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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: REGENT RESOURCES LIMITED DE-MERGER

Heron Resources Limited ("Heron") advises that it has commenced a de-merger of its wholly owned subsidiary **Regent Resources Limited** ("Regent"), to enable the "spinning off" of its base metal and gold assets into a new public listed company.

Regent was incorporated on 10 April 2002 to hold non-nickel laterite assets which Heron was able to identify. Regent's initial objective was to acquire nickel sulphide targets in the Yindarlgooda area of Western Australia for Heron, which it did successfully. However, it became apparent that significant Volcanogenic Massive Sulphide ("VMS") base metal and gold targets had also been acquired.

In the Heron 2002 Annual Report, Heron's base metal and gold projects were allocated to Regent. In late 2002, an experienced and successful Eastern Goldfields explorationist approached Heron to further develop the company. This person is now the Managing Director-designate of Regent.

A business philosophy for Regent was agreed, being to acquire, explore for and develop base metal and gold resources within Western Australia. Regent will also target advanced stage mineral acquisition opportunities that are capable of producing a cash flow.

The Heron projects proposed for transfer to Regent are associated with significant historical gold mining centres, controlled by substantial regional metallogenic structures, including:

- Bardoc Tectonic Zone, which hosts several of Western Australia's most significant gold deposits;
- Yindarlgooda Dome and related GMQ Shear Zone-Emu Fault, which is a bimodal volcanic rift setting;
and
- Mount Dimer/Bungalbin Greenstone Belt.

Heron will retain a priority right to process any Nickel Laterite or Nickel Sulphide ore located on the tenements proposed for transfer to Regent.

Subject to the requirements of the Corporations Act and ASX regulations, and dependent upon project acquisition mechanisms, it is proposed that Regent vendor shares which are issued to Heron will be subsequently transferred to Heron Shareholders on a pro-rata basis at no cost as an *in specie* share distribution.

Further details on Regent Resources Limited are available on Heron's website, which will be updated as the de-merger progresses.

CURRENT EXPLORATION PROJECTS

1. Bardoc Tectonic Zone Project

Regent is to acquire gold rights over those Heron Nickel Laterite Projects which are associated with the Bardoc Tectonic Zone ("BTZ"), mainly between Windanya and Ghost Rocks 50 to 160km NNW of Kalgoorlie. Heron will retain certain access and infrastructure rights on the ground to be transferred to Regent, subject to such rights having no material impact on Regent's exploration, and there will be no restriction to Heron's proposed Nickel Laterite mining activities.

The Bardoc Tectonic Zone is part of the Boorara-Menzies and Boulder-Lefroy fault systems, one of the major structures controlling gold mineralisation in the Eastern Goldfields. Gold mining centres from south to north that occur within the Bardoc Tectonic Zone and associated splays include Paddington, Broad Arrow, Windanya, Bardoc, Goongarrie, Comet Vale, Menzies and Ghost Rocks.

Dominant lithology in the Regent project area is Siberia Formation basalt, dolerite and felsic porphyry, showing variable alteration and shearing. Nickel laterite mineralisation within the belt is now known after four years of intense exploration by Heron to be restricted to Walter Williams Formation olivine adcumulate, located within the western part of the project area, west of the BTZ. This western area is the basis of Heron's nickel laterite resource inventory, and is entirely non-prospective for gold. It is geologically distinctive and spatially separated from Regent's proposed BTZ tenement holding.

The entire Regent project area is characterised by the occurrence of many old prospector gold workings, including some major timbered shafts such as at Windanya. Even though these workings occur in an established gold mining region, many of the workings and the connecting zones along strike have not been fully explored. Several groups of these old workings are expected to define early drill exploration targets for Regent. The land holding has historically been fragmented into a myriad of competitor holdings, with small sized 8ha Gold Mining Leases ("GMLs") a particularly common form of tenure. Heron has been able to amalgamate many of these previously disparate holdings, as a by-product of its Goongarrie nickel laterite resource purchases.

Regent has the opportunity for the first time in the modern exploration era to systematically explore a 65km strike length of Bardoc Tectonic Zone. This is a unique gold exploration opportunity, and is a potential "company maker" project for Regent.

