

Annual Report

30 June 2007

Statutory Information

Sections 1.0 and 2.0 will form part of final printed Annual Report

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3.0 Corporate Profile

HERON RESOURCES LIMITED ("Heron") is a Western Australian-based nickel focused development and exploration company with offices in West Perth and Kalgoorlie.

Heron intends to position itself as a significant equity producer of nickel on a world scale, through its Jump-up Dam Project and Kalgoorlie Nickel Project which are both located in the North Eastern Goldfields region of Western Australia.

The Kalgoorlie Nickel Project (KNP) in partnership with CVRD Inco Limited is currently the subject of a pre-feasibility study (PFS) which is examining the development of a large long life nickel operation based on a mineral resource of 903mt at 0.75% nickel centered around Kalgoorlie. This project will complete Step 2 of the current PFS in late September 2007. CVRD Inco is required by 30 November 2007 to commit to the completion of the full PFS by 30 January 2009.

The subsequent bankable study must be completed by 30 July 2011 if CVRD Inco elects to proceed.

Heron is also completing a separate pre-feasibility study for its 100%-owned Jump-up Dam Project which is looking at the development of a heap leach nickel project to produce greater than 10,000 tonnes of nickel in intermediate product per annum. On projected mining and processing rates this project will have a potential mine life approaching 20 years.

Heron has developed a significant project study and delivery capability during the year with the appointment of an experienced management team with a breadth of experience across all key disciplines including metallurgy, engineering, mining, geology, accounting and law.

The quality of the team reflects Heron's desire to develop these quality projects and the philosophy of managing project risk through rigorous study and test work.

CORPORATE OBJECTIVE

Sustained increase in shareholder wealth through exploration, development and operation of resource projects.

STRATEGY

- Strong well resourced exploration and development teams comprised of the best professionals available.
- Strong industry and partner relationships to identify opportunities and develop projects in partnership where appropriate.
- Strong technical management and Health Safety Environment and Community (HSEC) performance.

CORPORATE GOVERNANCE STATEMENT

The Board of Heron is committed to achieving and demonstrating the highest standards of Corporate Governance.

The Board is responsible to its Shareholders for the performance of the Company, and wherever possible seeks the input of its Shareholders through both formal and informal meetings, distributing Company reports and electronic contacts.

The Board is focused on:

- Developing strategies in consultation with the executive team;
- Enhancing the interests of Shareholders and other key stakeholders; and
- Ensuring the Company is properly managed.

The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability and control systems.

This Statement outlines the main corporate governance practices in place during the financial year, noting where practices depart from the ASX Corporate Governance Council Recommendations and the Board's reasons for an alternate approach. Where the Board supports a recommendation, but is yet to fully implement it, a complementary policy or practice has also been identified.

The following additional information about the Company's Corporate Governance practices is set out on the Company's website at: www.heronresources.com.au

- Board Charter;
- Summary of policy on securities trading;
- Summary of continuous disclosure policy;
- Summary of arrangements regarding communication with Shareholders;
- Summary of Company's risk management policy; and
- Code of Conduct.

EXPLANATIONS FOR DEPARTURES FROM BEST PRACTICE GOVERNANCE RECOMMENDATIONS

Principle 1. Lay Solid Foundations for Management and Oversight

Council Recommendation 1.1: Formalise and disclose the functions reserved to the board and those delegated to management.

The Company complies with this recommendation.

The Company has adopted a formal written Board Charter.

Principle 2. Structure the Board to Add Value

Council Recommendation 2.1: The majority of the board should be independent directors.

The Company complies with this recommendation.

Currently three of the five Directors comprising the Board are considered independent within ASX Corporate Governance Guidelines.

The Company believes that Messrs Readhead, Longworth, Buchhorn, Hellsten and Dennis have the skills and experience to properly and effectively discharge the Board's duties.

Details of the members of the Board, their experience, expertise and qualifications are set out in the Directors' Report in Section 4.0 of the following Annual Report.

Council Recommendation 2.2: The chairperson should be an independent director.

The Company complies with this recommendation.

Council Recommendation 2.3: The roles of chairperson and managing director should not be exercised by the same individual.

The Company complies with this recommendation.

Council Recommendation 2.4: The Board should establish a nominations committee.

The Company does not comply with this recommendation.

The Board considers that the Company is not currently of a size to justify the formation of a nominations committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors and senior management to enable identification or attributes required in new directors and senior management.

The Company's Constitution specifies that all non-executive Directors must retire from office on a three year rotational basis.

Should the Company's activities increase in size, scope and nature, the appointment of a nominations committee will be reviewed by the Board and implemented if appropriate.

Principle 3. Promote Ethical and Responsible Decision-Making

Council Recommendation 3.1: Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:

- 3.1.1 The practices necessary to maintain confidence in the Company's integrity; and
- 3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company complies with this recommendation.

The Company has adopted a Code of Conduct to guide the Directors and Officers.

The Code of Conduct requires that all Directors and Officers:

- Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company;
- Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the perceived or actual reputation or performance of the Company;
- Respect confidentiality of all information of a confidential nature, which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated;
- Deal with the Company's shareholders, consultants, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates; and
- Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.

Council Recommendation 3.2: Disclose the policy concerning trading in company securities by directors, officers and employees.

The Company complies with this recommendation.

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, Officers and employees which prohibits dealing in the Company's securities when those persons possess unpublished market price sensitive information. It also requires Directors to notify the Chairman of the Company when trading in the Company's Shares occurs. In the case of the Chairman, he must notify a non-executive Director.

Directors must also notify the Company Secretary of any trade in the Company's securities within two days of such trade occurring so that the Company Secretary can comply with the ASX Listing Rule 3.19A.2 requirement to notify ASX of any change in a notifiable interest held by a Director.

Principle 4. Safeguard Integrity in Financial Reporting

Council Recommendation 4.1: Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

The Company complies with this recommendation.

For years or half years commencing 30 June 2004 onwards the Company's Managing Director and the Company Secretary (or Chairman where so delegated by the Board) have reported in writing to the Board that to the best of their knowledge:

- The financial statements of the Company for each half year and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- The above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- The Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material aspects.

Council Recommendation 4.2: The board should establish an audit committee.

The Company complies with this recommendation.

Council Recommendation 4.3: Structure the audit committee so that it consists of:

- Only non-executive directors;
- A majority of independent directors;
- An independent chairperson, who is not the chairperson of the board; and
- At least three members.

Refer Council Recommendation 4.2.

Council Recommendation 4.4: The audit committee should have a formal charter.

Refer Council Recommendation 4.2.

Principle 5. Make Timely and Balanced Disclosure

Council Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level of that compliance.

The Company complies with this recommendation.

The Company has adopted a continuous disclosure policy that requires all Directors, Officers and Executives to inform the Managing Director or in their absence the Company Secretary of any potentially material information as soon as practicable after they become aware of that information.

Information is material if it is likely that the information would influence investors who commonly acquire securities on ASX in deciding whether to buy, sell or hold the Company's securities.

The Managing Director is responsible for interpreting and monitoring the Company's disclosure policy and where necessary informing the Board and Company Secretary.

The Managing Director has been nominated as the person responsible for communications with ASX, with the Company Secretary delegated in respect of administrative matters. The Managing Director's role includes responsibility for ensuring compliance with the continuous disclosure requirements in ASX Listing Rules and overseeing and coordinating information disclosure to ASX, shareholders, analysts, brokers, the media and the public. The Managing Director ensures disclosed information is available through the Company's website and its links.

Principle 6. Respect the Rights of Shareholders

Council Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

The Company complies with this recommendation.

The Company's communication strategy requires communication with Shareholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. A specialist Company officer is responsible for Shareholder and investor relations.

The Company's website is an important means of Shareholder communication. Those Shareholders who notify the Company of not having access to the website are provided with hard-copy information.

Meetings of the Company are held in locations with significant Shareholder presence, notably Perth, Western Australia. Additionally, executive directors make tours elsewhere in Australia and overseas whenever possible to meet with Shareholders, media, financial institutions and representatives of the sharebroking sector. Such tours generally correspond with occasions on which the Company has been invited to present papers at technical, financial or other conferences.

The Company retains a media consultant whose responsibility is to monitor and ensure the Company's activities are reported in the optimum forums, notably the financial press of Australia, in a fair and reasonable manner so as to provide a commentary on the Company's activities for both Shareholders and other interested parties.

Council Recommendation 6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company complies with this recommendation.

It has since its public listing been the Company's practice to require the external auditor, Butler Setineri (Audit) Pty Ltd, to attend the Annual General Meeting of the Company and be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 7. Recognise and Manage Risk

Council Recommendation 7.1: The board or appropriate board committee should establish policies on risk oversight and management.

The Company complies with this recommendation.

The Board is responsible for risk management and control and they examine and consider areas of significant business risk on an ongoing basis and implement policy to minimise exposure to these risks.

Arrangements put in place by the Board to monitor risk management include:

- Retention of specialist senior legal counsel to advise on matters involving perceived corporate or legal risk;
- Detailed strategic plans compiled by the Managing Director which document the business plan and areas of risk to that plan;
- Detailed monthly reporting in respect of operations by the Managing Director;
- Completion of monthly statements of financial performance, financial position and cash flows compared to budget; and
- Quarterly formal risk reviews, facilitated by a specialist risk consultancy.

The risk management policy of the Company will continue to be developed as its operations and areas of potential risk continue to evolve.

Council Recommendation 7.2: The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state in writing that:

7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and

7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Company complies with this recommendation.

Principle 8. Encourage Enhanced Performance

Council Recommendation 8.1: Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.

The Company complies with this recommendation.

The Company operates a management review system which it terms "Management by Objective", which facilitates an annual and open written review of all staff and management performance.

Additionally, the Board has adopted a self-evaluation process to measure its own performance during each financial year. This process includes a review as appropriate in relation to the composition and skills mix of the Directors of the Company. These reviews can be facilitated by external expert consultants in these fields.

Principle 9. Remunerate Fairly and Responsibly

Council Recommendation 9.1: Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies; and (ii) the link between remuneration paid to directors and key executives and corporate performance.

The Company complies with this recommendation.

The Chairman in consultation with independent Directors makes recommendations to the full Board on the remuneration packages provided for Officers and the Directors themselves.

The Board uses the services of external advisers to assist them in this process, and is cognisant of the highly competitive remuneration environment operating in the mining sector.

Non-executive Directors receive a fixed fee for providing their services as directors.

Council Recommendation 9.2: The Board should establish a remuneration committee.

The Company complies with this recommendation.

Council Recommendation 9.3: Clearly distinguish the structure of the non-executive directors' remuneration from that of executives.

The Company complies with this recommendation.

Council Recommendation 9.4: Ensure that the payment of equity based executive remuneration is made in accordance with thresholds set in plans approved by Shareholders.

The Company complies with this recommendation.

Principle 10. Recognise the legitimate interests of Stakeholders

Council Recommendation 10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Company complies with this recommendation.

The Board of Directors has adopted a Code of Conduct.

The Code of Conduct formalises, in written form, business practices and principles previously adopted by the Board.

4.0 Directors' Report

The Directors submit their Report on the Company and its controlled entities for the year ended 30 June 2007.

DIRECTORS

The names and details of the Directors of the Company in office at any time during or since the end of the year are:

Director Craig Leslie Readhead - B.Juris. LL.B.

Appointed 23 November 2001

Position Chairman (Non-Executive)

Craig Readhead is a lawyer with 30 years legal and corporate advisory experience with specialisation in the resources sector, including the implementation of large scale mining projects both in Australia and overseas. Mr Readhead is a former president of the Australian Mining and Petroleum Law Association and is the Managing Partner of specialist mining and corporate law firm Pullinger Readhead Lucas.

Other current directorships

Chairman of Halcyon Group Limited since 2000

Chairman of Galaxy Resources Limited since 2000

Non-executive Director of Frankland River Olive Company Limited since 2000

Non-executive Director of Mount Gibson Iron Limited since 2002

Non-executive Director of India Resources Limited since 2007

Former directorships in last 3 years

Chairman of Pioneer Nickel Limited from 2003 to 2005

Chairman of Agincourt Resources Limited 2003 to 2007

Director Norman Mathew Longworth - BSc (Hons), MAusIMM

Appointed 03 May 2004

Position Managing Director

Mathew Longworth is a Geologist with 21 years exploration and development experience, having commenced his career with Shell/Billiton. Mr Longworth spent the period 1990 through to 2003 managing exploration in the Kalgoorlie district for large Australian gold producers. Mr Longworth joined Heron in December 2003 as Exploration Manager, becoming Executive Director Exploration in 2004 and Chief Operating Officer in January 2006. Mr Longworth was appointed Managing Director in January of 2007.

