



Heron Resources Limited

ASX Release

15 March 2019

Sedgman's Revised Progress Claim Rejected

Heron Resources Limited ("Heron" or "the Company") advises that following an assessment of the revised progress claim submitted on 1 March 2019 by Sedgman Pty Ltd ("Sedgman"), a wholly owned CIMIC Group Limited company, for additional costs of \$53M, the Contract Superintendent has rejected the Sedgman progress claim (less minor agreed variations).

As noted in the Heron release dated 4 March 2019, the \$53M claim includes the \$49.9M claimed in the previous month that had been rejected by the Contract Superintendent. For the month of February 2019, the Contract Superintendent has approved new variations totalling \$76,082, being for work recently requested by Heron and approved under the formal contract provisions. The Contract Superintendent has rejected the remainder of the progress claim.

The Company remains extremely disappointed in the actions of Sedgman in attempting to circumvent the fundamental principle of the contract entered into to give project cost certainty under a Guaranteed Maximum Price contract framework.

Heron's liquidated damages claim remains outstanding

As noted in the 4 March 2019 release, the Company has put Sedgman on notice that Liquidated Damages (LD's) now apply. Heron continues to hold \$10.8M in bank guarantees from Sedgman.

Construction at the Woodlawn Project approaches completion

As noted in the project update release dated 12 March 2019, key Woodlawn project milestones are being achieved and the Company looks forward to announcing the commencement of production during the next quarter.

Heron will continue to keep its shareholders and the market informed of further material developments.

About Heron Resources Limited:

Heron's primary focus is on base and precious metal production in early 2019 from its 100% owned, high grade, Woodlawn Zinc-Copper Project located 250km southwest of Sydney, New South Wales, Australia. In addition, the Company holds a significant high quality, base and precious metal tenements regional to the Woodlawn Project.

For further information, please visit www.heronresources.com.au or contact:

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