2. Gidji Joint Venture Project

The project area is located on the Bardoc Tectonic Zone between Kalgoorlie and Paddington, 5 to 20km NNE of Kalgoorlie. A farminee has the right to right to 80% of gold rights. A detailed review of historical exploration and drilling has defined high priority drill targets at the Gidji and Mulgarrie North Prospects.

Regent has recently acquired contiguous tenement holdings adjoining the Golden Cities-Mulgarrie mining centres, which are not subject to joint venture.

3. Yindarlgooda Dome Project

Regent's exploration holdings extend between Carr Boyd in the north and Karonie in the south. The prime target is VMS base metal mineralisation, hosted by a major belt of sulphidised felsic volcanics centred on Lake Yindarlgooda. The pervasive lake cover and highly conductive overburden has impeded previous base metal sulphide exploration, which was mainly carried out by multinational explorers in the late 1970s to mid 1980s. From Regent's initial geological reconnaissance, the project area is characterised by regionally extensive sericite-pyrite alteration, which has resulted in strongly recessive weathering (being manifest in part as the Lake Yindarlgooda salina development). Numerous historical gold workings are present, including the Queen Lapage gold mining centre.

Initial ironstone/metasediment sampling by Regent has returned uniform 35-55% FeO, 70-300ppm Cu, 100-1200ppm Zn, 200-7900ppm As and 0.05-2.4g/t Au. Most significantly, the peak gold occurs in sericite schist, which is a key pathfinder for VMS "footwall alteration". The initial results are confirmation that the Regent exhalative VMS model applies at Yindarlgooda. In addition to the VMS targets, Regent has acquired a gold resource, estimated by a previous explorer at **130,000t at 4g/t Au**. A major deep RC drilling program is required to further develop the resource.

4. Melita Project

The Melita Project covers some 150 historical gold mining occurrences, many of which such as the Two Dees and Lubra Queen gold mining operations are excisions. Previous exploration activity is both extensive and of highly variable quality, and detailed data reviews will be required, particularly to establish regolith domains.

As well as its well defined gold prospectivity, the Melita geological setting is a bimodal volcanic complex, developed south along the Keith Kilkenny Tectonic Zone structure from the Teutonic Bore VMS province. Several VMS targets have been identified at Melita in Regent's initial literature reviews.

Regent is developing as a major tenement holder within the Melita-Kookynie area.

5. Mt Dimer-Bungalbin Project

The project area has several high grade historical gold lode occurrences, associated with major regional fault structures and high level felsic magmatism.

Regent has completed regional soil sampling of the Bungalbin Project, generating a 1km strike length gold-in-soil anomaly, peaking at **70ppb Au and 1,009ppm As** (backgrounds 1ppb and 20ppm respectively). This target represents an immediate drill follow up target for Regent.

6. Bangemall Basin Project

The Nuninga Spring tenement occurs within the highly mineralised Bangemall Basin, located at the intersection of the Lofty Range and Ned's Gap Faults in association with regionally intense dolerite emplacement. The area has been targeted on the basis of regional soil Cu-Pt-Pd anomalism.

7. Northern Western Australia Proterozoic Base Metal Province

Heron has recognised a geological environment conceptually favourable for Magmatic Nickel-Copper Sulphide Deposits within the Proterozoic base metal province of northern Western Australia. Similar ore genesis environments have produced the giant Nickel-Copper Sulphide deposits characterised by mineral resources of several million tonnes of contained nickel and copper, which is Heron's exploration target.

From subsequent literature reviews by Regent, Hart Dolerite-hosted stockwork mineralisation styles have also been identified, with skarn/replacement mineralisation occurring, related to carbonate units within the Speewah Group (a dominantly continental clastic sediment with interbedded playa lake carbonates). The **Chamberlain River Prospect** is a Cu-Pb-Ag skarn target hosted by Speewah Fault zones cross-cutting the Teronis Member algal dolomite.

Initial data reviews for Kimberley Plateau tenements show highly anomalous detrital gold in diamond exploration stream sediment samples on adjacent tenements to the east and west, which cluster within the most structurally complex areas, many of which are structurally contiguous with Regent's tenements. The Kimberley Plateau may represent an emerging, yet virtually unexplored, gold province.

Within the southern Kimberley project area, the **Robertson River Prospect** has previous costean channel assays of up to 10m at 8.3g/t Au in quartz stockworks at a granite-metasediment contact. On the basis of literature reviews, there is a significant potential for economic mineralisation, within a zone measuring 1,000m NNW in strike and up to 20m in width.

