



---

**ASX Release – 30 May 2008**

---

## **UPDATED RESOURCE ESTIMATE FOR BOYCE CREEK**

---

### **SUMMARY**

- An Indicated Mineral Resource of 24.3Mt grading 0.81% nickel at a 0.50% nickel cut off has been estimated at Heron's Boyce Creek nickel laterite deposit.
- The resource estimate incorporates infill RC drilling completed in December 2007 and the first quarter of 2008 resulting in a dominantly 40mE x 80mN drill pattern over the deposit.
- The updated estimate reflects an increase of over 30% in total resource tonnes and contained nickel metal compared to the previous resource estimate at the same lower cut off (August 2007).
- Total resource tonnes from two of the three Yerilla Project deposits (Jump-Up Dam and Boyce Creek) now stand at 91.5Mt grading 0.77% nickel at 0.50% nickel cut off with the resource estimate for the third Yerilla deposit, Aubils, currently being completed.

Heron Resources Limited (**ASX: HRR**) (**Heron**) is pleased to announce the completion of an updated mineral resource estimate on its 100% owned Boyce Creek deposit located some 175 kilometres north east of Kalgoorlie. In total, Indicated Mineral Resources at Boyce Creek now stand at 24.3 Mt grading 0.81%, at a 0.50% nickel cut off.

Estimated independently by Snowden Mining Industry Consultants (Snowden) from Heron's data, the mineral resource is based on a total of 499 reverse circulation (RC) drill holes mostly on a 40 metre east by 80 metre north grid, including an additional 341 holes for 16,193 metres drilled since the results of the previous resource estimate were announced on 29 August 2007.

The new resource estimate reflects an increase of over 30% in total resource tonnes and contained nickel metal, respectively, compared to the previous resource estimate at a 0.5% nickel cut off.

Heron Managing director Mat Longworth said "It is extremely pleasing to be increasing the resource base for the Yerilla project and at the same time increase the confidence level in the estimate to the indicated category. Boyce Creek represents a significant ore source for the Yerilla project to complement the resource at Jump-up Dam and provide a longer project life."

"This resource will be used in the current scoping study into the Yerilla Project which is looking to produce 20,000 tonnes of Nickel per annum via the atmospheric leach process."

With the inclusion of the updated Boyce Creek estimate, total resources for the Yerilla Project now stand at 91.5Mt, grading 0.77% nickel at a 0.50% nickel cut off. A resource estimate for Aubils is currently being completed.

### **Estimation Methodology**

The resource was estimated by ordinary kriging into 20mE by 40mN by 4mRL size parent blocks. Uniform conditioning (UC) was subsequently carried out for nickel using selective mining unit (SMU) dimensions of 10mE by 10mN by 4mRL in order to produce an estimate of the tonnage and grade recoverable by selective mining once close spaced drilling (grade control) is carried out during future mining. Both the ordinary kriged parent block

estimate and the uniform conditioning selective mining unit estimate have been classified as Indicated Mineral Resources in accordance with the JORC Code (JORC 2004) and are reported below for 0.50%, 0.70%, 0.75%, and 1.00% nickel block cut off grades:

**Boyce Creek Mineral Resource Estimate by Ordinary Kriging into  
20mE by 40mN by 4mRL Mining Blocks**

<b>Resource Category</b>	<b>Block Cutoff Grade (Ni%)</b>	<b>Tonnage (Mt Dry)</b>	<b>Ni %</b>	<b>Co %</b>
Indicated	0.50	27.8	0.76	0.06
	0.70	15.3	0.89	0.07
	0.75	12.5	0.93	0.08
	1.00	3.2	1.13	0.10

**Boyce Creek Mineral Resource Estimate by Uniform Conditioning  
10mE by 10mN by 4mRL Selective Mining Units**

<b>Resource Category</b>	<b>Block Cutoff Grade (Ni%)</b>	<b>Tonnage (Mt Dry)</b>	<b>Ni %</b>
Indicated	0.50	24.3	0.81
	0.70	14.2	0.97
	0.75	12.2	1.01
	1.00	5.1	1.22

The Yerilla Project Mineral Resources based on the selective mining unit resource estimates for both the Jump-up Dam and Boyce Creek deposits are shown below for 0.50%, 0.70%, 0.75%, and 1.00% nickel block cut off grades. These resources are expected to grow further with the inclusion of the Aubils resource estimate due for completion soon.

**Yerilla Project Mineral Resources**

<b>Resource Category</b>	<b>Block Cutoff Grade (Ni%)</b>	<b>Tonnage (Mt Dry)</b>	<b>Ni %</b>
Measured	0.50	3.9	0.94
	0.70	2.8	1.07
	0.75	2.5	1.10
	1.00	1.4	1.30
Indicated	0.50	67.5	0.79
	0.70	36.2	0.97
	0.75	30.6	1.02
	1.00	12.4	1.24
Inferred	0.50	20.2	0.63
	0.70	4.3	0.83
	0.75	2.8	0.89
	1.00	0.5	1.18
Measured + Indicated + Inferred	0.50	91.5	0.77
	0.70	43.3	0.96
	0.75	35.9	1.01
	1.00	14.3	1.25



N. Mathew Longworth  
Managing Director  
Heron Resources Limited  
+61 8 9215 4444

The information in this report that relates to Mineral Resources is based on information compiled by Shaun Hackett who is a Member of the Australasian Institute of Mining and Metallurgy. Shaun Hackett is an employee of Snowden Mining Industry Consultants and 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'. Shaun Hackett consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

The information in this report that relates to Exploration and data (including drilling data, database quality, geological interpretation and density modelling) is based on information compiled by James Ridley who is a member of Australasian Institute of Mining and Metallurgy. James Ridley is a full time employee of Heron Resources Limited. James Ridley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activities undertaken 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'. James Ridley consents to the inclusion in this report of the matters based on his information in the form and context that it appears

**For media inquiries, please contact: Paul Downie, Porter Novelli, +61 414 947 129, +61 8 9386 1233**

