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HERON RESOURCES LIMITED

Media Release

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\$12.4 Million Placement to Inco

Heron Resources Limited (**Heron**) is pleased to announce that it has completed an excluded placement of 16.5 million fully paid ordinary shares at \$0.75 per share to raise \$12.375 million (before costs) to Inco Limited (**Inco**), its Kalgoorlie Nickel Project (**KNP**) joint venture partner. The shares rank *pari passu* with the existing ordinary shares on issue.

This placement cements Heron's partnership with Inco and results in Inco becoming a substantial shareholder (10.5% of the expanded capital base) in Heron.

The funds raised from the placement will be applied to:

- ❖ Funding nickel sulphide project generation within Western Australia.
- ❖ RC drilling south of Goongarrie at Vetersburg to Windanya, and other targets in the KNP Joint Venture.
- ❖ RC drilling of nickel laterite targets in the Bulong area.
- ❖ Funding future environmental bonds within the KNP Joint Venture.
- ❖ Meeting contractual drill obligations for the Placer Dome Big Four acquisition within the KNP.
- ❖ Working capital requirements.

The current Pre-Feasibility Study is directed towards the KNP's estimated JORC compliant 903 million tonne resource (at an average grade of 0.74% nickel and 0.05% cobalt). The new funds raised will allow Heron to evaluate additional resource targets within the KNP, to be offered for inclusion into the Joint Venture.

The placement was managed by Argonaut Capital Limited.

Yours faithfully

Managing Director

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