

13 August 2021

ASX ANNOUNCEMENTS

HERON RESOURCES LIMITED (ASX:HRR) AND ITS SUBSIDIARIES (ALL ADMINISTRATORS APPOINTED – REFER SCHEDULE 1 FOR A LIST OF GROUP ENTITIES) (EACH A “COMPANY” AND TOGETHER “HERON” OR “GROUP”)

Shareholder Update on Status of Administration

FTI Consulting confirms that the first meeting of creditors of each Company was held on Tuesday 27 July 2021 in accordance with section 436E(1) of the Corporations Act 2001 (Cth) (“First Meeting”). This follows the appointment on 16 July 2021 of Christopher Hill, David McGrath and Michael Ryan, all Senior Managing Directors of FTI Consulting, as joint and several voluntary administrators (“Administrators”) of each Company (the “Administration”).

Overview of Administration strategy

The objective of the Administration is to maximise the chances of each Company, or as much as possible of its business, continuing in existence or, if this is not possible, working to deliver an outcome that is better for the Company’s creditors than an immediate liquidation.

Against the background of this legislative framework, the Administrators will be shortly commencing a 14 week dual track recapitalisation and / or going concern transaction process for the Companies (“Transaction Process”).

In order to facilitate the implementation of the Transaction Process, the Administrators have taken a number of steps, principally as detailed below.

Appointment of Advisers

The Administrators today appointed Azure Capital Pty Ltd (“Azure”) as their financial adviser in respect of the Transaction Process. Azure will assist the Administrators to undertake the Transaction Process, which will involve two key workstreams:

- Capital raise: development of options available to raise equity to restart and further develop the Woodlawn Mine

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Liability limited by a scheme approved under Professional Standards Legislation.

- Other transaction: seeking expressions of interest in the Woodlawn Zinc Copper Mine and Heron (and associated assets), which may include refinancing, joint ventures, and a partial or complete sale.

Any parties interested in participating in the Transaction Process are encouraged to contact the following Azure representatives to register their interest:

Chris Holman

Partner

CJH@azurecapital.com.au

+61 8 6263 0854

Elliot Hillier

Director

EH@azurecapital.com.au

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Care & Maintenance and Funding Agreement

To support the Transaction Process, the Administrators have determined to continue the care & maintenance regime in respect of the Woodlawn Mine.

In order to ensure that there is adequate funding in place for the care & maintenance regime and the Transaction Process, the Administrators today caused Tarago Operations Pty Ltd (administrators appointed) (“TOP”), the Group’s principal operating company, to execute a funding agreement with the Group’s first ranking secured creditor (“Funding Agreement”).

Court Orders

The Administrators today also obtained various orders from the Supreme Court of NSW intended to facilitate the Transaction Process, including orders that:

- the convening period for the second meeting of creditors of the Companies be extended from 16 August 2021 to 16 November 2021; and
- the Administrators are justified in causing TOP to borrow monies pursuant to the Funding Agreement.

If any person has any questions about the implications of these orders or would like a copy of the orders, please contact the Administrators’ office at the contact details listed below.

Ongoing Updates

The Administrators will continue to work closely with management and all relevant stakeholders throughout the Administration and will keep the market and shareholders informed of material developments, principally via ASX announcements. Relevant information will also be posted to the

FTI Consulting website at www.fticonsulting.com/creditors/heron-resources-limited-and-its-subsidiaries.

Finally, the Administrators anticipate that during the Administration Heron will seek to rely on ASIC relief from the company's financial reporting obligations, and as such the Group's annual reporting obligations may be delayed.

Contact details

For all further enquiries please contact:

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Creditor & Shareholder enquiries

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SCHEDULE 1
SCHEDULE OF COMPANIES

Company Name	ACN
Heron Resources Limited	068 263 098
Hampton Nickel Pty Limited	100 180 498
Ochre Resources Pty Limited	112 833 351
Tarago Exploration Pty Ltd	115 529 112
Tarago Operations Pty Ltd	127 810 413
Woodlawn Mine Holdings Pty Ltd	612 657 164