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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

**RE: AVOCA RESOURCES LIMITED,
STUART SHELF PROJECT TENEMENT APPLICATIONS**

Further to its announcement of 15 November 2001, Heron Resources Limited ("Heron") advises that its wholly owned subsidiary, Avoca Resources Limited ("Avoca"), has received advice from the South Australian Office of Minerals and Energy Resources that the formal process for grant has commenced on eleven Exploration Licence applications by Avoca covering 15,598km² located in the Stuart Shelf region of South Australia. Upon grant, the tenements will be subject to the special condition that they will be subject to a 50% licence area reduction by the end of the first and second years of tenure if exploration expenditure commitments are not met.

The Stuart Shelf occurs on the eastern margin of the Gawler Craton. The province is characterised by copper-gold mineralisation associated with breccia and skarn iron oxides related to Proterozoic granites. Regional mineralised centres from NW to SE include the Mount Woods Inlier (hosting the Minotaur Resources Limited Prominent Hill copper-gold discovery), Olympic Dam, Mount Gunson and Moonta.

These mining centres and prospects are broadly associated with a major crustal lineament termed the G2 structure, which along with regional magnetic and gravimetric data, was the basis of Avoca's Stuart Shelf tenement acquisition.

The Stuart Shelf projects are to be a focus for the Avoca IPO, planned for the second quarter of 2002.

Yours sincerely

Ian Buchhorn
Managing Director