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## HERON RESOURCES LIMITED

Announcement to ASX

24 March 2006

### NEW BENEFICIATION TECHNIQUES IMPROVE LEACH FEED GRADES

Heron Resources (**ASX: HRR**) announces that results of recent screen upgrade testwork on samples from its reverse circulation (RC) drilling at the Highway Project continue to demonstrate high leach feed grades while maintaining good nickel metal recovery.

The Highway Project is now part of the Kalgoorlie Nickel Project in agreement with joint venture partner Inco Limited.

**Grade improvement is marked:** Hole number HWRC0386 returned **30 metres at 0.53% Ni** in head assay, and screens to **30 metres at 1.72% Ni**, delivering a grade enhancement of 308%.

Screening work undertaken by Heron shows leach feed grades in line with expectations from 75 micron screening. New test work using finer screens show enhanced results with upgrades of up to 282% and averaging 120% above a 1% leach feed grade cut off.

**Recovery is still maintained at finer screen-sizes:** High nickel recoveries are evident for both 75 micron and finer screening, averaging 64% and 58% respectively.

**Clear Implications for ore continuity and mine-planning:** These results demonstrate the potential for greater continuity of mineralised blocks and a real potential to exceed Heron's already high target of 1.5%Ni as a leach feed for the project. The enhancement of leach feed grade by as little as 0.1% to 0.2% has a potentially significant impact on the project economics.

The following drill section, Figure 1, presents results for head grade, minus 75 microns and the new finer screening. This section demonstrates significant grade enhancement across the 240 metre wide mineralised zone. Further screen results are summarised in Table 1.

**Simple beneficiation process:** The beneficiation process, as undertaken on the RC drill chips, involves a mild agitation and simple physical screening. It is envisaged this process may be optimised at mining and plant operating scale to further improve results.

**Highway a contributor to the Kalgoorlie Nickel Project:** Mineralisation at the Highway Project is hosted by the Walter Williams Formation which contains approximately 455mt at 0.74%Ni of dominantly siliceous nickel laterite mineralisation within Heron's KNP tenements.

Heron's Chief Operating Officer, Mat Longworth, said these results give Heron encouragement that a 1.5%Ni leach feed to the autoclave is achievable. "The results indicate that, with continuing refinement, higher leach feed grades are possible leading to greater resource utilization. It further demonstrates the Project's potential to convert large tonnages of low grade siliceous mineralisation to the 1.5% leach feed grade the KNP project is targeting."

Chief Operating Officer

For more information, please contact:

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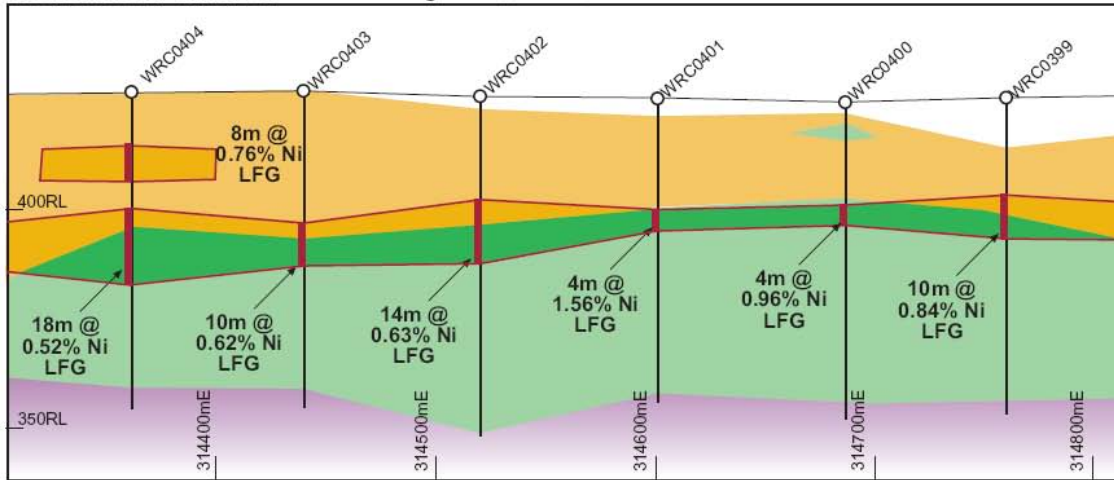
Paul Downie  
Porter Novelli  
0414 947 129

