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HERON RESOURCES LIMITED

ASX / Media Release

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JUMP UP DAM RESOURCE ESTIMATE AND UPDATE

SUMMARY

- **Inferred Mineral Resource Estimate of 41.4 Mt grading 0.82% nickel at 0.5% nickel lower cut-off**
- **Including an Inferred Mineral Resource of approximately 19.1 Mt grading 1.07% nickel at a 0.75% nickel lower cut-off**
- **Infill drilling continues to upgrade resource confidence for anticipated mine planning**
- **Scoping study of Heap Leach project on track for February completion**

Heron Resources Limited (**ASX: HRR**) (**Heron**) is pleased to announce an Inferred Mineral Resource estimate of 41.4 Mt grading 0.82% nickel at a lower cut-off of 0.5% nickel at its 100% owned Jump Up Dam Project located 150 kilometres north east of Kalgoorlie. Within this resource an Inferred Mineral Resource of 19.1 Mt grading 1.07% nickel at a 0.75% nickel lower cut-off is estimated. This forms a higher grade core to the deposits, particularly in the Western Zone. Nickel laterite mineralisation is hosted in surficial deposits of weathered cumulate ultramafic located 5 kilometres west of the Keith Kilkenny Fault within the Menangina Domain of the Kurnalpi Terrane.

Estimated independently by Snowden Mining Industry Consultants from Heron's data, the mineral resource is based on some 250 reverse circulation (RC) drill holes on a 160 metre by 80 metre grid pattern with limited infill drilling on an 80 metre by 80 metre grid pattern as shown in Figure 1 below. Due to the relatively wide spaced drill coverage, the estimate has been classified as an Inferred Mineral Resource in accordance with the JORC Code, 2004. The nickel laterite mineralisation consists of nontronitic and siliceous varieties and metallurgical test work indicates that the resource is likely to be amenable to heap leach extraction technology. Assays for all elements were determined by XRF fusion on two metre samples, split at the drill rig, with quality control samples routinely inserted into the sample stream.

Snowden recommended reporting of the estimate using both ordinary kriging (OK) and uniform condition (UC) estimation methods because the current wide spacing of the drilling data results in an overly diluted assessment of the deposit when the OK estimate is considered in isolation. The UC estimation method gives a more realistic estimate of the tonnage and grade that will be available when close-spaced drilling is carried out during future mining. The UC estimate is derived from the OK estimate for the deposit where nickel grades have been estimated into large 80 metre by 80 metre by 3 metre blocks from the current data. The derived UC estimate is based on the assumption that future selective mining units (SMUs) will have dimensions of 10 metres by 10 metres by 3 metres, and future exploitation of the deposit will allow selection of the SMUs from within the larger OK blocks at either a 0.5% nickel or 0.75% nickel cut-off grade.

Importantly a UC estimate can only be used to estimate a single element and as such, the important accessory elements of cobalt and magnesia were estimated in the OK model as listed in Table 1 below. Heron anticipates

that as drill density increases, future OK estimates will approach the tonnage and nickel grade estimated by the UC method. In addition, when close spaced data is available, reliable local estimates can be made for all the 13 elements analysed, which will be required to understand the full chemistry and blending possibilities of the Jump-up Dam deposit.

Table 1 Jump Up Dam Inferred Mineral Resource Estimate by Ordinary Kriging				
(80 m x 80 m x 3 m blocks)				
Block cut-off Grade (%Ni)	Tonnage (Mt dry)	Ni (%)	Co (%)	MgO (%)
0.50	49.5	0.74	0.04	11.7
0.75	18.8	0.94	0.06	9.6

Table 2 Jump Up Dam Inferred Mineral Resource Estimate by Uniform Conditioning		
(10 m x 10 m x 3 m selective mining units)		
Block cut-off Grade (%Ni)	Tonnage (Mt dry)	Ni (%)
0.50	41.4	0.82
0.75	19.1	1.07

Heron Chief Operating Officer Mat Longworth said this latest resource estimate was a further positive step in the development of the Jump-up Dam heap leach project.

"Tonnage and grade estimates are in line with expectations, while metallurgical work indicates the laterite mineralisation is likely to be amenable to heap leach extraction technology," Mr Longworth said.

"Other aspects of the Jump-up Dam development are also proceeding well with results from the scoping study on track and infill drilling to define indicated resources and reserves is continuing positively. We expect the prefeasibility study to commence upon completion of the scoping study in the March Quarter."

"Recent drilling results (Table 2) continue to be highly encouraging revealing broad zones of plus 1% Ni, often from shallow depths."

Large scale column test work is currently underway using material dug from costeans and will provide metallurgical data for the proposed heap leach processing route. A large diameter bucket rig is being employed in the coming weeks to provide further bulk samples for large scale (4m) column test work. Small (1m) scale column test is continuing on several samples and continues to show encouraging metal recoveries and percolation properties.



