9 November 2021

HERON RESOURCES LIMITED ACN 068 263 098

AND ITS SUBSIDIARIES AS LISTED IN SCHEDULE 1

(TOGETHER "THE GROUP")

(ALL ADMINISTRATORS APPOINTED)

Dear creditors

I refer to my appointment as administrator of Heron Resources Limited (Administrators Appointed) and its subsidiaries (together, the Group) on 16 July 2021.

COURT APPLICATION

I write to notify you that we will be filing an application in the New South Wales Supreme Court seeking the following orders:

- **Convening period extension orders:** Extending the convening period of the administration to 28 February 2022 (**Extension Orders**). This is primarily to complete the sale and recapitalisation process commenced by the administrators, including:
  - providing the preferred bidders with sufficient time to conduct appropriate due diligence and obtain any legal and tax advice required with respect to the Group's business and affairs, and undertake a site visit to the Woodlawn Mine;
  - respond to queries from the preferred bidders arising from the detailed due diligence process, including liaising with the Group's management (where required) in relation to those queries; and
  - negotiate the sale or recapitalisation transaction documents with the preferred bidder.

On the current information, I expect that we will be in a position to report to creditors and provide a recommendation as to the future of the Group by mid-December, with completion to occur as soon as possible thereafter. However, there is risk that the sale and recapitalisation process for the Group will extend into early 2022.

In order to:

- manage any potential delays associated with the sale and recapitalisation process caused by either the Christmas/New Year Holiday period;

- manage delays in completing due diligence or reaching final commercial terms with the final preferred bidder; and
- minimise the likelihood (and associated cost) of the administrators having to make any further application to extend the convening period,

we consider it appropriate to request from the Court an extension of the convening period to 28 February 2022. However, it should be noted that we intend to convene the second meeting of creditors as soon as possible once negotiations with the successful bidder have concluded and there is a proposal that is capable of being put to the creditors of the Group.

THE ADMINISTRATORS' VIEW

The administrators consider that the making of the Extension Orders are necessary and are in the best interests of the Group's creditors and will maximise the chances of the Group, or as much as possible of its business, continuing in existence. The administrators' counsel will be making submissions along those lines at the hearing of the application for the Extension Orders.

At the date of this circular, the application and supporting affidavit have not been filed. Please contact our office should you wish to be provided with copies of these documents. Details of the hearing, including the time, date and judicial officer hearing the application, will be advised to you once known.

QUERIES

If creditors have any questions about this, the administrations or any aspect of the Group's operations please contact Jonathan Chee on (02) 8247 8000 or by email at Jonathan.chee@fticonsulting.com.

Yours faithfully

Christopher Hill

Joint and Several Administrator

SCHEDULE 1

SCHEDULE OF COMPANIES

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