Figure 1

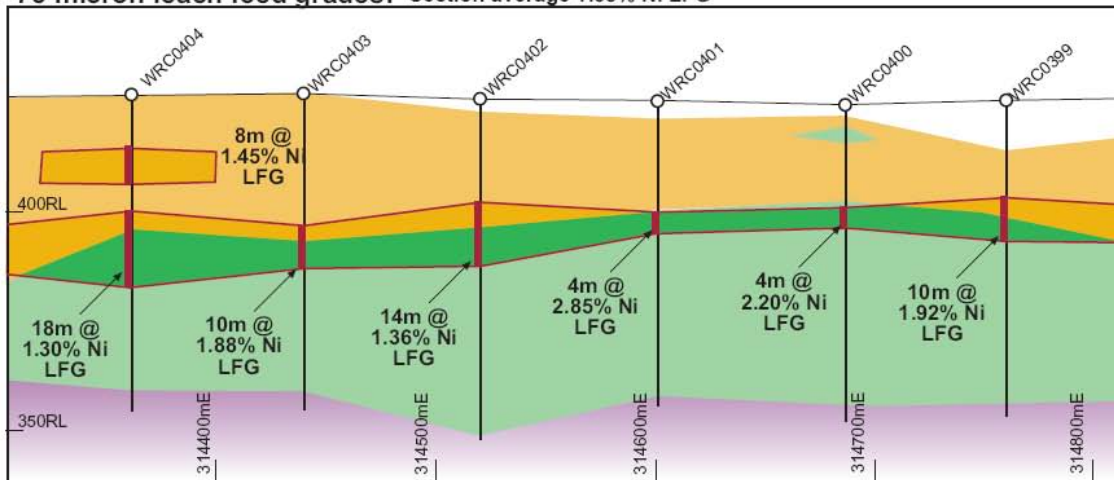
Kalgoorlie Nickel Project - Highway Prospect Section 97440N



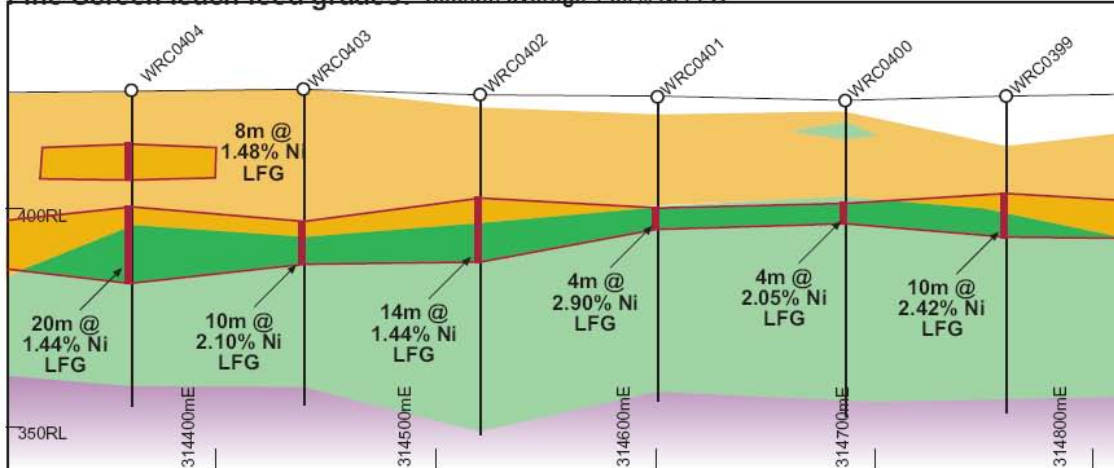
Nickel Head Grades: Section average 0.72% Ni LFG