Other current directorships

Non-executive Director of Epsilon Energy Limited since 2006

Former directorships in last 3 years

None.

Director Ian James Buchhorn - BSc (Hons), Dip Geosci (Min Econ), MAusIMM

Appointed 17 February 1995

Position Executive Director Strategy

Ian Buchhorn is a Mineral Economist and Geologist with 33 years experience. Prior to listing Heron in 1996 as founding managing director, Mr Buchhorn worked with Anglo American Corporation in southern Africa, and Comalco, Shell/Billiton and Elders Resources in Australia, as well as setting up and managing Australia's first specialist mining grade control consultancy. Mr Buchhorn has worked on feasibility studies, bauxite and industrial mineral mining and exploration, gold and base metal project generation, and in corporate evaluations. For the last 20 years Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and operated as a Registered Mine Manager.

Other current directorships

Non-executive Director of Polaris Metals NL since 18 September 2006

Non-executive Director of Rubicon Resources Limited since 19 August 2005

Former directorships in last 3 years

Avoca Resources Limited from 2001 to 2005

Pioneer Nickel Limited from 2003 to 2006

Director Stephen Bruce Dennis - BCom BLLB GDipAppFin(Finsia) CFTP
Appointed 05 December 2006
Position Director (Non-Executive)

Stephen Dennis holds several financial qualifications and has been actively involved in the mining industry for over 25 years. He spent 14 years in senior management roles at MIM Holdings Limited, was Group General Manager and Chief Financial Officer of Minara Resources Limited until late 2005, and most recently was Regional Director of the minerals transportation and logistics business of Brambles Australia Limited in Western Australia.

Mr Dennis is currently the Managing Director of CBH Sulphur Springs Pty Ltd, a subsidiary of CBH Resources Limited.

Other current directorships

None.

Former directorships in last 3 years

None.

Director Kenneth John Hellsten - Bsc (Hons) FAIMM
Appointed 19 December 2006
Position Director (Non-Executive)

Kenneth Hellsten is a Geologist who has worked continuously in the resources industry for over 25 years. He has been employed in senior executive roles ranging from exploration to development and operations in both large and small organisations. During the past 12 years Mr Hellsten has led teams responsible for the completion of feasibility studies and project development of Cawse and Ravensthorpe HPAL nickel laterite projects. Mr Hellsten went on to commission the Cawse project on schedule and on budget through to successful start-up and has had senior executive roles with BHP Billiton, Centaur Mining and Billiton Australia. Mr. Hellsten was appointed Managing Director of Ironclad Mining Limited on 21 May 2007.

Other current directorships

Managing director of Ironclad Mining Limited since May 2007

Former directorships in last 3 years

None.

Director Allan Trench BSc (Hons), PhD, MSc (Min Econ), MBA (Oxon)
Appointed 08 December 2003
Resigned 05 February 2007
Position Director (Non-Executive)

COMPANY SECRETARY

The Company Secretary is Sarah Helen Calvert B. Bus (Acc) ASA. Mrs Calvert was appointed to the position of company secretary in 2004, having joined the Company in 2003 as administration manager and accountant. Mrs Calvert has had a career in Australia and overseas in the financial services, exploration and mining industries. Since 1984 Mrs Calvert has held accounting and management positions with various mining companies including Whim Creek Consolidated, New Victoria Resources, Normandy Mining, Newcrest Mining, and Heron.

Mrs Calvert is a full-time employee of Heron, and provides company secretarial services exclusively to Heron and its wholly owned subsidiaries.

PROJECT MANAGER

The Project Manager, Kevin Reynolds BSc (First Class Honours) MAusIMM was appointed to this position in February 2007. Mr Reynolds is a metallurgist with 22 years experience covering operations, project development and project management. Mr Reynolds has operational experience covering gold and base metals concentrators and hydrometallurgical plants, with exposure to nickel hydrometallurgy and heap leach technology. Mr Reynolds was a senior process engineer with WMC on the Olympic Dam Expansion Project in the 1990s. He spent 4 years working with engineering companies as lead process engineer and/or study manager involved with Ni laterite and base metals projects. More recently with MPI Mines and LionOre, Mr Reynolds was project manager for the Black Swan Disseminated Nickel Project at Black Swan Nickel Mine, and Project Manager for the Honeymoon Well Nickel project feasibility study, incorporating hydrometallurgical downstream processing of nickel concentrate.

EXPLORATION MANAGER

The Exploration Manager, David von Perger BSc (First Class Honours) MAusIMM was appointed to this position in February 2006. Mr von Perger is a geologist with some 13 years experience in mineral exploration having worked in several locations around Australia, including the southern Lachlan Fold Belt, the Pilbara region, South West Australia and the Eastern Goldfields. Mr von Perger has worked on various styles of mineral deposits including Archaean gold and nickel, and Proterozoic base-metal and iron-ore. He has been involved with a number of mineral discoveries and mine developments, including the Bronzewing and Quarters gold deposits. His experience includes four years as a business analyst for a major mining group involving analysis of mining operations, project development and assessment of new opportunities. Since his appointment with Heron in February 2004 as Exploration Geologist, Mr von Perger has been responsible for the identification and acquisition of several new nickel, gold, iron-ore and base-metal projects.

COMMERCIAL MANAGER AND GENERAL COUNSEL

The Commercial Manager and General Counsel, Robert Klug BCom LLB was appointed to this position in February 2007. Mr Klug has held senior accounting, legal and corporate finance roles in his 15 year career. Initially trained as an auditor with KPMG Perth, Mr Klug worked in London as a corporate lawyer after having completed his law degree at Murdoch University in Perth. Upon his return to Perth, Mr Klug joined Freehills Perth Office, where he worked almost exclusively with small and mid capital resource companies. After a number of years at Freehills Mr Klug worked in corporate finance as a Director of Carmichael Capital Markets, the Corporate Finance arm of DJ Carmichael Stockbrokers. In 2005, Mr Klug took the opportunity to become General Manager Business Development with St Barbara Limited. Mr Klug remained with St Barbara until the company relocated its head office to Melbourne in early 2007 at which time he joined Heron.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year were:

- Nickel mineral exploration and development through sole funded and joint venture activities; and
- Evaluation of various corporate opportunities in stainless steel materials.

Over the last year with the successful divestment of Iron Ore, Gold - Base Metals and Uranium the Company has focused on nickel exploration and development of its key projects.

OPERATING RESULTS

The profit of the consolidated entity for the 2007 financial year after income tax of nil (2006: nil) was \$25,584 (2006 : \$1,579,160 loss).

DIVIDENDS

No dividends were paid during the year and the Directors do not recommend the payment of a dividend.

OPERATIONS REVIEW

The detailed review of operations of the consolidated entity for the year is contained in Section 2.0 of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than noted below there were no significant changes in the state of affairs of the consolidated entity during the year.

The Company successfully completed divestment of its Iron Ore, Gold - Base Metals and Uranium assets to Polaris Metals NL, Rubicon Resources Limited and Epsilon Energy Limited respectively.

On 4 April 2007 the Company raised \$27.8 million through a share placement to institutional clients of Royal Bank of Canada (RBC).

The Company is finalising a pre-feasibility study into the 100% owned and managed Jump-up Dam Project. The Project targets production of at least 10,000t of nickel in intermediate products per annum through heap leaching nickel laterite ore.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than noted, at the date of this Report there is no matter or circumstance which has arisen since 30 June 2007 that has significantly affected or may significantly affect:

- The operations, in the financial years subsequent to 30 June 2007, of the consolidated entity;
- The results of those operations; or
- The state of affairs, in the financial years subsequent to 30 June 2007, of the consolidated entity.

Mr Buchhorn took a directorship with Southern Cross Goldfields Limited, a subsidiary of Polaris Metals NL in July 2007. Southern Cross Goldfields Limited is aiming to list by December 2007.

OPTIONS

The following Options were issued to 30 June 2007:

Date Options Granted	Expiry Date	Number Issued	Exercise Price
29 November 2006	1 June 2010	1,650,000	\$0.6864
29 November 2006	7 September 2010	5,000,000	\$0.6864
29 November 2006	1 November 2010	1,150,000	\$0.6864
2 January 2007	2 January 2011	500,000	\$0.8864
9 January 2007	9 January 2011	250,000	\$0.8864
8 June 2007	30 June 2011	50,000	\$1.50
8 June 2007	30 June 2011	100,000	\$1.48
8 June 2007	30 June 2011	100,000	\$1.54
8 June 2007	30 June 2011	100,000	\$1.38
8 June 2007	30 June 2011	100,000	\$1.50
5 June 2007	5 June 2012	1,500,000	\$1.00
5 June 2007	5 June 2012	1,000,000	\$1.00
2 January 2007	2 January 2013	1,000,000	\$0.9864
2 January 2007	2 January 2013	1,000,000	\$1.4864
9 January 2007	9 January 2013	250,000	\$0.9864
9 January 2007	9 January 2013	1,000,000	\$1.4864
16 March 2007	16 March 2013	1,500,000	\$2.00
16 March 2007	16 March 2013	1,500,000	\$2.50
19 March 2007	19 March 2013	1,000,000	\$1.4864
19 March 2007	19 March 2013	1,500,000	\$1.9864
19 March 2007	19 March 2013	1,500,000	\$2.4864
5 June 2007	5 June 2013	3,500,000	\$1.50
5 June 2007	5 June 2013	7,500,000	\$2.00
5 June 2007	5 June 2014	12,250,000	\$2.50
5 June 2007	31 December 2015	2,750,000	\$1.4864
29 November 2006	7 September 2016	5,000,000	\$0.6864

Subsequent to 30 June 2007 no Options were issued.

The following Options were exercised to 30 June 2007:

Date Options Granted	Expiry Date	Number Issued	Exercise Price
20 May 2005	16 December 2007	151,000	\$0.25
1 July 2004	16 December 2007	250,000	\$0.25
2 December 2005	30 June 2009	200,000	\$0.60
16 December 2003	30 June 2007	1,000,000	\$0.2364
7 November 2003	30 June 2007	9,480	\$0.2364
16 August 2004	31 July 2006	200,000	\$0.33
7 November 2003	30 June 2007	9,692	\$0.2364
7 November 2003	30 June 2007	200,000	\$0.2364
7 November 2003	30 June 2007	814,000	\$0.2364
7 November 2003	30 June 2007	286,000	\$0.2364
7 November 2003	30 June 2007	300,000	\$0.2364
7 November 2003	30 June 2007	8,000	\$0.2364
7 November 2003	30 June 2007	856,000	\$0.2364
7 November 2003	30 June 2007	143,000	\$0.2364

Subsequent to 30 June 2007 no Options were exercised.

The following Options expired/lapsed during the year:

Number Issued	Expiry Date	Exercise Price
Nil		

As at 30 June 2007 the Company had the following Options on issue:

Date Options Granted	Expiry Date	Number Issued	Exercise Price
16 March 2007	16 March 2013	1,500,000	\$2.50
5 June 2007	5 June 2013	3,500,000	\$1.50
5 June 2007	5 June 2014	12,250,000	\$2.50
8 June 2007	30 June 2011	100,000	\$1.38
8 June 2007	30 June 2011	100,000	\$1.48
8 June 2007	30 June 2011	150,000	\$1.50
8 June 2007	30 June 2011	100,000	\$1.54
2 January 2007	2 January 2013	1,000,000	\$0.9864
9 January 2007	9 January 2013	1,250,000	\$0.9864
19 March 2007	19 March 2013	1,500,000	\$1.9864
16 March 2007	16 March 2013	1,500,000	\$2.00
5 June 2007	5 June 2012	1,500,000	\$1.00
5 June 2007	5 June 2013	7,500,000	\$2.00
12 December 2003	16 December 2007	100,000	\$0.2364
16 December 2003	16 December 2007	1,500,000	\$0.2364
4 March 2004	16 December 2007	250,000	\$0.2364
1 July 2004	16 December 2007	350,000	\$0.2364
04 January 2005	31 December 2007	3,000,000	\$0.2364
18 February 2005	16 December 2007	300,000	\$0.2364
23 February 2005	31 December 2008	125,000	\$0.2364
2 December 2005	30 June 2009	250,000	\$0.5864
12 July 2006	1 June 2010	200,000	\$0.6864
8 August 2006	1 June 2010	150,000	\$0.6864
13 November 2006	31 December 2015	2,750,000	\$1.4864
29 November 2006	1 June 2010	1,300,000	\$0.6864
29 November 2006	7 September 2010	5,000,000	\$0.6864
29 November 2006	1 November 2010	1,150,000	\$0.6864
29 November 2006	7 September 2016	5,000,000	\$0.6864
2 January 2007	2 January 2011	500,000	\$0.8864
2 January 2007	2 January 2013	1,000,000	\$1.4864
9 January 2007	9 January 2011	250,000	\$0.8864
9 January 2007	9 January 2013	1,000,000	\$1.4864
19 March 2007	19 March 2013	1,000,000	\$1.4864
19 March 2007	19 March 2013	1,500,000	\$2.4864

No Option holder has any right under the Options to participate in any other Share issue of the Company or of any other entity.

