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The Company Announcement Officer
Australian Stock Exchange Limited
Post Office Box H224 - Australia Square
SYDNEY NSW 2000

facsimile 1300 300 021

Dear Sir / Madam

GOONGARRIE NICKEL PROJECT

1. Drilling Results

Heron Resources Limited ("Heron") wishes to advise that the Goongarrie Nickel Project RC Drilling at the **Pamela Jean Zone** continues to return exceptional intercepts of supergene nickel-cobalt mineralisation. Recent drill intercepts at a 0.75% Ni cut-off include:

GSRC 1030	104m at 1.33% Ni and 0.09% Co, at 40 - 144m
GSRC 1032	81m at 1.24% Ni and 0.20% Co, at 37 - 118m
GSRC 1034	71m at 1.39% Ni and 0.15% Co, at 36 - 107m
GSRC 1036	76m at 1.17% Ni and 0.10% Co, at 33 - 109m
GSRC 1039	59m at 1.33% Ni and 0.13% Co, at 26 - 85m
GSRC 1040	83m at 1.41% Ni and 0.15% Co, at 29 - 112m
GSRC 1100	46m at 1.30% Ni and 0.25% Co, at 16 - 62m

2. Geological Description of the Pamela Jean Zone

Mining flitch plans (horizontal sections) have been generated as part of designing the Goongarrie Stage I pit, which is centred on the Pamela Jean Deeps. Drilling density is 40x20m.

High Grade Ore, being a 1.25% Ni mining cut-off grade for a 1.6% Ni head grade, commences at RL 368m (12m vertical depth) and continues to RL 324m (56m vertical depth), producing a high grade ore thickness of 44m. The Ore consists of metallurgically uniform manganeseiferous Goethite, and shows excellent continuity both within flitches and with depth.

At the top of the ore body at RL 368m, the ore blocks have a N-S strike length of 280m, with width of 40m. Ore blocks show excellent continuity, and are amenable to bulk mining.

With depth, the high grade ore increases in areal extent, peaking at RL 340m (40m vertical depth), being termed the Supergene Enrichment Zone. These ore blocks at a 1.25% Ni mining cut-off have a N-S strike length of 800m (open to the south), with width of 200m. From RC drill chip and diamond drill core logging, the ore at these depths still appears to be a free digging material.

The pit wall batters for the proposed pit closely follow the natural outline of the High Grade Ore.

Results from the most recent RC drilling include the following:

GOONGARRIE NICKEL PROJECT									
Pamela Jean Deeps									
RC Drilling: Significant Intercepts using a 0.75% Ni Lower Cut-Off									
Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %	Ni4Co m%
GSRC1030	69,720	3,120	40	144	104	1.33	0.087	1.68	174.51
GSRC1032	69,680	3,160	37	118	81	1.24	0.197	2.03	164.55
GSRC1034	69,640	3,160	36	107	71	1.39	0.150	1.98	140.91
GSRC1036	69,600	3,160	33	109	76	1.17	0.099	1.57	119.02
GSRC1037	69,560	3,200	34	82	48	1.37	0.124	1.86	89.46
GSRC1038	69,560	3,160	34	75	41	1.41	0.129	1.93	79.21
GSRC1039	69,520	3,200	26	85	59	1.33	0.126	1.83	108.05
GSRC1040	69,520	3,160	29	112	83	1.41	0.154	2.03	168.45
GSRC1041	69,520	3,120	24	61	37	1.18	0.106	1.61	59.53
GSRC1044	69,480	3,200	21	52	31	1.36	0.224	2.25	69.83
GSRC1045	69,480	3,160	21	106	85	1.04	0.103	1.45	123.42
GSRC1048	69,440	3,240	16	63	47	1.27	0.085	1.61	75.67
GSRC1049	69,440	3,200	20	52	32	1.62	0.208	2.45	78.33
GSRC1050	69,440	3,160	21	112	91	0.90	0.057	1.13	102.65
GSRC1051	69,400	3,160	23	56	33	1.48	0.072	1.77	58.29
GSRC1053	69,380	3,140	26	57	31	1.48	0.103	1.89	58.64
GSRC1092	68,880	3,160	21	48	27	1.37	0.146	1.95	52.76
GSRC1096	68,920	3,160	27	48	21	1.53	0.151	2.14	44.88
GSRC1100	68,960	3,160	16	62	46	1.30	0.254	2.31	106.48
GSRC1101	68,960	3,120	24	52	28	1.18	0.158	1.82	50.87
GSRC1106	69,000	3,160	17	58	41	1.17	0.194	1.95	79.91
GSRC1107	69,000	3,120	21	58	37	1.17	0.177	1.87	69.29
GSRC1110	69,040	3,240	23	52	29	1.46	0.212	2.31	66.91
GSRC1117	69,160	3,280	6	44	38	1.30	0.112	1.75	66.40
GSRC1126	69,200	3,240	19	63	44	1.42	0.201	2.22	97.77
GSRC1130	69,120	3,240	24	52	28	1.34	0.127	1.85	51.79

A zone of deeper high-grade ore termed the Lower Ore Zone commences at RL 316m (64m vertical depth) and is recorded as deep as RL 220m (160m vertical depth). The Lower Ore Zone immediately underlies the Upper Ore Zone. The Lower Ore Zone has a strike length of 400m and a width of 100m at RL 316m.

Nickel grades in the Lower Ore Zone are commonly 1.8 – 2.2% Ni, including intercepts in saprolite host rock. There is a strong Mn-Cu association with the Lower Ore Zone, with up to 5% Mn and 0.12% Cu. This zone is the main nickel sulphide target at Goongarrie.

Yours sincerely



Ian Buchhorn
Managing Director