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## **HERON ENTERS TECHNOLOGY LICENSING AND PRODUCT SUPPLY AGREEMENT FOR JUMP-UP DAM PROJECT**

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Heron Resources Limited (ASX:HRR) is pleased to announce that it has entered into a master technology licensing and product supply agreement with BHP Billiton. The agreement covers Jump-up Dam and other nickel laterite projects that Heron develops in the Eastern Goldfields, excluding the area of the Kalgoorlie Nickel Project (KNP).

Under the agreement, BHP Billiton has licensed to Heron the relevant parts of its Intellectual Property relating to Nickel Laterite Technology (**Technology**), and in return Heron has granted to BHP Billiton the right to purchase at market the first 50% of any product generated from a project in the Eastern Goldfields using the Technology.

A further right is accorded to BHP Billiton to match the best offer received by Heron in the market for the second 50% of any supply produced from that project (including any financing terms). A license fee would apply to any product not sold to BHP Billiton.

The master agreement will only extend to nickel laterite projects (excluding the KNP) that are developed in the Eastern Goldfields with the licensed technology. To avail itself of the licencing provisions of the master agreement, Heron must be a majority owner and manager of the project to be licensed at the time a decision to mine is taken.

The agreement has a life of 15 years provided that Heron commences construction of a licenced project within 5 years from signing. BHP Billiton and Heron have also agreed to share their respective background Intellectual Property and knowledge relating to extraction of nickel from nickel laterite ores. A technical exchange environment will be established to help reduce the technical risks and formulate new ideas and methods in the emerging area of heap leaching of nickel ores.

Heron's Managing Director, Mathew Longworth, said that the agreement is an extremely exciting development for Heron as BHP Billiton has developed extensive nickel laterite heap and atmospheric leach technology which is protected by Australian and international patents.

"Without legal access to this technology, stand alone heap leach projects run the risk of infringing these patents if they proceed. We are very pleased to be currently the only party in Australia with legal access to these patents," said Mr Longworth.

"This is a significant step forward for the Jump-up Dam project and our relationship with BHP Billiton. BHP Billiton has shown keen interest in our Jump-up Dam project both by agreeing to supply acid for the trials and now with the entry of this technology and product supply agreement."

The agreement will allow also Heron to further optimise Jump-up Dam as it strives to complete a Pre-Feasibility Study for that project by investigating the potential for including atmospheric leach into the Jump-up Dam flow sheet. Including atmospheric leach may potentially increase resource utilization and production efficiencies. Due to the escalation in costs

since Heron set the parameters for the Jump-up Dam Pre-Feasibility Study in May of last year, Heron is examining all possibilities for optimisation of the Jump-up Dam project.

A handwritten signature in black ink, appearing to read "N. Mathew Longworth". The signature is fluid and cursive, with a prominent flourish at the end.

N. Mathew Longworth  
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