LIKELY DEVELOPMENTS

The Company will continue its core nickel development activities through sole funded exploration and joint ventures where appropriate.

The Company is continually assessing commercial opportunities for corporate growth. Because of the unpredictable nature of these opportunities, developments could occur at short notice.

Further information on the likely developments in the operations of the consolidated entity and the expected results of those operations have not been included in this Report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

DIRECTORS AND KEY MANAGEMENT PERSONNEL SHAREHOLDINGS IN THE COMPANY

As at the date of this Report the interests of the Directors in the Shares of the Company were:

Directors	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
C L Readhead	-	344,709	-	3,000,000
I J Buchhorn	2,455,549	39,001,758	-	19,000,000
N M Longworth	39,692	257,692	13,200,000	1,000,000
S B Dennis	-	50,000	2,250,000	-
K J Hellsten	-	15,000	2,250,000	-
Key Management Personnel				
D von Perger	11,692	220,000	2,620,000	530,000
K A Reynolds	-	-	-	4,000,000
S H Calvert	-	140,384	2,750,000	-
R G Klug	-	-	-	4,000,000

DIRECTORS MEETINGS

During the year the Company held 14 meetings of Directors. The attendance of the Directors at meetings of the Board were:

Director	Meetings held while a Director	Number of meetings attended
C L Readhead	14	14
N M Longworth	14	14
I J Buchhorn	14	14
A Trench	8	8
K J Hellsten	7	7
S B Dennis	8	8

REMUNERATION REPORT

The Board seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment of Directors. Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executive Officers in the context of prevailing market conditions. There is no direct link between Director and Senior Executive remuneration and corporate performance, other than the performance conditions attaching to options.

Remuneration levels and other terms of employment for Mr Longworth, Mr Buchhorn, Mr Reynolds, Mr Klug, Mrs Calvert and Mr von Perger are formalised in service agreements.

The agreement with Mr Longworth requires the provision of his services as Managing Director and contains the following major provisions:

- No fixed term;
- Current base salary of \$360,000 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr Longworth's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Longworth the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by the Company is twelve months and by Mr Longworth is six months.

The agreement with Mr Buchhorn requires the provision of his services as Executive Strategy of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$300,000 exclusive of superannuation; and
- Termination can be made by either Mr Buchhorn or the Company by giving not less than six months notice. Forfeiture or payment of six months salary as the case may be may be made or given in lieu of notice. The company will pay Mr Buchhorn the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act.

The Board is currently negotiating a new service agreement with Mr Buchhorn.

The agreement with Mr von Perger requires the provision of his services as Exploration Manager of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$195,000 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr von Perger's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr von Perger the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is two months.

The Board is currently negotiating a new service agreement with Mr von Perger.

The agreement with Mr Reynolds requires the provision of his services as Project Manager of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$295,230 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr Reynolds employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Reynolds the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is two months.

The agreement with Mr Klug requires the provision of his services as Commercial Manager and Legal Counsel of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$240,000 exclusive of superannuation; and
- In the event that the Company terminates Mr Klug's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Klug the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is three months.

The agreement with Mrs Calvert requires the provision of her services as Company Secretary of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$185,000 exclusive of superannuation; and
- In the event that the Company terminates Mrs Calvert's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mrs Calvert the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is one month.

The Board is currently negotiating a new service agreement with Mrs Calvert.

Non-executive Directors received a fixed fee for their services as directors. Non-executive Directors fees not exceeding an aggregate of \$500,000 per annum have been approved by the Company in a general meeting on the 5 June 2007. There is no direct link between non-executive Directors fees and corporate performance. There are no termination or retirement benefits for non-executive Directors (other than statutory superannuation).

During the reporting period an evaluation of the remuneration of Directors and senior executives was carried out by the full Board, with independent advice from the Company's human resources consultant. No Director was involved in discussions regarding his own remuneration.

Other than outlined above, since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the Company or a related body corporate, by reason of a contract made by the Company with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

	Short-term -----benefits-----			Post-employment -----benefits-----		Share-based payment	Total
	Cash Salary & fees \$	Cash Bonus \$	Non-Cash Benefits \$	Super- annuation \$	Retirement Benefits \$	Options \$	
Directors							
CL Readhead	75,000	-	-	-	-	16,802	91,802
NM Longworth	267,213	-	24,000	24,049	-	134,370	449,632
IJ Buchhorn	367,135	100,000	-	33,042	-	445,907	946,084
A Trench	44,395	-	-	2,027	-	-	46,422
SB Dennis	70,230	-	-	6,320	-	16,802	93,352
KJ Hellsten	124,988	-	-	3,466	-	16,802	145,256
Key Management Personnel							
KA Reynolds	112,552	-	3,204	10,129	-	177,029	302,914
RG Klug	94,797	-	-	8,531	-	106,942	210,270
SH Calvert	161,671	-	-	14,550	-	35,170	211,391
D von Perger	171,664	-	35,580	15,449	-	85,321	308,014
Total	1,489,645	100,000	62,784	117,563	-	1,035,145	2,805,137

Fair values for the options at grant date, as included in the previous table, were independently determined using Black and Scholes and/or Binomial models that took into account the exercise price of the Option, the term of the Option, the vesting and performance criteria, the non-tradable nature of the Option, the Share price at grant date and the expected price volatility of the underlying Share and the risk-free interest rate for the term of the Option.

The share based payment options included as remuneration of the Directors and Key Management Personnel, vest upon the the following conditions:

Conditions	Number Issued
The Company must become a 10,000 tonnes per annum nickel in concentrate producer, from tenements and projects that are not part of the KNP, within four years.	6,000,000
The Company must achieve Full Ramp Up (production rate of equal to or greater than the design capacity for at least one quarter) for the KNP laterite project within ten years.	5,000,000
The Company is to be issued with its vendor shares for the sale of its iron ore assets to Polaris Metals NL on or before 31 December 2006; or Rubicon Resources Limited must be granted official quotation of its shares on the ASX on or before 31 December 2006. This condition has been met.	1,000,000
Upon the completion of construction of the first nickel project.	4,500,000
Upon sale of the first commercial nickel product from any Heron Project (sale of nickel product from trial mining does not satisfy this condition).	10,500,000
Upon production achieving a level of 10,000 tonnes of nickel in intermediate product annualised production rate over a three calendar month period.	15,250,000
Upon grant of the Mining Leases for the Jump-up Dam project by 1 July 2007. This condition has been met.	250,000
Upon Execution of all engineering procurement and construction contracts for the Jump-up Dam project.	250,000
Upon execution of all contracts for funding of the Jump-up Dam Project.	250,000
Upon Jump-up Dam project achieving an annualised production rate of 5,000 tpa of nickel in intermediate product sustained for at least one quarter, being for a three consecutive calendar month by July 30, 2011.	1,250,000
Upon Jump-up Dam project achieving an annualised production rate of 10,000 tpa of nickel in intermediate product sustained for at least one quarter, being for a three consecutive calendar month by July 30, 2011.	2,000,000
Upon delivery of a definitive feasibility study for the Jump-up Dam Project accepted by the Board on or before 30 March 2008.	500,000
Upon practical completion of the initial 5,000 tpa Jump-up Dam Project plus or minus 10% of both schedule and capital estimate of the definitive feasibility study.	500,000
No conditions, vesting immediately.	1,700,000
	48,950,000

The vesting conditions reflect key milestones in the company's development moving towards a production focus.

INSURANCE OF OFFICERS

During the financial year the Company has paid an insurance premium in respect of a Directors' and Officers' Liability Insurance Contract. The insurance premium relates to liabilities that may arise from an Officer's position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The officers covered by the insurance policies are the Directors and the Company Secretary.

The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of premium.

CORPORATE GOVERNANCE

The Company has undertaken a thorough review of its Corporate Governance practices and policies in accordance with the ASX Corporate Governance Best Practices Recommendations. The consolidated entity's Corporate Governance Statement is contained in Section 3.0, the Corporate Profile section of the Annual Report.

ENVIRONMENTAL REGULATION

The consolidated entity is subject to and compliant with all aspects of environmental regulation in respect of its exploration and development activities. The Directors are not aware of any environmental regulation which is not being complied with.

ABORIGINAL CULTURE AND HERITAGE

The consolidated entity is subject to and compliant with all aspects of Aboriginal Heritage regulation in respect of its exploration and development activities. The Directors are not aware of any regulation which is not being complied with. The Directors are committed to cultural respect and Indigenous Reconciliation.

NON-AUDIT SERVICES

The consolidated entity has employed the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the consolidated entity are important.

Details of the amounts paid to the auditor Butler Settineri (Audit) Pty Ltd and their related practices for non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor and their related practices, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001.

Non-Audit Services Butler Settineri Chartered Accountants

	Consolidated	
	2007	2006
	\$	\$
Demerger Advice	2,325	0

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of Directors



C L READHEAD

Chairman

Perth, 28 September 2007

4.0 Audit Independence Declaration

As lead auditor for the audit of Heron Resources Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

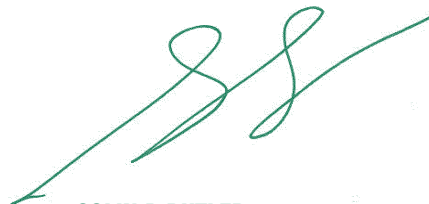
- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



BUTLER SETTINERI (AUDIT) PTY LTD

Registered Company Auditor Number: 289109

Perth, 28 September 2007



COLIN P BUTLER

Director

5.0 Financial Statements

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
REVENUES FROM CONTINUING ACTIVITIES	2	7,468	761	6,641	754
Accountancy Fees		(90)	(12)	(33)	(7)
Audit		(21)	(28)	(20)	(19)
Corporate Consultants		(1,075)	(48)	(1,042)	(38)
Depreciation expense	3(a)	(53)	(35)	(52)	(35)
Directors Fees		(77)	(75)	(75)	(75)
Employee benefits expense		(1,235)	(366)	(1,021)	(366)
Insurance		(59)	(54)	(57)	(54)
Legal		(371)	(359)	(268)	(359)
Share based payments	13(b)	(2,088)	(402)	(2,088)	(402)
Other expenses from ordinary activities	3(b)	(1,836)	(589)	(1,447)	(581)
Exploration expenditure written off	9	(276)	(372)	(101)	(137)
Share of loss of associate	6(c)	(261)	-	(261)	-
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		26	(1,579)	176	(1,319)
INCOME TAX EXPENSE	4	-	-	-	-
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		26	(1,579)	176	(1,319)
NET PROFIT (LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		26	(1,579)	176	(1,319)
		\$	\$		
Basic earnings per Share	21	0.00014	(0.0096)		
Diluted earnings per Share	21	0.00013	(0.0096)		

The accompanying notes form part of these financial statements

BALANCE SHEETS AS AT 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
CURRENT ASSETS					
Cash assets	14(c)	29,590	9,178	29,444	8,977
Receivables	5	918	529	910	522
Investments	6(a)	461	-	461	-
TOTAL CURRENT ASSETS		30,969	9,707	30,815	9,499
NON-CURRENT ASSETS					
Receivables	7	-	-	5,147	6,597
Investments	6(b)	1,320	137	1,320	138
Investments accounted for using the equity method	6(c)	5,792	-	5,792	-
Property, plant and equipment	8	1,712	44	1,712	41
Exploration and evaluation costs carried forward	9	31,064	24,666	26,667	18,814
TOTAL NON-CURRENT ASSETS		39,888	24,847	40,638	25,590
TOTAL ASSETS		70,857	34,554	71,453	35,089
CURRENT LIABILITIES					
Payables	10	2,114	851	2,097	833
Provisions	11	528	276	529	276
TOTAL CURRENT LIABILITIES		2,642	1,127	2,626	1,109
TOTAL LIABILITIES		2,642	1,127	2,626	1,109
NET ASSETS		68,215	33,427	68,827	33,980
EQUITY					
Contributed equity	12	77,324	45,180	77,324	45,180
Revaluation Reserve	13(c)	667	46	667	46
Option Reserve	13(b)	2,406	500	2,406	500
Accumulated losses	13(a)	(12,182)	(12,299)	(11,570)	(11,746)
TOTAL EQUITY		68,215	33,427	68,827	33,980