-75 micron leach feed grades: Section average 1.65% Ni LFG



Fine Screen leach feed grades: Section average 1.80% Ni LFG



Legend

- Ferruginous Zone
- Upper Siliceous Clay
- Upper Siliceous interpreted mineralisation
- Saprolite interpreted mineralisation
- Saprolite
- Ultramafic bedrock

20 metres at 1.44% Ni LFG  
Nickel leach feed grades after screening as labelled based on bottle roll testwork

Figure 2

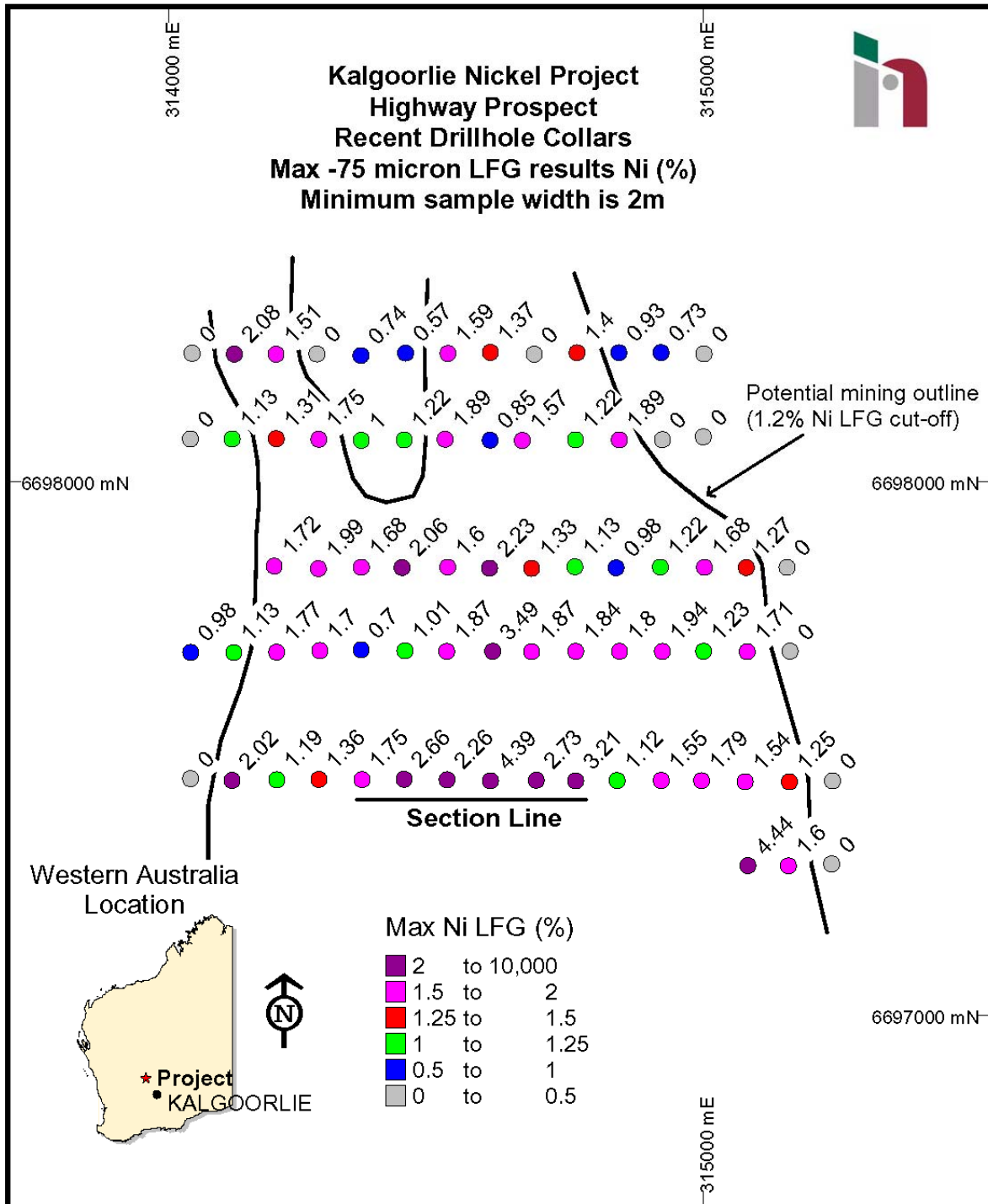


Table 1 significant intersections. Based on a minimum width of 8m and minimum Fine Ni grade of 1.20%.

