

9 June 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. Goongarrie South, RC Drilling Results

Heron Resources NL ("Heron") has continued to receive significant drill results from the Goongarrie Nickel Project. Ongoing drilling at the Project is returning exceptionally high grade intercepts of nickel and cobalt mineralisation, between vertical depths of 12 to 84 metres (still open at depth). Intercepts in the high grade Eastern Contact Zone include **34m at 1.36% Ni and 0.14% Co**, **41m at 1.30% Ni and 0.11% Co**, and **51m at 1.39% Ni and 0.24% Co**.

These excellent results have facilitated the Company attaining the Inferred Mineral Resource milestone of **402 million tonne at 0.8% Ni and 0.06% Co**, for 3.3 million tonne contained nickel (0.5% lower Ni cut-off grade). For comparison, at Cawse which is a successfully operating nickel laterite mine, the published resource is 275 million tonne at 0.7% Ni and 0.04% Co, for 1.9 million tonne contained nickel (0.5% lower Ni cut-off grade).

Latest drilling (GSRC336-364, GSRC414-441) includes the following results:

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.%
GSRC336	68,960	3,120	20	42	<b>22</b>	<b>1.01</b>	<b>0.093</b>	<b>1.39</b>	<b>30.51</b>
<i>including above 1.25% Ni</i>			24	28	4	1.25	0.272	2.34	9.35
GSRC340	69,120	2,640	14	26	12	1.13	0.055	1.35	16.23
			30	50	<b>20</b>	<b>1.31</b>	<b>0.277</b>	<b>2.42</b>	<b>48.37</b>
<i>including above 1.25% Ni</i>			18	26	8	1.30	0.063	1.55	12.42
<i>including above 1.25% Ni</i>			30	38	<b>8</b>	<b>1.61</b>	<b>0.264</b>	<b>2.66</b>	<b>21.31</b>
<i>including above 1.25% Ni</i>			42	46	4	1.27	0.431	2.99	11.98
GSRC341	69,120	2,720	23	35	12	0.96	0.115	1.42	17.09
<i>including above 1.25% Ni</i>			31	35	4	1.27	0.151	1.87	7.50
GSRC344	69,120	2,960	20	28	8	1.22	0.124	1.71	13.71
<i>including above 1.25% Ni</i>			24	28	4	1.25	0.132	1.78	7.11
GSRC345	69,120	3,040	28	36	8	0.92	0.070	1.19	9.54
GSRC346	69,120	3,120	12	46	<b>34</b>	<b>1.36</b>	<b>0.138</b>	<b>1.91</b>	<b>64.94</b>
<i>including above 1.25% Ni</i>			18	30	<b>12</b>	<b>1.44</b>	<b>0.190</b>	<b>2.19</b>	<b>26.32</b>
<i>including above 1.25% Ni</i>			36	42	6	1.86	0.068	2.13	12.79
GSRC353	69,280	2,960	26	34	8	0.97	0.067	1.23	9.85