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Issued Capital \$'000	Retained Earnings \$'000	Revaluation Reserve \$'000	Option Reserve \$'000	Total \$'000
As at 30 June 2006		45,180	(12,299)	46	500	33,427
Loss for the year		-	26	-	-	26
Issue of Share Capital	12	35,804	-	-	-	35,804
Capital raising expenses	12	(1,460)	-	-	-	(1,460)
Demerge share distribution	12	(2,382)	-	-	-	(2,382)
Revaluation of Investments	13(c)	-	-	621	-	621
Option Reserve transfer on exercise	12	182	-	-	(182)	-
Demerge of subsidiaries	13(a)	-	91	-	-	91
Cost of Share Based Payments	13(b)	-	-	-	2,088	2,088
As at 30 June 2007		77,324	(12,182)	667	2,406	68,215
As at 30 June 2005		43,780	(10,720)	40	230	33,330
Loss for the year		-	(1,579)	-	-	(1,579)
Issue of Share Capital		1,268	-	-	-	1,268
Revaluation of Investments	13(c)	-	-	6	-	6
Option Reserve transfer on exercise	13(b)	132	-	-	(132)	-
Cost of Share Based Payments		-	-	-	402	402
As at 30 June 2006		45,180	(12,299)	46	500	33,427

The accompanying notes form part of these financial statements

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		784	656	744	651
Proceeds from sale of data and tenements		-	-	-	-
Option fees received		2	-	2	-
Sale of Rights		-	-	-	-
Payments to suppliers		(4,479)	(1,326)	(3,630)	(1,290)
NET CASH USED IN OPERATING ACTIVITIES	14(a)	<u>(3,693)</u>	<u>(670)</u>	<u>(2,884)</u>	<u>(639)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Exploration expenditure		(8,490)	(3,674)	(8,517)	(1,987)
Investment in controlled entity		-	-	-	-
Purchase and Sale of Shares		(43)	-	(43)	-
Acquisition of plant & equipment		(1,705)	(27)	(1,708)	(25)
NET CASH USED IN INVESTING ACTIVITIES		<u>(10,238)</u>	<u>(3,701)</u>	<u>(10,268)</u>	<u>(2,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans to controlled entities		-	-	(724)	(1,716)
Proceeds from issue of Shares		34,343	1,217	34,343	1,217
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		<u>34,343</u>	<u>1,217</u>	<u>33,619</u>	<u>(499)</u>
NET INCREASE / (DECREASE) IN CASH HELD		20,412	(3,154)	20,467	(3,150)
Cash at the beginning of the reporting period		9,178	12,332	8,977	12,127
CASH AT THE END OF THE REPORTING PERIOD	14(c)	<u>29,590</u>	<u>9,178</u>	<u>29,444</u>	<u>8,977</u>
Non-cash financing and investing activities	14(b)				

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2007**NOTE 1. STATEMENT OF ACCOUNTING POLICIES**

The Company is a public company limited by shares. The Company was incorporated in Western Australia.

The following is a summary of the material accounting policies adopted by Heron Resources Limited and its controlled entities (the Company) in the preparation of the financial statements.

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes complies with International Reporting Standards.

In the application of AIFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgement. Actual results may differ from these estimates.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

b) Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions between entities in the Company, including any unrealised profits or losses, have been eliminated on consolidation.

c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability at the same time.

The resulting deferred tax assets of the Company are currently not recognised and included as an asset because recovery is considered not probable in the next five years.

Heron Resources Limited and its wholly owned Australian controlled entities have implemented the tax consolidated legislation as of 1 July 2003.

d) Segment Reporting

A segment is a distinguishable component of the Company that is engaged in the mineral exploration industry in Western Australia.

e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, duties and taxes paid. The main source of ongoing revenue is interest received, which is recognised on an accrual basis.

f) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses where applicable.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation and amortisation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, are as follows:

Motor Vehicles	3-5 years
Fixtures and Fittings	5-15 years
Plant and Equipment	5-15 years
Land and Buildings	15-25 years

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

g) Exploration, Evaluation, Development and Restoration Costs

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest.

Accumulated costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or by its sale.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

Accumulated costs are not carried forward in respect of any area of interest unless rights to tenure of that area are current.

Restoration costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation and development phases that give rise to the need for restoration.

h) Investments

Investments held by the Company which are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity. Where these investments are derecognised, the cumulative gain and loss previously recognised directly in equity is recognised in profit and loss. Where these investments are interest bearing, interest is calculated using the effective interest method and recognised in the income statement.

Financial instruments classified as held for trading or available-for-sale investments are recognised/derecognised by the Company on the date it commits to purchase/sell the investment. Securities held to maturity are recognised/derecognised on the day they are transferred to/by the Company.

i) Investments in associated entities

Interests in associated entities are accounted for under the equity accounting method.

j) Trade and other receivables

Trade and other receivables are stated at their cost, and are due for settlement no more than 30 days from the date of invoicing.

k) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with the banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within short-term borrowings on the balance sheet.

l) Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

n) Employee benefits

(i) Wages and salaries, annual leave

Liabilities for wages and salaries and annual leave are recognised as employee benefits in respect of employee's services up to the reporting date and are measured at the amounts to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service and final average salary.

(iii) Share-based payment transactions

The share option programme allows the Company employees to acquire shares of the company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes and/or Binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

o) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

p) Trade and other payables

Trade and other payables are stated at cost. The amounts are unsecured and are usually paid on 30 days.

q) Dividends

No dividends have been paid or proposed during or since the end of the year.

r) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows

s) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributed to the issue of new shares or options are shown in the equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Ordinary shares which have no par value, entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares on issue during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB I, AASB 4, AASB 1023 & AASB 10381]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Company has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Company's financial instruments.

(ii) AASB-I 10 Interim Financial Reporting and Impairment

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Company has not recognised any impairment losses and consequently it will have no impact on the Company's financial statements.

u) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

NOTE 2. REVENUE FROM ORDINARY ACTIVITIES

	Consolidated Entity		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenues from operating activities				
Revenues from continuing activities				
Sale of tenements (a)	6,329	-	5,543	-
Sale of fixed assets	24	-	24	-
Option fee received	1	-	1	-
Profit on sale of investments	265	152	265	152
Interest received – other persons/corporations	849	609	808	602
Total revenues from continuing activities	7,468	761	6,641	754

a) Included in sale of tenements was:

Sale of tenements includes a profit of \$5,255,955 on sale of iron tenements to Polaris Metals NL (Polaris). Heron received 29,729,703 ordinary shares and 14,000,000 Polaris performance options in consideration for the transaction. The shares and options are included in investments accounted for using the equity method.

The de-merger of subsidiary Epsilon Energy Limited. The de-merger was by way of a pro-rata in specie distribution of 15,000,010 shares to Heron Resources Limited shareholders. Epsilon Energy Limited was listed on the ASX on 13 December 2006.

The de-merger of subsidiary Rubicon Resources Limited. The de-merger was by way of a pro-rata in specie distribution of 25,000,000 shares to Heron Resources Limited shareholders. Rubicon Resources Limited was listed on the ASX on 2 February 2007.

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000

NOTE 3. PROFIT FROM ORDINARY ACTIVITIES

The profit before income tax expense has been determined after charging the following items:

a) Expenses				
Depreciation				
Plant & equipment	(14)	(7)	(14)	(7)
Office equipment & furniture	(29)	(25)	(28)	(25)
Motor vehicles	(9)	(3)	(9)	(3)
Land and Buildings	(1)	-	(1)	-
	<u>(53)</u>	<u>(35)</u>	<u>(52)</u>	<u>(35)</u>
b) Other Expenses include the following items:				
Payroll Tax	(142)	(48)	(142)	(48)
Media & Public Relations	(136)	(80)	(115)	(80)
Recruitment	(177)	(49)	(138)	(49)
Rental Expenses	(211)	(60)	(211)	(60)
Stock Exchange	(171)	(47)	(91)	(43)
Travel & Accommodation	(198)	(29)	(159)	(29)
Office Expenses and Supplies	(224)	(55)	(210)	(66)
Miscellaneous Expenses	(577)	(221)	(381)	(206)
Total Other Expenses	<u>(1,836)</u>	<u>(589)</u>	<u>(1,447)</u>	<u>(581)</u>

NOTE 4. INCOME TAX

a) Temporary differences carried forward	-	-	-	-
Current Tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Heron Resources Limited group of companies tax consolidated on 1 July 2003. There are presently no tax sharing and/or tax funding agreements in place.

The parent entity made a tax profit and on consolidation the group made a tax profit with each of the subsidiaries carrying a tax loss for the year. The parent and the subsidiaries have substantial tax losses carried forward.

The net deferred tax balances are not recognised since it is not probable that future taxable profits will be available to utilise deductible temporary differences and losses.

Heron Resources Limited is the head entity for the group.

b) Numerical reconciliation of income tax expense to prima facie tax payable is as follows:				
Profit/(loss) from operations before income tax expense	26	(1,579)	176	(1,319)
Tax at Australian tax rates of 30% (2006 also 30%)	8	(474)	53	(396)
Tax effect of non-temporary differences	985	108	1,143	108
Tax effect of equity raising costs debited to equity	(114)	(26)	(114)	(26)
Over or underprovision from previous years	-	-	-	-
Tax effect of tax losses and temporary differences not recognised	(879)	392	(1,082)	314
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- c) There is no amount of tax benefit recognised in equity as the tax effect of temporary differences has not been booked.

	Consolidated Entity		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
d) Unrecognised temporary differences				
Unused revenue losses	32,967	26,836	27,108	22,801
Employee entitlements provisions	528	291	528	291
Exploration costs claimed for tax	(31,188)	(24,627)	(26,792)	(18,872)
	2,307	2,500	844	4,220
Capital raising costs claimable for tax	1,337	256	1,337	256
Revaluation of available-for-sale investments	(667)	(46)	(667)	(46)
	2,977	2,710	1,514	4,430

NOTE 5. RECEIVABLES (CURRENT)

Prepayment - Insurance	15	30	15	30
Prepayment - Rent	-	28	-	28
Prepayment - Software	28	-	28	-
R&D Tax Offset	298	261	298	261
Accrued interest	127	58	125	58
Goods & services tax paid	127	152	121	145
Sundry Debtors	323	-	323	-
	918	529	910	522

NOTE 6(a). INVESTMENTS IN OTHER ENTITIES - CURRENT

Scimitar Resources Limited is an Australian listed public exploration company with 25,403,336 fully paid ordinary shares on issue. Heron held 458,120 issued fully paid shares at 30 June 2006, however these were sold by 18 July 2006.

GME Resources Limited is an Australian listed public exploration company with 220,365,998 fully paid shares on issue. Heron held 418,767 issued fully paid shares at 30 June 2007, however these were sold by 6 July 2007.

Pioneer Resources Limited is a listed public exploration company with 78,085,634 fully paid shares on issue. Heron held 606,030 issued fully paid shares at 30 June 2007.

Investments in Other Entities at fair value

Scimitar Resources Limited	-	137	-	137
GME Resources Limited	340	-	340	-
Pioneer Nickel Limited	121	-	121	-
Total current investments in other entities	461	137	461	137

NOTE 6(b). INVESTMENTS IN OTHER ENTITIES - NON CURRENT

Epsilon Energy Limited is a listed public exploration company with 21,995,010 fully paid shares on issue. Heron held 15,000,000 unlisted options, exercisable at \$0.25, expiring 30 June 2009 as at 30 June 2007. These have been independently valued using the Black Scholes method.

Investments in Other Entities at fair value

Epsilon Energy Limited	1,320	-	1,320	-
Total non current investments in other entities	1,320	-	1,320	-

NOTE 6(c). EQUITY ACCOUNTED INVESTMENTS

Polaris Metals NL is an Australian listed public exploration company with 111,043,823 fully paid shares on issue. Heron held 29,729,730 issued fully paid shares at 30 June 2007, this represents a 26.77% ownership interest at 30 June 2007. Heron also hold 14,000,000 unlisted options exercisable at \$0.30 expiring on 14 July 2011 with vesting conditions to be met.

