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21 July 2003

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

Dear Sir / Madam

**RE: HERON RESOURCES LIMITED and ANACONDA NICKEL LIMITED,  
NICKEL LATERITE SALE AND PURCHASE LETTER AGREEMENT**

Following the announcement by Heron Resources Limited ("Heron" or the "Company") on 26 June 2003 in respect of its Offers to purchase the Anaconda Nickel Limited ("Anaconda") Siberia nickel laterite and other assets, Heron advises that there has been no pre-emption of its Offers by any of the third parties.

Heron and Anaconda will now proceed to complete the Offers.

The projects acquired by Heron and tenement and / or commodity ownership following completion will be as follows:

**1. Siberia North Nickel Project – "Westex Siberia North Tenements"**

Anaconda Exploration Pty Ltd ("Anaconda Exploration", a wholly owned subsidiary of Anaconda Nickel Limited) has sold Heron 100% of the nickel-cobalt rights and a precious metal royalty payable by Siberia Mining Corporation ("SMC") capped at \$1,000,000.

SMC is the registered tenement holder and owns precious metal rights.

Westex Resources Pty Ltd is due a further payment of \$40,000 if minerals are commercially processed (payment by Heron if nickel-cobalt processing, or by SMC if precious metal processing). There is no other nickel-cobalt royalty payable.

**2. Siberia North Nickel Project – "Britannia Siberia North Tenements"**

Anaconda Exploration who is the registered tenement holder has sold Heron 100% of the nickel-cobalt rights, and will transfer tenement ownership to Heron.

Britannia Gold NL ("Britannia") owns precious metal rights. There is no nickel-cobalt royalty attached to the Britannia Siberia North Tenements.

**3. Siberia South Nickel Project – "Tasman Siberia South Tenements"**

Anaconda Exploration has sold Heron 100% of the nickel-cobalt rights and a precious metal royalty payable by SMC, being part of the Siberia North royalty entitlement (refer to 1 above).

SMC is the registered tenement holder and owns precious metal rights. There is no nickel-cobalt royalty attached to the Tasman Siberia South Tenements.

**4. Siberia South Nickel Project – “Black Range Siberia South Tenements”**

Anaconda Exploration who is the registered tenement holder has sold Heron 100% of the mineral rights other than precious metals. The tenements will be transferred to Heron

Archaean Gold NL (“Archaean”) owns precious metal rights and retains a nickel-cobalt royalty capped at \$500,000.

The Anaconda Siberia project Mineral Resource estimate calculated by a previous tenement holder is **78.9 million tonne at 0.6% Ni and 0.05% Co**, as tabulated in Annexure A below. The resources are dominantly drilled out to Indicated Mineral Resource status.

With these current Anaconda Siberia acquisitions, and the Company’s previously announced Centaur Siberia acquisitions from Centaur Nickel Pty Ltd (Receiver and Manager Appointed), and the Menzies-Comet Vale acquisitions from Golden State Resources Limited, Heron now controls a diluted **Inferred Mineral Resource of 660 million tonne at 0.7% Ni and 0.05% Co** (0.5% Ni cut-off grade, polygonal estimation method, 1m selvedge dilution at 0.25% Ni).

Heron has now largely completed its strategic plan aimed at consolidation of its Goongarrie-Siberia nickel laterite resources. The Company believes that this strategy has significantly contributed to the future viability of mining and processing operations planned for the Goongarrie-Siberia district.

Yours sincerely



Ian Buchhorn  
Managing Director

**Annexure A**  
**NICKEL LATERITE RESOURCE ESTIMATES**

**Siberia North Project (Westex and Britannia)**  
Resource Estimate July 2000, Ordinary Kriging Method

Cut-off Ni %	Resource category	Tonnes Million	Ni %	Co %	Mg %
0.5	Indicated	41.9	0.61	0.046	3.53

**Siberia South Project (Tasman)**  
Resource Estimate July 2000, Ordinary Kriging Method

Cut-off Ni %	Resource category	Tonnes Million	Ni %	Co %	Mg %
0.5	Indicated	27.2	0.59	0.034	4.72

**Black Range Project**  
Resource Estimate 2001, Polygonal Method

Cut-off Ni %	Resource category	Tonnes Million	Ni %	Co %	Mg %
0.5	Inferred	9.8	0.75	0.105	3.97