	
EL7941	100km NW of Condobolin	100	Live		EL8337	Woodlawn	100	Pending	
EL7954	25km W of Goulburn	78.9	Live		EL8353	7.5km SE of Woodlawn	100	Pending	
EL7951	72km NW of Nyngan	100	Live		EL8356	59km WSW of Tottenham	100	Pending	
EL8061	Gundagai	100	Live		ELA5119	27km NNE of Yass	100	Live	
EL8086	57km E of Cobar	100	Live		ELA5167	27km NNE of Yass	100	Pending	
EL8088	10km N of Mount Hope	100	Live		ML 739	10km N of Forbes	100	Live	
EL8192	23km SE of Parkes	100	Live		S(C&PL) L 20	40km SSW of Goulburn	100	Live	
HERON RETAINED RIGHTS, WA									
METALIKO: HERON RETAINS NICKEL RIGHTS									
M24/00919	63km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04212	62km NNW of Kalgoorlie	100% to Ni	Live	7
P24/04198	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04215	60km NNW of Kalgoorlie	100% to Ni	Live	7
P24/04199	55km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04216	60km NNW of Kalgoorlie	100% to Ni	Live	7
P24/04200	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04217	55km NNW of Kalgoorlie	100% to Ni	Live	7
P24/04201	62km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04218	55km NNW of Kalgoorlie	100% to Ni	Live	7
P24/04210	70km NNW of Kalgoorlie	100% to Ni	Live	7	P24/04222	55km NNW of Kalgoorlie	100% to Ni	Live	7
PIONEER: HERON RETAINS NICKEL LATERITE									
E27/00273	66km NE of Kalgoorlie	Ni Lat 100	Live		E28/01746	62m NE of Kalgoorlie	Ni Lat 100	Live	
E27/00278	61km NE of Kalgoorlie	Ni Lat 100	Live		P28/01120	62km NE of Kalgoorlie	Ni Lat 100	Live	
RAMELIUS: HERON PRE-EMPTIVE RIGHT TO NICKEL LATERITE									
E27/00300	48km N of Kalgoorlie	preempt Ni Lat	Live		M15/01264	65km S of Kalgoorlie	preempt Ni Lat	Live	
M15/01101	65km S of Kalgoorlie	preempt Ni Lat	Live		M15/01323	65km S of Kalgoorlie	preempt Ni Lat	Live	
M15/01263	65km S of Kalgoorlie	preempt Ni Lat	Live		M15/01338	65km S of Kalgoorlie	preempt Ni Lat	Live	
ST IVES GOLD MINING, HERON RETAINS ROYALTY ON GOLD PRODUCTION AND RIGHT TO EXPLORE AND MINE BASE METALS									
E15/00927	68km SE of Kalgoorlie	Royalty	Live		E15/01010	60km SSE of Kalgoorlie	Royalty	Live	
E15/01005	70km SE of Kalgoorlie	Royalty	Live		E15/01040	68km SE of Kalgoorlie	Royalty	Live	
YARRI BATTERY AND RESOURCES: HERON RETAINS A ROYALTY ON GOLD PRODUCTION									
E31/00859	170km NE of Kalgoorlie	Royalty	Live		P31/01791	137km NE of Kalgoorlie	Royalty	Live	
E31/00887	160km NE of Kalgoorlie	Royalty	Live		P31/01792	141km NE of Kalgoorlie	Royalty	Live	
P31/01788	136km NE of Kalgoorlie	Royalty	Live		P31/01793	141km NE of Kalgoorlie	Royalty	Live	
P31/01789	136km NE of Kalgoorlie	Royalty	Live		P31/01794	141km NE of Kalgoorlie	Royalty	Live	
P31/01790	136km NE of Kalgoorlie	Royalty	Live						
SOUTHEN GOLD LTD: HERON RETAINS 20% FREE CARRIED TO BFS									
E25/00250	32km ESE of Kalgoorlie	20	Live		E25/00361	30km E of Kalgoorlie	20	Live	
KCGM: HERON RETAINS A ROYALTY ON GOLD PRODUCTION									
E26/00124	14km N of Kalgoorlie	Royalty	Live		P26/03493	6km NNE of Kalgoorlie	Royalty	Live	
P26/03481	14km N of Kalgoorlie	Royalty	Live		P26/03494	6km NNE of Kalgoorlie	Royalty	Live	
P26/03360	6km NNE of Kalgoorlie	Royalty	Live		P26/03495	6km NNE of Kalgoorlie	Royalty	Live	
P26/03361	6km NNE of Kalgoorlie	Royalty	Live		P26/03496	6km NNE of Kalgoorlie	Royalty	Live	
P26/03362	6km NNE of Kalgoorlie	Royalty	Live						
CLIFF ASIA PACIFIC: HERON RETAINS A ROYALTY ON IRON ORE PRODUCTION									
M27/00272	20km NW of Kalgoorlie	100% to Ni	Live						

Notes:

1.	Britannia Gold Ltd retained precious metal rights.
2.	Impress Ventures Ltd has a 10% equity free-carried interest to a decision to mine.
3.	Swan Gold Limited holds the tenement, Heron retains nickel rights.
4.	Placer Dome Australia Limited (Norton Goldfields) retains certain gold rights.
5.	Heron previously entered a binding framework agreement with Ningbo Shanshan Co Ltd, Shanshan had the right to earn a 70% interest in the Yerilla Nickel-Cobalt Project. The JV ended in May 2011.
6.	Subject to Farm In agreement with Southern Gold Ltd (who have earned an 80% interest). Heron retains 100% of nickel laterite.
7.	Metalliko holds the tenement, Heron retains nickel rights.