The fair value of this share investment at market value is \$13,972,973 and options as valued using Black and Scholes method is \$3,182,200.

	Consolidated Entity		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Carrying value at beginning of year	-	-	-	-
Investment at cost	6,053	-	6,053	-
Share of loss from Polaris	(261)	-	(261)	-
Carrying value at the end of the year	5,792	-	5,792	-

NOTE 7. RECEIVABLE (NON CURRENT)

Loans to controlled entities (Note 15)	-	-	5,147	6,597
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NOTE 8. PROPERTY PLANT AND EQUIPMENT

Plant and equipment at cost	167	114	167	114
Accumulated depreciation	(52)	(104)	(52)	(104)
	115	10	115	10
Office equipment & furniture at cost	517	125	517	122
Accumulated depreciation	(192)	(96)	(192)	(96)
	325	29	325	26
Motor vehicles at cost	314	158	314	158
Accumulated depreciation	(64)	(153)	(64)	(153)
	250	5	250	5
Land and buildings at cost	1,023	-	1,023	-
Accumulated Depreciation	(1)	-	(1)	-
	1,022	-	1,022	-
Total property, plant and equipment, land and buildings	1,712	44	1,712	41

	Consolidated Entity		Parent Entity	
	2007		2007	
	\$'000		\$'000	
Reconciliation				
Plant and equipment:				
Carrying amount at 1 July 2006	10		10	
Additions	134		134	
Disposals	(15)		(15)	
Depreciation Expense	(14)		(14)	
Carrying value at 30 June 2007	115		115	
Office equipment and furniture:				
Carrying amount at 1 July 2006	29		26	
Additions	339		341	
Disposals	(14)		(14)	
Depreciation Expense	(29)		(28)	
Carrying value at 30 June 2007	325		325	
Motor vehicles:				
Carrying amount at 1 July 2006	5		5	
Additions	254		254	
Disposals	-		-	
Depreciation Expense	(9)		(9)	
Carrying value at 30 June 2007	250		250	
Land and Buildings:				
Carrying amount at 1 July 2006	-		-	
Additions	1,023		1,023	
Disposals	-		-	
Depreciation Expense	(1)		(1)	
Carrying value at 30 June 2007	1,022		1,022	

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
NOTE 9. EXPLORATION AND EVALUATION COSTS CARRIED FORWARD				
Balance at beginning of year	24,666	20,595	18,814	16,209
Acquisition costs	262	1,196	168	955
Exploration and evaluation costs incurred during the year	11,044	3,247	9,016	1,787
Exploration and evaluation costs of tenements/data disposed of	(4,632)	-	(1,230)	-
Exploration and evaluation costs written off	(276)	(372)	(101)	(137)
Balance at end of year	31,064	24,666	26,667	18,814

The ultimate recoupment of costs carried forward is dependent upon the successful development and/or commercial exploitation or alternatively, sale of respective areas of interest.

NOTE 10. PAYABLES (CURRENT)

	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Trade creditors and accruals - Exploration Activities	1,740	640	1,723	622
Trade creditors and accruals - Other	374	211	374	211
	2,114	851	2,097	833

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
NOTE 11. PROVISIONS (CURRENT)				
Employee entitlements	528	276	529	276

NOTE 12. CONTRIBUTED EQUITY

Shares

Issued and fully paid up capital 205,438,847 (2006: 167,315,600)

Ordinary Shares fully paid	83,271	47,468	83,271	47,468
In specie share distributions	(3,845)	(1,464)	(3,845)	(1,464)
Option Reserve transfer on exercise	314	132	314	132
Less: Capital Raising Expenses	(2,416)	(956)	(2,416)	(956)
Contributed equity	77,324	45,180	77,324	45,180

Movements in issued and paid up capital of the parent entity during the year are as follows:

	2007	2007
	Number of shares	\$'000
Contributed equity balance at beginning of year	167,315,600	45,180
Shares issued during the year	38,123,247	35,804
In Specie Share Distributions		(2,382)
Capital Raising Expenses		(1,460)
Transfer from option reserve	-	182
Contributed equity balance at end of year	205,438,847	77,324

1,720,172 Shares were issued at \$0.25 per Share as exercise of options

9,591,924 Shares were issued at \$0.65 per Share pursuant to the Share Purchase Plan

940,651 Shares were issued at \$0.65 per Share pursuant to a placement agreement following the Share Purchase Plan

2,307,000 Shares were issued at \$0.2364 per Share as exercise of options

200,000 Shares were issued at \$0.60 per Share as exercise of options

23,163,500 Shares were issued at \$1.20 per Share pursuant to the RBC Capital Raising

200,000 Shares were issued at \$0.33 per Share as exercise of options

Option Reconciliation to 30 June 2007

	Number of Options
Opening Balance at 1 July 2006	10,302,172
Options Issued	52,750,000
Options Exercised	4,427,172
Options Lapsed/Expired	-
Closing Balance at 30 June 2007	58,625,000

The weighted average remaining contractual life of options on issue at 30 June 2007 is 2,011 days.

Options

The following Options were issued during the year:

Number Issued	Expiry Date	Exercise Price
1,650,000	1 June 2010	\$0.6864
5,000,000	7 September 2010	\$0.6864
1,150,000	1 November 2010	\$0.6864
500,000	2 January 2011	\$0.8864
250,000	9 January 2011	\$0.8864
50,000	30 June 2011	\$1.50
100,000	30 June 2011	\$1.48
100,000	30 June 2011	\$1.54
100,000	30 June 2011	\$1.38
100,000	30 June 2011	\$1.50
1,500,000	5 June 2012	\$1.00
1,000,000	5 June 2012	\$1.00
1,000,000	2 January 2013	\$0.9864
1,000,000	2 January 2013	\$1.4864
250,000	9 January 2013	\$0.9864
1,000,000	9 January 2013	\$1.4864
1,500,000	16 March 2013	\$2.00
1,500,000	16 March 2013	\$2.50
1,000,000	19 March 2013	\$1.4864
1,500,000	19 March 2013	\$1.9864
1,500,000	19 March 2013	\$2.4864
3,500,000	5 June 2013	\$1.50
7,500,000	5 June 2013	\$2.00
12,250,000	5 June 2014	\$2.50
2,750,000	31 December 2015	\$1.4864
5,000,000	7 September 2016	\$0.6864
52,750,000		

The weighted average fair value of these options at measured date (grant) is \$0.50505.

The following table lists the inputs to the models used for the options issued for the year ended 30 June 2007:

Number of options	200,000	11,000,000	4,350,000	24,750,000	9,000,000	3,450,000
Method adopted	Binomial	Binomial	Binomial	Black Scholes	Black Scholes	Black Scholes
Average volatility (%)	60.00%	50.00%	50.00%	75.00%	61.11%	50.00%
Average risk-free interest rate (%)	5.80%	6.00%	6.00%	6.00%	6.00%	6.15%
Average expected life of option (years)	4.00	6.49	7.18	6.14	5.89	5.75
Average exercise price (cents)	\$0.7000	\$0.7000	\$1.2057	\$2.1162	\$1.5348	\$2.1493
Average deemed share price at grant date (cents)	\$0.6500	\$0.8400	\$1.2477	\$1.2500	\$0.9708	\$1.2020
Average value per option (cents)	\$0.2251	\$0.4022	\$0.3443	\$0.6395	\$0.3875	\$0.3781

The following options were exercised during the year:

Number Issued	Expiry Date	Exercise Price
151,000	16 December 2007	\$0.25
250,000	16 December 2007	\$0.25
200,000	30 June 2009	\$0.60
1,000,000	30 June 2007	\$0.2364
9,480	30 June 2007	\$0.2364
200,000	31 July 2006	\$0.3300
9,692	30 June 2007	\$0.2364
200,000	30 June 2007	\$0.2364
814,000	30 June 2007	\$0.2364
286,000	30 June 2007	\$0.2364
300,000	30 June 2007	\$0.2364
8,000	30 June 2007	\$0.2364
856,000	30 June 2007	\$0.2364
143,000	30 June 2007	\$0.2364
4,427,172		

The following Options expired/lapsed during the year:

Number Issued	Expiry Date	Exercise Price
Nil		

As at 30 June 2007 the Company had the following Options on issue:

Number Issued	Expiry Date	Exercise Price
2,500,000	16 December 2007	\$0.2364
3,000,000	31 December 2007	\$0.2364
125,000	31 December 2008	\$0.2364
250,000	30 June 2009	\$0.5864
1,650,000	1 June 2010	\$0.6864
5,000,000	7 September 2010	\$0.6864
1,150,000	1 November 2010	\$0.6864
5,000,000	7 September 2016	\$0.6864
2,750,000	31 December 2015	\$1.4864
250,000	9 January 2011	\$0.8864
500,000	2 January 2011	\$0.8864
1,250,000	9 January 2013	\$0.9864
1,000,000	2 January 2013	\$0.9864
1,000,000	2 January 2013	\$1.4864
1,000,000	9 January 2013	\$1.4864
1,000,000	19 March 2013	\$1.4864
1,500,000	19 March 2013	\$1.9864
1,500,000	19 March 2013	\$2.4864
150,000	30 June 2011	\$1.50
100,000	30 June 2011	\$1.38
100,000	30 June 2011	\$1.48
100,000	30 June 2011	\$1.54
1,500,000	16 March 2013	\$2.00
1,500,000	16 March 2013	\$2.50
1,500,000	5 June 2012	\$1.00
3,500,000	5 June 2013	\$1.50
7,500,000	5 June 2013	\$2.00
12,250,000	5 June 2014	\$2.50
58,625,000		

Consolidated Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 13. ACCUMULATED LOSSES AND RESERVES

a) Accumulated Losses

Balance at the beginning of the year	(12,299)	(10,720)	(11,746)	(10,427)
Accumulated loss on demerged subsidiaries	91	-	-	-
Net profit/(loss)	26	(1,579)	176	(1,319)
Balance at end of the year	(12,182)	(12,299)	(11,570)	(11,746)

The Company has retained a loss at 30 June 2007.

b) Option Reserve

Balance at the beginning of the year	500	230	500	230
Cost of share based payments	2,088	402	2,088	402
Cost transfer on exercise	(182)	(132)	(182)	(132)
Balance at end of the year	2,406	500	2,406	500

The option reserve is used to recognise the fair value of options issued and expensed over the vesting period and credited to this reserve. The shares will reverse against the share capital when the underlying shares are exercised.

	Consolidated Entity		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
c) Revaluation Reserve				
Balance at the beginning of the year	46	40	46	40
Revaluations	667	157	667	157
Sale of investments	(46)	(151)	(46)	(151)
Balance at end of the year	667	46	667	46

The revaluation reserve is used to recognise the fair value of financial assets classified as available-for-sale assets. Amounts are recognised in the income statements when the associated assets are sold.

NOTE 14. CASH FLOW STATEMENTS

a) Reconciliation of operating loss after income tax to the net cash flows from operations:				
Operating profit/(loss) after income tax	26	(1,579)	176	(1,319)
Add/(less)				
Exploration and evaluation costs written off	276	372	101	135
Depreciation	53	35	52	35
Share based payments	2,088	402	2,088	402
Profit on sale of shares	(265)	(152)	(265)	(152)
Equity Accounting from profit/loss	261	-	261	-
Non cash sale of tenements	(5,255)	-	(5,255)	-
Demerge Rubicon	(79)	-	342	-
Demerge Epsilon	(994)	-	(628)	-
Profit on sale of fixed assets	(24)	-	(24)	-
Prepayments/Debtors	(13)	(58)	(13)	(58)
(Increase)/decrease in accrued interest and GST	(107)	103	(107)	111
Increase/(decrease) in creditors, accruals and provisions	340	207	388	207
	(3,693)	(670)	(2,884)	(639)
b) During the year the following non cash transactions occurred in the Company: received 29,729,730 shares at \$0.185 in Polaris Metal NL as payment for acquisition of tenements, with a cost value of \$5,500,000.				
c) Reconciliation of Cash				
Cash on hand and at bank	29,590	9,178	29,444	8,977
Closing cash balance	29,590	9,178	29,444	8,977

Prescribed Funds of \$3,329,011 (2006 : \$0) are included in Cash on hand at bank. These funds are designated for use in the KNP expenditure programme.

Environmental Bonds of \$262,607 (2006 : \$261,314) are included in Cash on hand and at bank. This amount is held as security term deposits and is not available to the Company for ordinary activities.