**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.%
GSRC354	69,280	3,040	25	66	<b>41</b>	<b>1.30</b>	<b>0.108</b>	<b>1.74</b>	<b>71.21</b>
<i>including above 1.25% Ni</i>			40	58	<b>18</b>	<b>1.62</b>	<b>0.184</b>	<b>2.36</b>	<b>42.52</b>
GSRC355	69,280	3,120	20	43	<b>23</b>	<b>1.19</b>	<b>0.102</b>	<b>1.60</b>	<b>36.70</b>
<i>including above 1.25% Ni</i>			32	43	11	1.29	0.077	1.60	17.58
GSRC357	69,360	2,560	22	34	12	0.98	0.083	1.31	15.76
GSRC358	69,360	2,640	24	56	<b>32</b>	<b>1.09</b>	<b>0.086</b>	<b>1.44</b>	<b>46.02</b>
<i>including above 1.25% Ni</i>			42	48	6	1.31	0.156	1.93	11.60
GSRC359	69,360	2,720	38	52	<b>14</b>	<b>1.09</b>	<b>0.114</b>	<b>1.55</b>	<b>21.68</b>
<i>including above 1.25% Ni</i>			44	48	4	1.40	0.086	1.74	6.98
GSRC361	69,360	2,880	26	30	4	1.28	0.078	1.59	6.37
<i>including above 1.25% Ni</i>			26	30	4	1.28	0.078	1.59	6.37
GSRC362	69,360	2,960	26	46	<b>20</b>	<b>1.26</b>	<b>0.105</b>	<b>1.68</b>	<b>33.64</b>
<i>including above 1.25% Ni</i>			34	42	8	1.48	0.115	1.94	15.52
GSRC363	69,360	3,040	33	84 eoh	<b>51</b>	<b>1.39</b>	<b>0.238</b>	<b>2.34</b>	<b>119.50</b>
<i>including above 1.25% Ni</i>			42	84 eoh	<b>42</b>	<b>1.49</b>	<b>0.280</b>	<b>2.61</b>	<b>109.44</b>
GSRC364	69,360	3,120	26	36 eoh	10	0.95	0.043	1.12	11.19
GSRC419	63,760	4,240	22	34	12	1.17	0.045	1.35	16.16
<i>including above 1.25% Ni</i>			26	30	4	1.35	0.057	1.58	6.31
GSRC420	63,760	4,320	28	56	<b>28</b>	<b>1.06</b>	<b>0.141</b>	<b>1.62</b>	<b>45.39</b>
<i>including above 1.25% Ni</i>			40	44	4	1.26	0.256	2.28	9.14
GSRC421	63,760	4,400	22	26	4	0.94	0.084	1.28	5.10
			30	38	8	0.92	0.043	1.09	8.72
GSRC424	63,840	4,160	24	52	<b>28</b>	<b>0.99</b>	<b>0.064</b>	<b>1.25</b>	<b>34.96</b>
GSRC425	63,840	4,240	24	36	12	1.03	0.058	1.26	15.09
GSRC427	63,840	4,400	26	30	4	0.82	0.660	3.46	13.84
GSRC434	63,920	4,320	26	38	12	1.11	0.051	1.31	15.75
<i>including above 1.25% Ni</i>			30	34	4	1.31	0.061	1.55	6.22
GSRC440	64,160	4,000	23	40	<b>17</b>	<b>1.16</b>	<b>0.151</b>	<b>1.77</b>	<b>30.07</b>
			48	60	12	1.13	0.036	1.28	15.34
<i>including above 1.25% Ni</i>			28	36	8	1.46	0.216	2.32	18.55
<i>including above 1.25% Ni</i>			48	52	4	1.53	0.037	1.68	6.71
GSRC441	64,160	4,080	20	32	12	0.99	0.082	1.31	15.76

*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 Ni4Co% grade of the interval, and indicates the “metal accumulation” within the intercept (10 m.% NiCo being considered encouraging).

Drilling to date at Goongarrie South confirms three high grade and parallel NNW trending zones, each now exceeding 3,000 metres in strike length, and highlighted with “*metre.percent*” values commonly above 20 m.% Ni4Co. The overall mineralised envelope at Goongarrie South has a NNW strike extent of 6,500 metres, and width of up to 1,000 metres. At a 1% Ni cut-off grade, this zone contains some 36 million tonne at 1.3% Ni and 0.13% Co, and is alone capable of meeting all of Heron’s currently envisaged Cawse Stage II ore processing requirements.

The remarkable linear persistence of the high grade nickel laterite zones at Goongarrie South suggests some form of nickel grade enrichment or alteration control is localised within the underlying bedrock. This is influencing the very high nickel-cobalt grades observed within the overlying laterite. A vertical Diamond Drilling program totaling 400 metres is planned to commence within a week, mainly for RC drill grade confirmation, bulk density and metallurgical sampling, but also to include an assessment of bedrock exploration targets. Depending upon the Diamond Drill results, a program of deep inclined RC drilling may be required to evaluate possible bedrock ore controls.

## 2. Goongarrie Hill, Cawse Stage I Mining

A 20x20m pattern RC grade control drilling program has commenced at Goongarrie Hill, to facilitate mining for Cawse Stage I ore delivery. The drilling program will produce material to supplement the current metallurgical testwork, and be the basis of detailed mining studies for future mining operations. Once this data has been interpreted, the Notice of Intent to Commence Mining will be lodged. Initial mining has been selected for Goongarrie Hill, due to the shallowness and low stripping ratio of the high grade mineralisation discovered there.

Environmental Bonds have been lodged with the Department of Minerals and Energy for the grade control drilling and planned mining.

For and on behalf of Heron Resources NL

A handwritten signature in black ink, appearing to read 'I. Buchhorn', with a long horizontal line extending to the right.

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.*