

17 May 2000

Company Announcements Officer  
Australian Stock Exchange Limited  
20 Bond Street  
SYDNEY NSW 2000

Dear Sir/Madam

## Resource Definition Drilling and Mining Assessment, Goongarrie Nickel Project

### 1. Drilling Results

Heron Resources NL ("Heron") has this week received a number of significant drill results from the Goongarrie Nickel Project. Ongoing drilling at the Project has returned exceptionally high grade intercepts of nickel and cobalt mineralisation, between depths of 12 and 75 metres.

Since the release of the March 2000 Quarterly Report on 30 April 2000, Heron has engaged a second drilling contractor to expedite Resource Definition Drilling at Goongarrie. Results have been received for an additional 62 drill holes completed on an 80x80m pattern (GSRC287-335, 401-413, average depth 53m). Drill hole coverage is on high grade targets previously identified at Goongarrie South, with the current program planned for completion in late June 2000. Latest drilling results include:

Table 1 GOONGARRIE SOUTH PROSPECT RCP Drilling Significant Intersections, 0.75% Ni Cut-off									
Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %	Ni4Co %m
GSRC291	68,560	3,040	24	28	4	0.94	0.06	1.17	4.68
			32	48	16	1.21	0.04	1.37	21.92
<i>Including above 1.25% Ni</i>			32	40	8	1.59	0.05	1.79	14.32
GSRC293	68,560	3,200	24	28	4	0.80	0.03	0.91	3.64
			32	46	14	0.96	0.03	1.07	14.98
GSRC295	68,640	2,560	38	46	8	0.93	0.05	1.11	8.88
GSRC309	68,720	3,040	24	70	46	1.34	0.22	2.21	101.66
<i>Including above 1.25% Ni</i>			28	44	16	1.68	0.36	3.13	50.08
<i>Including above 1.25% Ni</i>			52	60	8	1.51	0.18	2.23	17.84
GSRC312	68,800	2,560	22	30	8	1.32	0.15	1.93	15.44
<i>Including above 1.25% Ni</i>			22	26	4	1.40	0.23	2.31	9.24
GSRC313	68,800	2,640	18	30	12	1.26	0.07	1.52	18.24
<i>Including above 1.25% Ni</i>			26	30	4	1.56	0.08	1.88	7.52
GSRC316	68,800	2,880	52	60 eoh	8	1.15	0.06	1.38	11.04
<i>Including above 1.25% Ni</i>			56	60 eoh	4	1.33	0.06	1.58	6.32
GSRC317	68,800	2,960	32	68	36	1.11	0.14	1.66	59.76
			72	75	3	1.27	1.46	7.09	21.27
<i>Including above 1.25% Ni</i>			32	36	4	1.42	0.04	1.56	6.24
<i>Including above 1.25% Ni</i>			52	60	8	1.30	0.28	2.41	19.28

**Table 1**  
**GOONGARRIE SOUTH PROSPECT**  
**RCP Drilling Significant Intersections, 0.75% Ni Cut-off**

Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %	Ni4Co %·m
GSRC318	68,800	3,040	22	58	36	1.29	0.05	1.50	54.00
<i>Including above 1.25% Ni</i>			26	50	24	1.45	0.04	1.61	38.64
GSRC319	68,800	3,120	20	60	40	1.23	0.17	1.90	76.00
<i>Including above 1.25% Ni</i>			24	52	28	1.39	0.22	2.26	63.28
GSRC324	68,960	2,800	38	66 eoh	28	1.05	0.048	1.24	34.72
<i>Including above 1.25% Ni</i>			52	66 eoh	14	1.45	0.055	1.67	23.38
GSRC326	68,960	2,960	26	45	19	1.15	0.049	1.35	25.65
<i>Including above 1.25% Ni</i>			30	38	8	1.34	0.054	1.56	12.48
GSRC328	69,040	2,560	23	34	11	0.87	0.055	1.09	11.99
GSRC330	69,040	2,720	38	66	28	1.20	0.113	1.65	46.20
<i>Including above 1.25% Ni</i>			46	61	15	1.50	0.103	1.91	28.65
GSRC333	69,040	2,960	22	26	4	1.07	0.045	1.25	5.00
GSRC334	69,040	3,040	30	52	22	0.89	0.042	1.06	23.32
GSRC335	69,040	3,120	14	62	48	1.15	0.118	1.62	77.76
<i>Including above 1.25% Ni</i>			34	52	18	1.42	0.125	1.92	34.56
GSRC401	63,440	4,480	12	24	12	0.95	0.09	1.32	15.84
GSRC403	63,440	4,320	18	30	12	0.96	0.05	1.15	13.80
GSRC413	63,680	4,320	22	46	24	1.06	0.119	1.54	36.96
<i>Including above 1.25% Ni</i>			34	38	4	1.45	0.198	2.24	8.96

*eoh* “end-of-hole”, designating the drill hole has stopped in mineralisation.

*m.%* “metre.percent” is the interval in metres of the intercept multiplied by the NiCo% grade of the interval, and indicates the “metal accumulation” within the intercept (10 m.% NiCo being considered encouraging).

Results from the current drilling program will permit the estimation by independent consultants of an **Indicated Mineral Resource** for the Goongarrie Nickel Project, for use in the Centaur Mining & Exploration Ltd Cawse Stage II Pre-feasibility Study, scheduled for completion in July 2000.

Drilling to date at Goongarrie South confirms two high grade and parallel NNW trending zones, both exceeding 1,200 metres in strike length, and highlighted with “metre. percent” values commonly above 20 m.% NiCo. Elsewhere in Australia, 10 m.% NiCo is considered a good outcome in nickel-cobalt laterite exploration. In terms of Australian dry nickel laterites, the Goongarrie South discovery is evolving with the current drilling into an exceptionally well mineralised occurrence.

## 2. Cawse Stage I Mining

Negotiations are current with a Kalgoorlie-based mining contractor to drill, mine and haul ore for processing to the existing Cawse Stage I plant. The first phase of the proposed mining contract has been to design a 20x20m grade control drilling program, which will also produce material to supplement the current metallurgical testwork, and be the basis of detailed mining studies. The proposed mining is planned for Goongarrie Hill, due to the shallowness and low stripping ratio of the high grade mineralisation previously defined at this locality (Goongarrie Hill includes the GWRC064 intercept, 3m at 3.52% Ni and 0.27% Co from 6m).

For and on behalf of Heron Resources NL

Ian Buchhorn  
Managing Director

*The technical information in this report is based on and accurately reflects information compiled by Mr Ian Buchhorn, Managing Director of Heron, who is a corporate member of the Australasian Institute of Mining and Metallurgy.*