Escrow Accounts of \$63,250 (2006 : \$59,572) are included in Cash on hand and at bank. These amounts are held in trust accounts pending the completion of purchase agreements that the Company has entered into and are not available for ordinary activities.

Property Bonds of \$47,945 (2006 : \$46,545) are included in Cash on hand and at bank. This amount is held as a security term deposit and is not available to the Company for ordinary activities.

NOTE 15. DIRECTORS AND KEY MANAGEMENT PERSONNEL COMPENSATION DISCLOSURE

The Directors of the Company during the financial year were:

Non-Executive Directors

Craig Leslie Readhead

Allan Trench - resigned February 2007

Stephen Bruce Dennis

Kenneth John Hellsten

Executive Directors

Ian James Buchhorn

Norman Mathew Longworth

The Key Management Personnel for the financial year were:

Project Manager

Kevin Reynolds - since February 2007

Exploration Manager

David von Perger - since February 2006

Company Secretary

Sarah Calvert - since December 2004

Commercial Manager and Legal Counsel

Robert Klug - since February 2007

The Board seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment of Directors. Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executive Officers in the context of prevailing market conditions. There is no direct link between Director and Senior Executive remuneration and corporate performance, other than the performance conditions attaching to options.

Remuneration levels and other terms of employment for Mr Longworth, Mr Buchhorn, Mr Reynolds, Mr Klug, Mrs Calvert and Mr von Perger are formalised in service agreements.

The agreement with Mr Longworth requires the provision of his services as Managing Director and contains the following major provisions:

- No fixed term;
- Current base salary of \$360,000 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr Longworth's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Longworth the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by the Company is twelve months and by Mr Longworth is six months.

The agreement with Mr Buchhorn requires the provision of his services as Executive Strategy of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$300,000 exclusive of superannuation; and
- Termination can be made by either Mr Buchhorn or the Company by giving not less than six months notice. Forfeiture or payment of six months salary as the case may be may be made or given in lieu of notice. The company will pay Mr Buchhorn the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act.

The Board is currently negotiating a new service agreement with Mr Buchhorn.

The agreement with Mr von Perger requires the provision of his services as Exploration Manager of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$195,000 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr von Perger's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr von Perger the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is two months.

The Board is currently negotiating a new service agreement with Mr von Perger.

5.0 FINANCIAL STATEMENTS CONTINUED
NOTE 15. DIRECTORS AND KEY MANAGEMENT PERSONNEL
COMPENSATION DISCLOSURE CONTINUED

The agreement with Mr Reynolds requires the provision of his services as Project Manager of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$295,230 inclusive of vehicle allowance, exclusive of superannuation; and
- In the event that the Company terminates Mr Reynolds employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Reynolds the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is two months.

The agreement with Mr Klug requires the provision of his services as Commercial Manager and Legal Counsel of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$240,000 exclusive of superannuation; and
- In the event that the Company terminates Mr Klug's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mr Klug the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is three months.

The agreement with Mrs Calvert requires the provision of her services as Company Secretary of the Company and contains the following major provisions:

- No fixed term;
- Current base salary of \$185,000 exclusive of superannuation; and
- In the event that the Company terminates Mrs Calvert's employment other than for matters concerning fraud and dishonesty and the like the Company will pay Mrs Calvert the maximum amount payable in accordance with the formula prescribed by section 200G of the Corporations Act. The length of notice to be given by both parties on termination is one month.

The Board is currently negotiating a new service agreement with Mrs Calvert.

Non-executive Directors received a fixed fee for their services as directors. Non-executive Directors fees not exceeding an aggregate of \$500,000 per annum have been approved by the Company in a general meeting on the 5 June 2007. There is no direct link between non-executive Directors fees and corporate performance. There are no termination or retirement benefits for non-executive Directors (other than statutory superannuation).

During the reporting period an evaluation of the remuneration of Directors and senior executives was carried out by the full Board, with independent advice from the Company's human resources consultant. No Director was involved in discussions regarding his own remuneration.

Other than outlined above, since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the Company or a related body corporate, by reason of a contract made by the Company with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

	Short-term -----benefits-----			Post-employment -----benefits-----		Share-based payment	Total
	Cash Salary & fees \$ '000	Cash Bonus \$ '000	Non-Cash Benefits \$ '000	Super- annuation \$ '000	Retirement Benefits \$ '000	Options \$ '000	
Directors							
CL Readhead	75	-	-	-	-	17	92
NM Longworth	268	-	24	24	-	134	450
IJ Buchhorn	367	100	-	33	-	446	946
A Trench	44	-	-	2	-	-	46
SB Dennis	70	-	-	6	-	17	93
KJ Hellsten	125	-	-	3	-	17	145
Key Management Personnel							
KA Reynolds	113	-	3	10	-	177	303
RG Klug	95	-	-	9	-	107	211
SH Calvert	162	-	-	15	-	35	212
D von Perger	172	-	35	15	-	85	307
Total	1,491	100	62	117	-	1,035	2,805

Fair values for the options at grant date, as included in the previous table, were independently determined using Black and Scholes and/or Binomial models that took into account the exercise price of the Option, the term of the Option, the vesting and performance criteria, the non-tradable nature of the Option, the Share price at grant date and the expected price volatility of the underlying Share and the risk-free interest rate for the term of the Option.

The share based payment options included as remuneration of the Directors and Key Management Personnel, vest upon the the following conditions:

Conditions	Number Issued
The Company must become a 10,000 tonnes per annum nickel in concentrate producer, from tenements and projects that are not part of the KNP, within four years.	6,000,000
The Company must achieve Full Ramp Up (production rate of equal to or greater than the design capacity for at least one quarter) for the KNP laterite project within ten years.	5,000,000
The Company is to be issued with its vendor shares for the sale of its iron ore assets to Polaris Metals NL on or before 31 December 2006; or Rubicon Resources Limited must be granted official quotation of its shares on the ASX on or before 31 December 2006. This condition has been met.	1,000,000
Upon the completion of construction of the first nickel project.	4,500,000
Upon sale of the first commercial nickel product from any Heron Project (sale of nickel product from trial mining does not satisfy this condition).	10,500,000
Upon production achieving a level of 10,000 tonnes of nickel in intermediate product annualised production rate over a three calendar month period.	15,250,000
Upon grant of the Mining Leases for the Jump-up Dam project by 1 July 2007. This condition has been met.	250,000
Upon Execution of all engineering procurement and construction contracts for the Jump-up Dam project.	250,000
Upon execution of all contracts for funding of the Jump-up Damp Project.	250,000
Upon Jump-up Dam project achieving an annualised production rate of 5,000 tpa of nickel in intermediate product sustained for at least one quarter, being for a three consecutive calendar month by July 30, 2011.	1,250,000
Upon Jump-up Dam project achieving an annualised production rate of 10,000 tpa of nickel in intermediate product sustained for at least one quarter, being for a three consecutive calendar month by July 30, 2011.	2,000,000
Upon delivery of a definitive feasibility study for the Jump-up Dam Project accepted by the Board on or before 30 March 2008.	500,000
Upon practical completion of the initial 5,000 tpa Jump-up Dam Project plus or minus 10% of both schedule and capital estimate of the definitive feasibility study.	500,000
No conditions, vesting immediately.	1,700,000
	48,950,000

The vesting conditions reflect key milestones in the company's development moving towards a production focus.

Shares	Held at 1 July 2006	Purchased on market	Purchase on conversion of Options	Sold	Held at 30 June 2007
Directors					
CL Readhead	329,325	15,384	-	-	344,709
NM Longworth	282,000	15,384	-	-	297,384
IJ Buchhorn	40,411,155	46,152	1,000,000	-	41,457,307
A Trench	494,500	-	-	-	Resigned February 2007
SB Dennis	-	50,000	-	-	50,000
KJ Hellsten	-	15,000	-	-	15,000
Key Management Personnel					
KA Reynolds	-	-	-	-	-
RG Klug	-	-	-	-	-
SH Calvert	125,000	15,384	-	-	140,384
D von Perger	28,950	7,692	250,000	54,950	231,692

5.0 FINANCIAL STATEMENTS CONTINUED
NOTE 15. DIRECTORS AND KEY MANAGEMENT PERSONNEL
COMPENSATION DISCLOSURE CONTINUED

Options	Expiry Date	Exercise Price	Held at 1 July 2006	Issued	Exercised	Held at 30 June 2007
Directors						
CL Readhead	16 December 2007	\$0.2364	500,000	-	-	500,000
	30 June 2009	\$0.5864	250,000	-	-	250,000
	5 June 2012	\$1.00	-	500,000	-	500,000
	5 June 2013	\$1.50	-	500,000	-	500,000
	5 June 2013	\$2.00	-	500,000	-	500,000
	5 June 2014	\$2.50	-	750,000	-	750,000
A Trench	30 June 2009	\$0.60	200,000	-	200,000	-
IJ Buchhorn	30 June 2007	\$0.2364	1,000,000	-	1,000,000	-
	16 December 2007	\$0.2364	1,000,000	-	-	1,000,000
	31 December 2007	\$0.2364	2,000,000	-	-	2,000,000
	7 September 2010	\$0.6864	-	5,000,000	-	5,000,000
	7 September 2016	\$0.6864	-	5,000,000	-	5,000,000
	5 June 2013	\$1.50	-	1,000,000	-	1,000,000
	5 June 2013	\$2.00	-	2,000,000	-	2,000,000
	5 June 2014	\$2.50	-	3,000,000	-	3,000,000
NM Longworth	16 December 2007	\$0.2364	200,000	-	-	200,000
	31 December 2007	\$0.2364	1,000,000	-	-	1,000,000
	1 June 2010	\$0.6864	-	1,000,000	-	1,000,000
	5 June 2013	\$1.50	-	1,000,000	-	1,000,000
	5 June 2013	\$2.00	-	4,000,000	-	4,000,000
	5 June 2014	\$2.50	-	7,000,000	-	7,000,000
SB Dennis	5 June 2012	\$1.00	-	500,000	-	500,000
	5 June 2013	\$1.50	-	500,000	-	500,000
	5 June 2013	\$2.00	-	500,000	-	500,000
	5 June 2014	\$2.50	-	750,000	-	750,000
KJ Hellsten	5 June 2012	\$1.00	-	500,000	-	500,000
	5 June 2013	\$1.50	-	500,000	-	500,000
	5 June 2013	\$2.00	-	500,000	-	500,000
	5 June 2014	\$2.50	-	750,000	-	750,000
Key Management Personnel						
KA Reynolds	2 January 2011	\$0.8864	-	500,000	-	500,000
	2 January 2013	\$0.9864	-	500,000	-	500,000
	2 January 2013	\$0.9864	-	500,000	-	500,000
	2 January 2013	\$1.4864	-	1,000,000	-	1,000,000
	16 March 2013	\$2.00	-	750,000	-	750,000
	16 March 2013	\$2.50	-	750,000	-	750,000
RG Klug	9 January 2011	\$0.8864	-	250,000	-	250,000
	9 January 2013	\$0.9864	-	250,000	-	250,000
	9 January 2013	\$0.9864	-	250,000	-	250,000
	9 January 2013	\$0.9864	-	750,000	-	750,000
	9 January 2013	\$1.4864	-	1,000,000	-	1,000,000
	16 March 2013	\$2.00	-	750,000	-	750,000
	16 March 2013	\$2.50	-	750,000	-	750,000
SH Calvert	16 December 2007	\$0.2364	550,000	-	-	550,000
	1 June 2010	\$0.6864	-	200,000	-	200,000
	19 March 2013	\$1.50	-	500,000	-	500,000
	19 March 2013	\$2.00	-	750,000	-	750,000
	19 March 2013	\$2.50	-	750,000	-	750,000
D von Perger	16 December 2007	\$0.2364	400,000	-	250,000	150,000
	1 November 2010	\$0.6864	-	1,000,000	-	1,000,000
	19 March 2013	\$1.4864	-	500,000	-	500,000
	19 March 2013	\$1.9864	-	750,000	-	750,000
	19 March 2013	\$2.4864	-	750,000	-	750,000

During the year, following Shareholder approval, a total of 35,750,000 Options were issued to the Directors as above. Of those held at 30 June 2007, 8,350,000 options have vested and are exercisable options.

Fair values for the options at grant date, as included in the above table, were independently determined using Black and Scholes and/or Binomial models that took into account the exercise price of the Option, the term of the Option, the vesting and performance criteria, the non-tradeable nature of the Option, the Share price at grant date and the expected price volatility of the underlying Share and the risk-free interest rate for the term of the Option.

