Heron’s Peelwood Project - EM Drill Targets Identified

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Sydney, Australia, April 23, 2018 (GLOBE NEWSWIRE) -- Heron Resources Ltd. (ASX:HRR, “Heron” or the “Company”) is pleased to report that a number of drill ready EM anomalies have been identified at its wholly owned Peelwood base metal project located 105 km north of the Company’s Woodlawn Zinc-Copper Project in New South Wales, Australia.

- Review of Airborne Electromagnetic (AEM) data from 2014 resulted in several bedrock conductors being modelled
- At the historic Cordillera Mine prospect:
  - AEM conductors identified at-depth along strike from the old workings
  - Grab samples from the prospect contain 16% Zn, 25% Pb and 497g/t Ag
  - Planning underway to drill these conductors targeting high-grade VMS style base metal mineralisation
- AEM conductors at the John Fardy and Peelwood mines are being assessed as potential additional drill targets

Commenting on the targets Heron’s Managing Director, Mr Wayne Taylor said: *“The AEM targets at Peelwood are an exciting kick start to exploration in this area. Our geophysical consultant is an expert at modelling such data and believes there are a number of untested, standout anomalies that warrant further testing within this VMS camp. The high-grade nature of the VMS mineralisation at Cordillera, as confirmed by the recent grab samples, is encouraging and we are looking forward to getting a first phase of drilling into these anomalies as soon as possible. We are currently working through the standard procedural process to progress the on-ground assessment of these targets.”*

Peelwood Project Background

The Peelwood Project is located 165km west of Sydney, and 105 km north from the Company’s Woodlawn Zinc-Copper Project in New South Wales, Australia (Figure 1). Peelwood lies within undulating, mostly forested country, 800m above sea level, and is underlain by Silurian aged shales and other fine grained sedimentary rocks of the Cuddyong Formation and the felsic Kangaloolah Volcanics. VMS style deposits were first mined here in 1880’s with key centres occurring on the tenements newly pegged by Heron, namely the Peelwood, John Fardy and Cordillera deposits (Figure 2). Each of these historical deposits include a number of massive sulphide lenses located at, or adjacent to, the sheared contact between the Cuddyong Formation and the Kangaloolah Volcanics.

Cordillera Prospect

The Cordillera Prospect is centered on the historic Cordillera mine located 4km north-west of Peelwood (Figure 2). The mine was opened in 1883 and production peaked in 1888 with 9,000 t of ore being treated that year producing copper, lead, silver and gold from oxidised ore down to a depth of 60m. Underground production continued until 1889 and the dumps were reworked in 1928. The mineralisation is considered to be of a volcanogenic massive sulphide (VMS) type consisting of lenses contained within shales close to the steeply (75-85º) dipping structural contact with the overlying coarse grained felsic volcanics (Figure 3).

Evidence of the historical mining activity is still present at the site. The Cordillera Mine and other mines in the district were generally worked to a depth where fresh sulphides were encountered. A recent grab sample of such massive base metal sulphides from the Cordillera dumps returned assays of 16% Zn, 25% Pb and 497g/t Ag providing support for the presence of high-grade mineralisation. The mined lode at Cordillera was reported as being 1.2m wide and 107m in strike. However, DDH coring in 1971 by A1 Consolidated Gold Pty Ltd[1] intercepted 2.2g/t Au, 11.6g/t Ag, 0.78% Zn. 0.1% Cu and 0.44% Pb over 17m from 111.6m downhole depth. A core intercept to the south returned a similar broad zone 24m wide with a better portion of 2.9g/t Au,

10.2g/t Ag, 0.3% Zn, 0.24% Cu and 0.83% Pb over 2.7m from 89m downhole depth. The intercepts indicate a broad zone of alteration associated with the mineralisation at Cordillera.

A 2014 AEM survey undertaken by previous owners has been reviewed by Heron’s geophysical consultant who has identified several bedrock conductors potentially related to mineralisation. In particular, these AEM conductors (Figure 3) occur along the line of the historically mined mineralisation and have not been tested at depth.

The conductors North of the old mine are modelled starting at some 50m below the surface in an area of known workings (shafts and costeans) with moderate pyrite alteration seen in the surface felsic volcanic and shale rocks (Figure 3 and 4). A program of drilling is being planned to test these conductors. Land owner and statutory approvals are currently being sought with no issues being identified to date.

A number of additional modelled AEM anomalies at the John Fardy prospect are also being assessed and may provide further drill targets as part of this program. Subject to suitable drill rig availability, the Company is targeting to drill a number of these targets before the end of financial year.