Yours sincerely



Ian Buchhorn
Managing Director

REGENT RESOURCES LIMITED
Proposed Tenement Schedule

Project	Prospect	Geographic Location	Tenement Identifier	Area km ²	Date Granted
Bardoc Tectonic Zone Project					
Goongarrie Nickel	Goongarrie West	73km NW of Kalgoorlie	E24/116	98	Application
Goongarrie Nickel	Goongarrie West	68km NNW of Kalgoorlie	E24/124	196	Application
Goongarrie Nickel	Menzies South	109km NNW of Kalgoorlie	E29/433	11.2	27/04/2000
Goongarrie Nickel	Comet Vale	90km NNW of Kalgoorlie	E29/462	89.6	Application
Goongarrie Nickel	Comet Vale	96km NNW of Kalgoorlie	E29/508	8.4	Application
Goongarrie Nickel	Ghost Rocks	147km NNW of Kalgoorlie	E29/517	196	Application
Goongarrie Nickel	Siberia	73km NW of Kalgoorlie	E29/536	163.4	Application
Goongarrie Nickel	Vettersburg	62km NNW of Kalgoorlie	M24/691	{1.95}	Application
Goongarrie Nickel	Blue Reef	60km NNW of Kalgoorlie	M24/697	{2.00}	Application
Goongarrie Nickel	Blue Reef	60km NNW of Kalgoorlie	M24/719	{1.276}	Application
Goongarrie Nickel	Vettersburg	50km NNW of Kalgoorlie	M24/749	9.31	Application
Goongarrie Nickel	Vettersburg	55km NNW of Kalgoorlie	M24/750	4.46	Application
Goongarrie Nickel	Scotia	62km NNE of Kalgoorlie	M24/843	4.71	Application
Goongarrie Nickel	Blue Reef	60km NNW of Kalgoorlie	P24/3275	2	05/11/1993
Goongarrie Nickel	Vettersburg	62km NNW of Kalgoorlie	P24/3672	0.34	11/04/2000
Goongarrie Nickel	Vettersburg	62km NNW of Kalgoorlie	P24/3695	1.95	Application
Goongarrie Nickel	Vetters North	62km NNW of Kalgoorlie	P24/3734	1.84	Application
Goongarrie Nickel	Windanya	46km NNW of Kalgoorlie	P24/3765	2	Application
Goongarrie Nickel	Windanya	47km NNW of Kalgoorlie	P24/3766	1.99	Application
Goongarrie Nickel	Windanya	48km NNW of Kalgoorlie	P24/3767	1.99	Application
Goongarrie Nickel	Windanya	49km NNW of Kalgoorlie	P24/3768	1.98	Application
Goongarrie Nickel	Windanya	50km NNW of Kalgoorlie	P24/3769	1.94	Application
Goongarrie Nickel	Windanya	51km NNW of Kalgoorlie	P24/3770	1.8	Application
Goongarrie Nickel	Windanya	53km NNW of Kalgoorlie	P24/3771	2	Application
Goongarrie Nickel	Windanya	55km NNW of Kalgoorlie	P24/3772	1.99	Application
Goongarrie Nickel	Grafters South	64km NNW of Kalgoorlie	P24/3777	1.26	Application
Goongarrie Nickel	Grafters South	63km NNW of Kalgoorlie	P24/3778	1.22	Application
Goongarrie Nickel	Grafters South	62km NNW of Kalgoorlie	P24/3779	2	Application
Goongarrie Nickel	Grafters South	63km NNW of Kalgoorlie	P24/3780	1.87	Application
Goongarrie Nickel	Grafters South	65km NNW of Kalgoorlie	P24/3781	1.13	Application
Goongarrie Nickel	Windanya	55km NNW of Kalgoorlie	P24/3790	1.16	Application
Goongarrie Nickel	Windanya	55km NNW of Kalgoorlie	P24/3791	1.35	Application
Goongarrie Nickel	Windanya	55km NNW of Kalgoorlie	P24/3792	1.68	Application
Goongarrie Nickel	Windanya	55km NNW of Kalgoorlie	P24/3797	1.86	Application
Gidji Joint Venture Project					
Gidji JV	Mulgarie North	50km N of Kalgoorlie	E24/97	25.2	13/06/2000
Bulong South	Clinker Hill	32km SE of Kalgoorlie	E25/250	58.8	Application
Mount Martin	Cutters Luck	32km SSE of Kalgoorlie	E26/110	67.2	Application
Mount Martin	Cutters Luck	48km SSE of Kalgoorlie	M26/667	2.27	Application
Bulong South	Wombola North	42km SE of Kalgoorlie	P25/1735	1.18	Application
Bulong South	Wombola North	42km SE of Kalgoorlie	P25/1736	1.14	Application
Mount Martin	Cutters Luck	29km SSE of Kalgoorlie	P26/2907	1.6	Application
Mount Martin	Cutters Luck	27km SSE of Kalgoorlie	P26/2908	2	Application
Mount Martin	Cutters Luck	44km SSE of Kalgoorlie	P26/2909	1.66	Application
Bulong South	Wombola North	44km SE of Kalgoorlie	P26/3090	1.41	Application
Bulong South	Wombola North	44km SE of Kalgoorlie	P26/3091	1.08	Application