Other related party transactions during the financial year were:

- payment of \$67,598 (2006 : \$60,208) to an entity related to Mr I J Buchhorn for the provision of office accommodation on normal commercial terms and conditions;
- payment of \$3,542 (2006 : \$1,366) to parties related to Mr I J Buchhorn for the provision of secretarial services and temporary staff on normal commercial terms and conditions;
- payment of \$157,067 (2006 : \$198,963) to Pullinger Readhead Lucas of which Mr C L Readhead is a partner for legal services on normal commercial terms and conditions;
- payment of \$0 (2006 : \$21,818) to an entity related to Mr N M Longworth for the provision of field equipment rental on normal commercial terms and conditions;
- Interest-free loan of \$4,839,113 (2006 : \$5,284,426) was made by the parent entity to the controlled entity Hampton Nickel Limited;
- Interest-free loan of \$128,428 (2006 : \$258,523) was made by the parent entity to the controlled entity Ochre Resources Limited;
- Interest-free loan of \$179,861 (2006 : \$124,701) was made by the parent entity to the controlled entity Atriplex Limited;

Heron Resources Limited is the ultimate parent entity. Heron Resources Limited is a listed public company incorporated and domiciled in Australia. Ownership interest in the controlled entities is as set out in Note 20(a).

NOTE 16. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks and market risks. The Company's financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

a) Terms, conditions and accounting policies

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance sheet date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
<i>i) Financial assets</i>			
11am Call Accounts		11am Call Accounts are carried at cost.	The 11am Call Accounts are at call with an interest rate of 6.07% (2006 : 5.50%).
Term Deposits		Term Deposits are carried at cost.	Term Deposits are secured with a 3 month term with an interest rate of 6.41% (2006 : 5.95%)
Environmental Bonds		Environmental Bonds are carried at cost.	Environmental Bonds are security term deposits with a 3 month term with an interest rate of 6.18% (2006 : 5.80%).
Property Bonds		Property Bonds are carried at cost.	Property Bonds are security term deposits with a 3 month term with an interest rate of 6.5% (2006 : 5.83%)
Escrow Accounts		Escrow Accounts are carried at cost.	Escrow Accounts are term deposits with an interest rate of 6.20% (2006 : 5.50%)
Accrued Interest	5	Recognised on an accruals basis.	Interest is credited periodically.
Goods & Services Tax Paid	5	Recognised on an accruals basis.	Business Activity Statements are lodged on a monthly basis.

<i>ii) Financial liabilities</i>			
Trade creditors and accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled on 30 day terms.
<i>iii) Equity</i>			
Ordinary Shares	12	Ordinary share capital is recognised at the fair value of the consideration.	Details of the Shares issued and the terms and conditions of the Options outstanding over ordinary shares at balance sheet date are set out in Note 12

b) Interest rate risk

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date are as follows:

Financial Instruments	Floating interest rate		Fixed interest rate maturing in 1 year or less		Total carrying amount		Weighted average effective interest rate	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 %	2006 %
<i>i) Financial assets</i>								
Cash at bank	392	355	-	-	392	355	3.20	2.10
11am Call Accounts	3,456	4,221	-	-	3,456	4,221	6.07	5.50
Term Deposits	-	-	25,369	4,234	25,369	4,234	6.41	5.95
Environmental Bonds	263	261	-	-	263	261	6.18	5.80
Property Bonds	48	46	-	-	48	46	6.50	5.83
Escrow Accounts	63	60	-	-	63	60	6.20	5.50
Accrued Interest	127	58	-	-	127	58	-	-
GST	127	153	-	-	127	153	-	-
Total financial assets	4,476	5,154	25,369	4,234	29,845	9,388	-	-
<i>ii) Financial liabilities</i>								
Trade creditors and accruals	2,114	851	-	-	2,114	851	-	-
Total financial liabilities	2,114	851	-	-	2,114	851	-	-

c) The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Recognised financial instruments:

Cash, cash equivalents and short-term investments: The carrying amount approximates fair value because of their short-term maturity.

Receivables and trade creditors: The carrying amount approximates fair value.

d) The credit risk of the financial assets of the company is considered minimal as there is limited exposure.

e) Financial risk management

The Company's activities expose it to a variety of financial risks; market risk (fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company

(a) Market risk

Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the group and classified on the balance sheet either as available for sale or at fair value through profit or loss. The Company is not exposed to commodity price risk.

(b) Credit risk

The Company has no significant concentrations of credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(d) Cash flow and fair value interest rate risk

As the Company has interest-bearing assets, the Groups income and operating cash flows are exposed to changes in market interest rates.

Consolidated Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 17. AUDITORS' REMUNERATION

Amounts received or due and receivable for:

Butler Settineri (Audit) Pty Ltd - Audit services	21	28	20	15
Butler Settineri Chartered Accountants -Other services	2	-	2	-

NOTE 18. COMMITMENTS FOR EXPENDITURE

a) Exploration Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Company estimates the following annual discretionary exploration expenditure requirements up until expiry or relinquishment of the mining tenure. These obligations are not provided for in the financial statements and are payable based on granted tenements:

Not later than 1 year	4,550	5,203	3,643	2,750
Later than 1 year but not later than 5 years	5,000	5,800	4,000	3,350
Later than 5 years	5,000	4,800	4,000	3,350

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations. Those amounts detailed above do not include expenditure commitments which are the responsibility of joint venture partners (Note 19).

b) Operating Lease Commitments

The Company has leased two office premises under non-cancellable operating leases that are set for five years with a right of renewal for a further five years at which time all terms are renegotiable. Lease amounts include a base amount, plus variable outgoings and car parking and are subject to an annual rent review by way of the consumer price index at the time of review.

Not later than 1 year	211	189	211	189
Later than 1 year but not later than 5 years	633	755	633	755
Later than 5 years	-	-	-	-

A portion of the leased premises in Perth were sub-let to Rubicon Resources Limited and Epsilon Energy Limited for part of the year, they vacated before 30 June 2007.

c) Capital Commitments

The Company has none to 30 June 2007.

NOTE 19. JOINT VENTURE AGREEMENTS

The Company has entered into the following joint venture agreements (as at 1 July 2007):

Project	Operator	Right to Earn	\$'000 Farm-in Expenditure
King of Creation	A1 Minerals Limited	70% ¹	250
Gidji	Jackson Gold Limited	70%	300
Frances Lesley	Leviathan Resources Limited	100% ²	-
Inco Ltd KNP Agreement ³	CVRD/Inco Ltd	60%	-
TOTAL			550

1 This was previously with Bronzewing Gold NL. Heron entered into a deed of assignment and assumption dated 8 August 2006 whereby A1 Minerals Limited took on the rights and obligation of the original agreement.

2 Heron owns nickel rights.

3 Through an agreement dated 30 July 2005, Inco Ltd (through affiliated companies) has the right to earn a 60% interest in the Company's Kalgoorlie Nickel Project by meeting certain milestones on or before 30 July 2011.

NOTE 20. INVESTMENTS IN CONTROLLED ENTITIES

Name of Entity	Country of Registration	Class of Shares	Cost of Consolidated Entity's Investment		Cost of Parent Entity's Investment	
			2007	2006	2007	2006
					\$	\$
Epsilon Energy Limited	Australia	Ordinary	-	100%	-	10
Hampton Nickel Limited	Australia	Ordinary	100%	100%	10	10
Ochre Resources Limited	Australia	Ordinary	100%	100%	100	100
Atriplex Limited	Australia	Ordinary	100%	100%	10	10
Rubicon Resources Limited	Australia	Ordinary	-	100%	-	100
Yerilla Nickel Limited	Australia	Ordinary	100%	-	100	-

Balladonia's name and corporate status was changed to Hampton Nickel (Bulong Operations) Pty Ltd on 23 September 2004. Hampton Nickel (Bulong Operations) Pty Ltd has since changed its name to Balladonia Energy Pty Ltd (Balladonia) on 19 August 2005 and further changed to Balladonia Uranium Ltd (Balladonia) on 16 May 2006, and finally to Epsilon Energy Limited on 9 August 2006 for its proposed Initial Public Offer. Epsilon Energy Limited listed on 13 December 2006.

Regent Resources Limited (Regent) was registered on 10 April 2002. Regent Resources Limited name was changed on the 19 August 2005 to Hampton Nickel Limited and is being used by the Company to hold the Bulong nickel properties and to acquire further nickel properties in the Bulong district.

Ochre Resources Limited (Ochre) was registered on 7 February 2005 to seek and acquire iron ore properties in the course of the Company's base metal exploration activities.

Atriplex Limited (Atriplex) was registered on 7 April 2005 to seek and acquire nickel-copper sulphide properties (outside the Eastern Goldfields) in the course of the Company's exploration activities.

Regent Resources Limited (Regent) was registered on 19 August 2005 to seek and acquire gold and base-metal properties in the course of the Company's exploration activities. Regent Resources Limited (Regent) was changed to Rubicon Resources Limited on 2 August 2006 for its proposed Initial Public Offer. Rubicon Resources Limited listed on 2 February 2007.

Yerilla Nickel Limited (Yerilla) was registered on 22 December 2006 as a potential holding company for the Jump-up Dam heap leach Project north east of Kalgoorlie. To date there has been no activity in the company.

	2007	2006
	\$	\$
NOTE 21. EARNINGS PER SHARE		
Basic earnings per Share	0.00014	(0.00960)
Weighted average number of ordinary Shares outstanding during the year used in the calculation of basic earnings per Share	179,227,400	164,185,734
Diluted earnings per Share	0.000130	(0.00960)
Weighted average number of ordinary Shares outstanding during the year used in the calculation of diluted earnings per Share.	200,598,996	164,185,734
Earnings profit/(loss) used in calculating basic and diluted earnings profit/(loss) per Share	25,584	(1,579,160)

NOTE 22. EMPLOYEE ENTITLEMENTS

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
a) Employee Entitlements				
The aggregate employee entitlement is comprised of:				
Provisions (Current)	529	276	529	276

b) Employee Share Scheme

An Employee Share Option Plan has been established for Heron Resources Limited, where employees, Directors and Officers of the Company are issued with Options over ordinary Shares of Heron Resources Limited. At the General Meeting on 5 June 2007 approval by Shareholders for adoption of Employee Share Option Plan was given. The Options, issued for no consideration, are in general exercisable at a fixed price at commencement date, unless otherwise stated and ending on the expiry date.

There are currently thirty-two employees, directors and officers eligible for this scheme.

The Options cannot be transferred and will not be quoted on the ASX.

During the year 50,000,000 Options were issued, no Options lapsed or expired and 601,000 Options were exercised under the Employee Options Plan.