Figure 1: Peelwood Project Location Diagram

http://www.heronresources.com/tsximages/20180423/230418_fig1.jpg

Figure 2: Geological Map of the Peelwood area showing the location of the key EM anomalies

http://www.heronresources.com/tsximages/20180423/230418_fig2.jpg

Figure 3: Cordillera Prospect detail - showing location of electromagnetic anomalies in relation to the geology and previous mine workings. The VMS mineralisation occurs close to the structural contact between the felsic volcanics and shales units. Refer to legend in Figure 2.

http://www.heronresources.com/tsximages/20180423/230418_fig3.jpg

Figure 4: Cordillera Prospect Long Section looking east showing position of modeled AEM plate and how historical drilling failed to test the target. Pierce-point for the proposed hole shown as red dot. Refer to legend in Figure 2.

http://www.heronresources.com/tsximages/20180423/230418_fig4.jpg

About Heron Resources Limited:

Heron’s primary focus is the development of its 100% owned, high grade Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia.

Compliance Statement (JORC 2012 and NI43-101)

The technical information in this report 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 Ltd. 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 approved the scientific and technical disclosure in the news release.

Zinc equivalent calculation

The zinc equivalent ZnEq calculation takes into account, mining costs, milling costs, recoveries, payability (including transport and refining charges) and metal prices in generating a Zinc equivalent value for Au, Ag, Cu, Pb and Zn. ZnEq = Zn%+Cu%*3.12+Pb%*0.81+*Au g/t*0.86+Ag g/t*0.03. Metal prices used in the calculation are: Zn US$2,300/t, Pb US$ 2,050/t, Cu US$6,600/t, Au US$1,250/oz and Ag US$18/oz. It is Heron’s view that all the metals within this formula are expected to be recovered and sold. Metallurgical metal recoveries used for the formula are 88% Zn, 70% Pb, 70% Cu, 33% Au and 82% Ag; these are based on historical recoveries at Woodlawn and supported by metallurgical test work undertaken during the 2015-16 feasibility study.

JORC 2012 Table 1 (Peelwood Project)

Section 1 Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation
Sampling techniques	● *Nature and quality of sampling (eg cut channels, random ch* ● *Include reference to measures taken to ensure sample repre* ● *Aspects of the determination of mineralisation that are Mate*
Drilling techniques	● *Drill type (eg core, reverse circulation, open-hole hammer, r*
Drill sample recovery	● *Method of recording and assessing core and chip sample re*
Logging	● *Whether core and chip samples have been geologically and*
Sub-sampling techniques and sample preparation	● *For all sample types, the nature, quality and appropriateness*
Quality of assay data and laboratory tests	● *The nature, quality and appropriateness of the assaying and* ● *Nature of quality control procedures adopted (eg standards,*
Verification of sampling and assaying	● *The verification of significant intersections by either indepen* ● *Documentation of primary data, data entry procedures, data* ● *Discuss any adjustment to assay data.*
Location of data points	● *Accuracy and quality of surveys used to locate drill holes (co*

Data spacing and distribution	● *Data spacing for reporting of Exploration Results.* ● *Whether the data spacing and distribution is sufficient to est* ● *Whether sample compositing has been applied.*
Orientation of data in relation to geological structure	● *Whether the orientation of sampling achieves unbiased sam*
Sample security	● *The measures taken to ensure sample security.*
Audits or reviews	● *The results of any audits or reviews of sampling techniques*

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation
Mineral tenement and land tenure status	● *Type, reference name/number, location and ow* ● *The security of the tenure held at the time of re*
Exploration done by other parties	● *Acknowledgment and appraisal of exploration b*
Geology	● *Deposit type, geological setting and style of mi*
Drill hole Information	● *A summary of all information material to the un*
Data aggregation methods	● *In reporting Exploration Results, weighting ave* ● *Where aggregate intercepts incorporate short l*
Relationship between mineralization widths and intercept lengths	● *These relationships are particularly important in* ● *If the geometry of the mineralisation with respe*
Diagrams	● *Appropriate maps and sections (with scales) ar*
Balanced reporting	● *Where comprehensive reporting of all Explorati*
Other substantive exploration data	● *Other exploration data, if meaningful and mate*

Further work

- *The nature and scale of planned further work (e*

[1] Bratt, B.T. 1998 Annual exploration report for EL 2934 (GS 1998-301)

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