Project	Prospect	Geographic Location	Tenement Identifier	Area km ²	Date Granted
Yindargooda Project					
Garibaldi	Mulgarrie	41km NNE of Kalgoorlie	E24/126	56	Application
Garibaldi	Yindargooda	46km E of Kalgoorlie	E25/222	58.8	Application
Garibaldi	Lake Yindargooda	52km ENE of Kalgoorlie	E25/251	8.4	Application
Garibaldi	Lake Yindargooda	54km ENE of Kalgoorlie	E25/271	14	Application
Garibaldi	Lake Yindargooda	58km ENE of Kalgoorlie	E25/272	16.8	Application
Garibaldi	Queen Lapage	45km ENE of Kalgoorlie	E25/273	184.8	Application
Garibaldi	Mt Mcleay	50km NE of Kalgoorlie	E27/243	16.8	Application
Garibaldi	Carr Boyd South	65km ENE of Kalgoorlie	E27/290	196	Application
Garibaldi	Lyndsays Find Nth	65km ENE of Kalgoorlie	E27/294	2.8	Application
Garibaldi	Mayday	53km NE of Kalgoorlie	E27/296	5.6	Application
Garibaldi	Silver Swan Nth	51km NNE of Kalgoorlie	E27/299	2.8	Application
Garibaldi	Mt Jewell	48km N of Kalgoorlie	E27/300	84	Application
Garibaldi	Carr Boyd	70km ENE of Kalgoorlie	E31/617	2.8	Application
Garibaldi	Kalpini West	50km NE of Kalgoorlie	M27/371	3.37	Application
Garibaldi	Lindsays North	53km NNE of Kalgoorlie	M27/382	1.15	Application
Garibaldi	Gindalbie	45km NE of Kalgoorlie	M27/383	3.57	Application
Garibaldi	Garibaldi	48km NNE of Kalgoorlie	M27/386	0.29	Application
Garibaldi	Silver Swan North	46km NNE of Kalgoorlie	M27/388	5.54	Application
Garibaldi	Lindsays Find	51km NNE of Kalgoorlie	M27/416	1.26	Application
Garibaldi	Mt Magnetic	37km ESE of Kalgoorlie	P25/1720	1.2	Application
Garibaldi	Mt Magnetic	37km ESE of Kalgoorlie	P25/1721	1.2	Application
Garibaldi	Mt Magnetic	37km ESE of Kalgoorlie	P25/1722	1.04	Application
Garibaldi	Queen Lapage	52km ENE of Kalgoorlie	P25/1755	0.27	Application
Garibaldi	Queen Lapage	51km ENE of Kalgoorlie	P25/1756	0.14	Application
Garibaldi	Queen Lapage	51km ENE of Kalgoorlie	P25/1777	0.19	Application
Garibaldi	Garibaldi	48km NE of Kalgoorlie	P27/1491	1.34	19/05/2000
Garibaldi	Our Swamp Dam	43km ENE of Kalgoorlie	P27/1575	1.41	Application
Garibaldi	Our Swamp Dam	44km ENE of Kalgoorlie	P27/1576	1.92	Application
Melita Project					
Kookynie	Desdemona North	21km SSE of Leonora	E40/122	2.8	Application
Kookynie	Tampa	30km SSE of Leonora	E40/140	8.98	Application
Kookynie	Tampa	33km SSE of Leonora	E40/141	2.99	Application
Kookynie	Mt Melita	30km SE of Leonora	E40/186	58.8	Application
Kookynie	Niagara	57km S of Leonora	E40/195	67.2	Application
Yilgangi Project					
Yarri	Yilgangi Castle	129km NE of Kalgoorlie	M31/173	0.34	Application
Yarri	Yilgangi North	131km NE of Kalgoorlie	P31/1580	1.85	07/11/1999
Yarri	Yilgangi North	131km NE of Kalgoorlie	P31/1582	1.65	07/11/1999
Wildara North					
Wildara North	Mount McClure	135km NNW of Leonora	E36/387	16.8	Application
Wildara North	Mount McClure	125km NNW of Leonora	E36/492	42	Application
Wildara North	Lake Darlot	103km NNW of Leonora	E37/726	84	Application
Wildara North	Woodarra	100km N of Leonora	E37/713	15	Application