Hole	North (m)	East (m)	Start depth (m)	Width (m)	Head Ni (%)	-75u Ni (%)	Fine Ni (%)
HWRC0239	100240	13480	22	8	0.47	1.41	1.80
HWRC0245	100000	13720	14	12	1.42	1.63	1.64
HWRC0252	99840	13960	30	12	0.94	1.39	1.47
HWRC0260	99600	14040	10	20	0.93	1.58	1.86
HWRC0263	99600	13800	22	10	0.52	1.06	1.28
HWRC0266	99440	14440	6	12	0.65	1.14	1.21
HWRC0270	99440	14040	12	8	0.51	1.09	1.33
HWRC0271	99440	13960	16	14	0.58	1.22	1.46
HWRC0272	99440	13880	16	24	0.52	1.25	1.54
HWRC0273	99440	13800	14	16	0.60	1.24	1.60
HWRC0284	99200	13880	18	16	1.14	1.25	1.26
HWRC0293	99040	14120	12	16	0.77	1.33	1.51
HWRC0294	99040	14040	38	12	0.72	1.28	1.41
HWRC0297	98800	14680	10	14	1.10	1.23	1.26
HWRC0305	98800	14040	46	8	1.02	1.30	1.44
HWRC0320	98400	14600	12	18	0.58	1.25	1.46
HWRC0325	98400	14200	4	8	0.84	1.17	1.21
HWRC0351	98080	14840	4	14	0.91	1.34	1.36
HWRC0353	98080	14680	10	12	0.50	1.17	1.32
HWRC0355	98080	14520	8	14	0.74	1.37	1.48
HWRC0358	98080	14280	10	16	0.68	1.18	1.41
HWRC0364	97840	15000	18	12	1.10	1.37	1.43
HWRC0369	97840	14600	32	8	0.61	1.39	1.80
HWRC0370	97840	14520	34	16	0.53	1.18	1.44
HWRC0371	97840	14440	10	14	0.69	1.40	1.77
HWRC0374	97840	14200	20	14	0.68	1.25	1.52
HWRC0376	97680	15080	10	18	1.05	1.31	1.37
HWRC0378	97680	14920	16	22	0.49	1.22	1.40
HWRC0379	97680	14840	12	10	0.56	1.38	1.51
HWRC0383	97680	14520	10	24	0.56	1.39	1.66
HWRC0386	97680	14280	12	30	0.53	1.26	1.72
HWRC0387	97680	14200	8	12	0.57	1.08	1.36
HWRC0395	97440	15080	8	8	1.21	1.24	1.26
HWRC0396	97440	15000	18	12	0.59	1.30	1.42
HWRC0397	97440	14920	28	8	0.34	0.98	1.25
HWRC0399	97440	14760	26	8	1.00	2.11	2.37
HWRC0401	97440	14600	24	8	1.31	1.94	2.05
HWRC0402	97440	14520	28	10	0.68	1.47	1.52
HWRC0403	97440	14440	30	10	0.91	1.90	2.00
HWRC0404	97440	14360	12	32	0.54	1.16	1.28
HWRC0405	97440	14280	30	10	0.77	1.14	1.24
HWRC0407	97440	14120	8	8	0.80	1.58	1.93
HWRC0410	97280	15160	22	10	1.06	1.33	1.42
HWRC0411	97280	15080	18	20	0.59	1.54	1.55

*The information is based on, and accurately reflects, information compiled N. Mathew Longworth, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has the appropriate relevant qualifications, experience and competence to be considered as a "Competent Person" as defined in the JORC Code. Mr. Longworth consents to the inclusion of the information in its form. Mr. Longworth is a fulltime employee of Heron Resources Limited.*