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The information in this report that related to Mineral Resources is based on information compiled by Mark Murphy who is a member of the Australian Institute of Geoscientists. Mark Murphy is an employee of Snowden Mining Industry Consultants. Mark Murphy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the resource estimation activity that he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mark Murphy consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

The information in this report that related to Exploration is based on information compiled by David von Perger who is a member of Australian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited. David von Perger has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity that he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. David von Perger consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

TABLE 2 Jump-up Dam Drill Significant Intercepts (0.5% Ni cut-off and \geq 1.0% Ni)									
Hole	Zone	North	East	From	To	Width	Ni%	Co%	
JDRC0096	Western	6,711,761	408,562	12	20	8	1.0	0.02	
JDRC0096	Western	6,711,761	408,562	26	54	28	1.3	0.14	
JDRC0118	Eastern	6,712,245	409,928	18	46	28	1.1	0.08	
JDRC0123	Eastern	6,712,402	409,919	24	62	38	1.0	0.06	
JDRC0130	Eastern	6,713,043	409,841	6	36	30	1.1	0.07	
JDRC0137	Western	6,712,882	408,403	8	34	26	1.1	0.05	
JDRC0138	Western	6,712,885	408,316	14	42	28	1.1	0.1	
JDRC0139	Western	6,712,886	408,235	18	54	36	1.0	0.04	
JDRC0140	Western	6,712,880	408,162	28	44	16	1.6	0.05	
JDRC0144	Western	6,712,726	408,714	36	40	4	1.5	0.11	
JDRC0152	Western	6,712,400	408,639	14	38	24	1.2	0.08	
JDRC0156	Western	6,712,402	408,240	20	26	6	1.0	0.01	
JDRC0165	Western	6,712,242	408,227	30	60	30	1.2	0.05	
JDRC0172	Western	6,711,848	408,641	14	20	6	1.3	0.07	
JDRC0177	Western	6,712,002	408,479	18	40	22	1.1	0.05	
JDRC0181	Western	6,712,084	408,320	26	65	39	1.1	0.06	
JDRC0183	Western	6,712,166	408,560	2	10	8	1.4	0.26	
JDRC0184	Western	6,712,164	408,481	0	10	10	1.1	0.05	
JDRC0187	Western	6,712,161	408,243	22	60	38	1.1	0.07	
JDRC0203	Eastern	6,712,726	409,592	40	48	8	1.1	0.06	
JDRC0224	Western	6,713,203	408,338	0	30	30	1.1	0.05	
JDRC0225	Western	6,713,202	408,319	0	12	12	1.9	0.04	
JDRC0226	Western	6,713,202	408,299	2	20	18	1.7	0.04	
JDRC0227	Western	6,713,202	408,280	2	20	18	1.4	0.1	
JDRC0228	Western	6,713,202	408,260	2	26	24	1.4	0.06	
JDRC0229	Western	6,713,201	408,219	8	36	28	1.1	0.06	
JDRC0230	Western	6,713,121	408,429	2	64	62	1.1	0.04	
JDRC0231	Western	6,713,121	408,409	2	66	64	1.0	0.05	
JDRC0233	Western	6,713,123	408,343	0	16	16	1.0	0.04	

Figure 1 Jump-up Dam Drill Hole Plan and Resource Outline



Jump-up Dam Project Resource Outlines



Figure 2 – Jump-up Dam Drill Sections

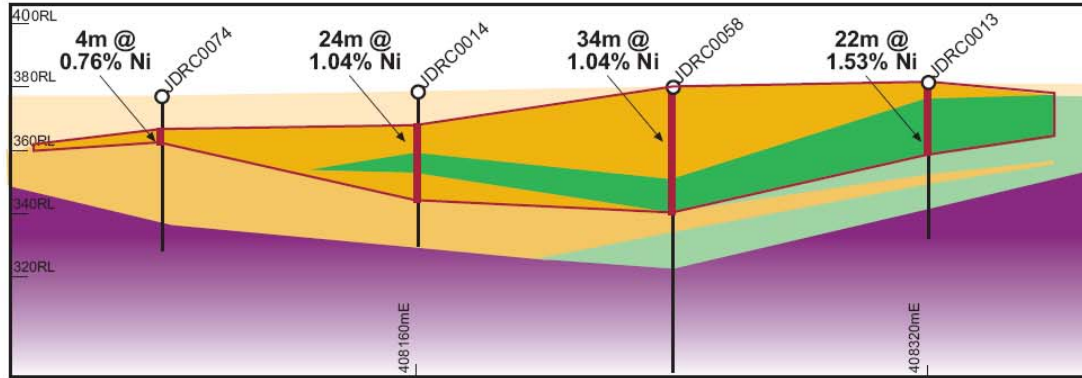
**Jump-up Dam Project
Western Zone**

Legend

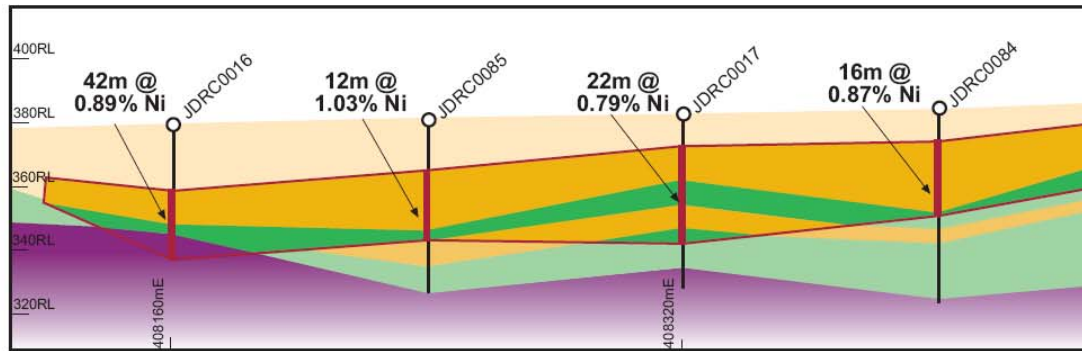
- Cover
 - Upper Clay
 - Upper Clay mineralisation
 - Lower Clay mineralisation
 - Lower Clay
 - Ultramafic bedrock
- Zone of mineralisation
 22m @ 1.53% Ni
 20 metres at 1.44% Nickel grade



Section 6713200N



Section 6712560N



Section 6711920N