Project	Prospect	Geographic Location	Tenement Identifier	Area km ²	Date Granted
Mt Dimer Project					
Mount Elvire	Lake Barlee	242km NNE of Southern Cross	E29/0503	16.8	Application
Mount Elvire	Lake Barlee	219km NNE of Southern Cross	E30/0267	92.4	Application
Mount Elvire	Elvire Rock	200km NNE of Southern Cross	E30/0270	196	Application
Bungalbin Nickel	Bungalbin	102km NNE of Southern Cross	E77/0842	112.58	04/07/2000
Bungalbin Nickel	Mt Jackson	106km NNE of Southern Cross	E77/0896	36.4	20/03/2000
Bungalbin Nickel	Mt Jackson	105km NNE of Southern Cross	E77/0919	53.2	04/07/2000
Bungalbin Nickel	Mt Dimer	112km NNE of Southern Cross	E77/0946	170.8	02/05/2001
Bungalbin Nickel	Timberfield	123km NNE of Southern Cross	E77/0947	89.6	Application
Bungalbin Nickel	Yeeding Hill South	95km N of Southern Cross	E77/0975	196	Application
Bungalbin Nickel	Yeeding Hill	108km N of Southern Cross	E77/1071	22.4	Application
Bungalbin Nickel	Bungalbin Hill	97km NNE of Southern Cross	E77/1076	123.2	24/06/2002
Bungalbin Nickel	Bungalbin Hill	109km NNE of Southern Cross	E77/1077	28	24/06/2002
Bungalbin Nickel	Mt Jackson	103km NNE of Southern Cross	E77/1097	134.4	Application
Bungalbin Nickel	Mt Dimer	105km NE of Southern Cross	E77/1115	196	Application
Bungalbin Nickel	Mt Dimer	100km NNE of Southern Cross	E77/1129	14	Application
Bungalbin Nickel	Dimer South	100km NNE of Southern Cross	E77/1130	25.2	Application
Bangemall Project					
Bangemall	Nuninga Spring	120km SSW of Newman	E52/1660	196	Application
Kimberley Project					
Drysdale	Drysdale River	260km NW of Kununurra	E80/2950	112	Application
Drysdale	Drysdale River	262km NW of Kununurra	E80/2951	196	Application
Drysdale	Kalumburu	267km NW of Kununurra	E80/2952	196	Application
Drysdale	King Edward River	266km NW of Kununurra	E80/2953	196	Application
Drysdale	King Edward River	286km NW of Kununurra	E80/2958	196	Application
Drysdale	King Edward River	288km NW of Kununurra	E80/2959	196	Application
Ashton	Dawrra Creek	280km WNW of Kununurra	E80/2965	196	Application
Ashton	King Edward River	292km WNW of Kununurra	E80/2966	196	Application
Drysdale	Wade Creek	299km NW of Kununurra	E80/3040	196	Application
Drysdale	Mt Cone	299km NW of Kununurra	E80/3041	196	Application
Drysdale	Vansittart	323km NW of Kununurra	E80/3042	196	Application
Drysdale	Osborne Islands	334km NW of Kununurra	E80/3043	137.2	Application
113 tenements				5704.7	