Details of options as at the beginning and end of the reporting date and movements during the year are set out below:

Grant date	Expiry date	Exercise price	Number of options at the beginning of the year	Options granted this year	Options Lapsed this year	Options Exercised this year	Number of Options at the end of the year	Options Exercisable at the end of the year
2007 Consolidated and parent entity								
16 December 2003	16 December 2007	\$0.25	1,500,000	-	-	-	1,500,000	1,500,000
4 March 2004	16 December 2007	\$0.25	250,000	-	-	-	250,000	250,000
1 July 2004	16 December 2007	\$0.25	600,000	-	-	(250,000)	350,000	350,000
25 November 2004	31 December 2007	\$0.25	3,000,000	-	-	-	3,000,000	3,000,000
11 February 2005	16 December 2007	\$0.25	300,000	-	-	-	300,000	300,000
20 May 2005	16 December 2007	\$0.25	151,000	-	-	(151,000)	-	-
25 November 2005	30 June 2009	\$0.60	450,000	-	-	(200,000)	250,000	250,000
12 July 2006	1 June 2010	\$0.6864	-	200,000	-	-	200,000	200,000
8 August 2006	7 September 2010	\$0.70	-	150,000	-	-	150,000	150,000
29 November 2006	1 June 2010	\$0.70	-	300,000	-	-	300,000	300,000
29 November 2006	1 November 2010	\$0.70	-	1,150,000	-	-	1,150,000	1,150,000
29 November 2006	7 September 2010	\$0.70	-	5,000,000	-	-	5,000,000	5,000,000
29 November 2006	7 September 2016	\$0.70	-	5,000,000	-	-	5,000,000	5,000,000
29 November 2006	1 June 2010	\$0.70	-	1,000,000	-	-	1,000,000	1,000,000
9 January 2007	9 January 2011	\$0.8864	-	250,000	-	-	250,000	250,000
9 January 2007	9 January 2013	\$0.9864	-	250,000	-	-	250,000	250,000
9 January 2007	9 January 2013	\$0.9864	-	250,000	-	-	250,000	250,000
9 January 2007	9 January 2013	\$0.9864	-	750,000	-	-	750,000	750,000
9 January 2007	9 January 2013	\$1.4864	-	1,000,000	-	-	1,000,000	1,000,000
2 January 2007	2 January 2011	\$0.8864	-	500,000	-	-	500,000	500,000
2 January 2007	2 January 2013	\$0.9864	-	500,000	-	-	500,000	500,000
2 January 2007	2 January 2013	\$0.9864	-	500,000	-	-	500,000	500,000
2 January 2007	2 January 2013	\$1.4864	-	1,000,000	-	-	1,000,000	1,000,000
19 March 2007	19 March 2013	\$1.4864	-	1,000,000	-	-	1,000,000	1,000,000
19 March 2007	19 March 2013	\$1.9864	-	1,500,000	-	-	1,500,000	1,500,000
19 March 2007	19 March 2013	\$2.4864	-	1,500,000	-	-	1,500,000	1,500,000
8 June 2007	30 June 2011	\$1.50	-	150,000	-	-	150,000	150,000
8 June 2007	30 June 2011	\$1.48	-	100,000	-	-	100,000	100,000
8 June 2007	30 June 2011	\$1.54	-	100,000	-	-	100,000	100,000
8 June 2007	30 June 2011	\$1.38	-	100,000	-	-	100,000	100,000
16 March 2007	16 March 2013	\$2.00	-	1,500,000	-	-	1,500,000	1,500,000
16 March 2007	16 March 2013	\$2.50	-	1,500,000	-	-	1,500,000	1,500,000
5 June 2007	5 June 2013	\$1.50	-	3,500,000	-	-	3,500,000	3,500,000
5 June 2007	5 June 2013	\$2.00	-	7,500,000	-	-	7,500,000	7,500,000
5 June 2007	5 June 2014	\$2.50	-	12,250,000	-	-	12,250,000	12,250,000
5 June 2007	5 June 2012	\$1.00	-	1,500,000	-	-	1,500,000	1,500,000
			6,251,000	50,000,000	-	(601,000)	55,650,000	55,650,000
Weighted average exercise price			\$0.28	\$1.66		\$0.37	\$1.51	\$1.51

Grant date	Expiry date	Exercise price	Number of options at the beginning of the year	Options granted this year	Options Lapsed this year	Options Exercised this year	Number of Options at the end of the year	Options Exercisable at the end of the year
2006 Consolidated and parent entity								
16 December 2003	16 December 2007	\$0.25	1,500,000	-	-	-	1,500,000	1,500,000
4 March 2004	16 December 2007	\$0.25	250,000	-	-	-	250,000	250,000
1 July 2004	16 December 2007	\$0.25	800,000	-	-	(200,000)	600,000	600,000
25 November 2004	16 December 2007	\$0.25	300,000	-	-	(300,000)	-	-
25 November 2004	31 December 2005	\$0.20	2,000,000	-	-	(2,000,000)	-	-
25 November 2004	31 December 2007	\$0.25	3,000,000	-	-	-	3,000,000	3,000,000
11 February 2005	16 December 2007	\$0.25	1,100,000	-	-	(800,000)	300,000	300,000
20 May 2005	16 December 2007	\$0.25	200,000	-	-	(49,000)	151,000	151,000
25 November 2005	30 June 2009	\$0.60	-	450,000	-	-	450,000	450,000
			9,150,000	450,000	-	(3,349,000)	6,251,000	6,251,000
Weighted average exercise price			\$0.24	\$0.60		\$0.22	\$0.28	\$0.28

c) The Company had 32 employees as at 30 June 2007 (2006 : 13 employees).

NOTE 23. SUBSEQUENT EVENTS

There is no matter or circumstance which has arisen since 30 June 2007 that has significantly affected or may significantly affect:

- The operations, in the financial years subsequent to 30 June 2007, of the Company;
- The results of those operations; or
- The state of affairs, in the financial years subsequent to 30 June 2007, of the Company.

Mr Buchhorn took a directorship with Southern Cross Goldfields Limited, a subsidiary of Polaris Metals NL in July 2007. Southern Cross Goldfields Limited is aiming to list by December 2007.

The financial report was approved and authorised for issue by the Directors on 28 September 2007.

Directors' Declaration

In accordance with a resolution of the Directors of Heron Resources Limited it is declared that:

- The financial statements and notes comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- Give a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2007 and of their performance, as represented by the results of their operations, for the financial year ended on that date.

In the Directors' opinion:

- The financial statements and notes are in accordance with the Corporations Act 2001; and
- At the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts when they become due and payable; and
- The Directors have been given the declarations by the Chief Financial Officer required by section 295A of the Corporations Act 2001.

On behalf of the Board



C L READHEAD
Chairman

Perth, 28 September 2007

6.0 Audit Report

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF HERON RESOURCES LIMITED

Scope

We have audited the attached financial report, being a general purpose financial report of Heron Resources Limited for the financial year ended 30 June 2007 as set out on pages 16 to 42 comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

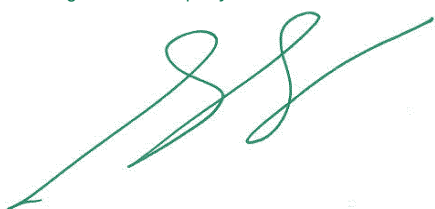
Auditor's Opinion

In our opinion, the financial report of Heron Resources Limited is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

BUTLER SETTINERI (AUDIT) PTY LTD

Registered Company Audit Number: 289109



Butler Settineri (Audit) Pty Ltd

COLIN P BUTLER

Director

Perth, Date: 28 September 2007

7.0 Shareholder Information

AT 24 AUGUST 2007

1. Issued Shares and Options

a) Distribution of Shareholders:

Size of Holding	Number of Holders	Shares Held
1 - 1,000	205	141,711
1,001 - 5,000	729	2,377,682
5,001 - 10,000	607	4,926,576
10,001 - 100,000	1,091	29,961,528
100,001 -	129	168,031,350
	<u>2,761</u>	<u>205,438,847</u>

b) The twenty largest Shareholders hold 65.73% of the issued fully paid capital of the Company.

c) Substantial Shareholders who have notified the Company:

Holder	Number of Shares	%
Kurana Pty Ltd	33,082,692	16.10
BHP Minerals Holdings Pty Ltd	17,937,960	8.73
Inco Australia Holdings Pty Ltd	17,440,651	8.49
MBM Corporation Pty Ltd	9,917,692	4.83
Chaos Investments Pty Ltd	4,496,924	2.19

Note: MBM Corporation Pty Ltd and Chaos Investments Pty Ltd are related parties and their combined holding is 14,414,616 Shares (7.02%)

d) Distribution of Optionholders:

The following Options were on issue:

1	2,500,000	exercisable on or before 16 December 2007 payment of \$0.2364 per Option exercised;
2	3,000,000	exercisable on or before 31 December 2007 payment of \$0.2364 per Option exercised;
3	125,000	exercisable on or before 31 December 2008 payment of \$0.2364 per Option exercised;
4	250,000	exercisable on or before 30 June 2009 payment of \$0.5864 per Option exercised;
5	1,650,000	exercisable on or before 1 June 2010 payment of \$0.6864 per Option exercised;
6	5,000,000	exercisable on or before 7 September 2010 payment of \$0.6864 per Option exercised;
7	1,150,000	exercisable on or before 1 November 2010 payment of \$0.6864 per Option exercised;
8	5,000,000	exercisable on or before 7 September 2016 payment of \$0.6864 per Option exercised;
9	2,750,000	exercisable on or before 31 December 2015 payment of \$1.4864 per Option exercised;
10	250,000	exercisable on or before 9 January 2011 payment of \$0.8864 per Option exercised;
11	500,000	exercisable on or before 2 January 2011 payment of \$0.8864 per Option exercised;
12	1,250,000	exercisable on or before 9 January 2013 payment of \$0.9864 per Option exercised;
13	1,000,000	exercisable on or before 2 January 2013 payment of \$0.9864 per Option exercised;
14	1,000,000	exercisable on or before 2 January 2013 payment of \$1.4864 per Option exercised;
15	1,000,000	exercisable on or before 9 January 2013 payment of \$1.4864 per Option exercised;
16	1,000,000	exercisable on or before 19 March 2013 payment of \$1.50 per Option exercised;
17	1,500,000	exercisable on or before 19 March 2013 payment of \$2.00 per Option exercised;
18	1,500,000	exercisable on or before 19 March 2013 payment of \$2.50 per Option exercised;
19	150,000	exercisable on or before 30 June 2011 payment of \$1.50 per Option exercised;
20	100,000	exercisable on or before 30 June 2011 payment of \$1.38 per Option exercised;
21	100,000	exercisable on or before 30 June 2011 payment of \$1.48 per Option exercised;
22	100,000	exercisable on or before 30 June 2011 payment of \$1.54 per Option exercised;
23	1,500,000	exercisable on or before 16 March 2013 payment of \$2.00 per Option exercised;
24	1,500,000	exercisable on or before 16 March 2013 payment of \$2.50 per Option exercised;
25	1,500,000	exercisable on or before 5 June 2012 payment of \$1.00 per Option exercised;
26	3,500,000	exercisable on or before 5 June 2013 payment of \$1.50 per Option exercised;
27	7,500,000	exercisable on or before 5 June 2013 payment of \$2.00 per Option exercised;
28	12,250,000	exercisable on or before 5 June 2014 payment of \$2.50 per Option exercised;

Size of Holding	Number of Holders	Options Held
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	14	1,025,000
100,001 -	17	57,600,000
	31	58,625,000

e) There were 64 Shareholders who held less than a marketable parcel.

f) No securities have been classified by ASX as restricted.

VOTING RIGHTS

In accordance with the Company's Constitution, voting rights are on the basis of a show of hands, one vote for every registered holder and on a poll, one vote for each Share held by registered holders.

Twenty Largest Shareholders as at 24 August 2007

	Number of Shares	%
1 Kurana P/L	33,082,692	16.10
2 BHP Minerals Holdings P/L	17,937,960	8.73
3 Inco Aust Holdings P/L	17,440,651	8.49
4 MBM Corporation P/L	9,717,692	4.83
5 HSBC Custody Nom Aust Ltd	9,648,028	4.70
6 National Nominees Ltd	7,838,629	3.82
7 Citicorp Nominees P/L	4,783,934	2.33
8 Koltai Holdings P/L	4,515,679	2.20
9 Chaos Investments P/L	4,496,924	2.19
10 JP Morgan Nom Aust Ltd	4,345,182	2.12
11 HSBC Custody Nom Aust Ltd	3,250,000	1.58
12 Hazurn P/L	2,565,384	1.25
13 Buchhorn Ian James	2,455,549	1.20
14 Wardle David James & JL	2,090,000	1.02
15 Owwimar Investments P/L	1,991,291	0.97
16 Manorina Mining P/L	1,825,992	0.89
17 Kimlex Investments P/L	1,782,692	0.87
18 ANZ Nominees Limited	1,750,640	0.85
19 Central Courthouse P/L	1,720,782	0.84
20 Sheerwater	1,550,000	0.75
TOTAL	134,789,701	65.73

Optionholders (Options exercisable on or before 16 December 2007) were:

	Number of Options	% of Issued Options
Hengolo Pty Ltd	500,000	20.00
Kurana Pty Ltd	1,000,000	40.00
Kimlex Investments Pty Ltd	100,000	4.00
Mathew Longworth	200,000	8.00
Sarah Calvert	550,000	22.00
David von Perger	120,000	4.80
Jane von Perger	30,000	1.20
TOTAL	2,500,000	100.00

Optionholders (Options exercisable on or before 31 December 2007) were:

	Number of Options	% of Issued Options
Mat Mining Pty Ltd	1,000,000	33.33
Hazurn Pty Ltd	2,000,000	66.67
TOTAL	3,000,000	100.00

Optionholders (Options exercisable on or before 31 December 2008) were:

	Number of Options	% of Issued Options
Maithilee Shirgaonkar	25,000	20.0
Hui Kei Man	50,000	40.0
Le Shay Chong	50,000	40.0
TOTAL	125,000	100.00

Optionholders (Options exercisable on or before 30 June 2009) were:

	Number of Options	% of Issued Options
Hengolo Pty Ltd	250,000	100.00
TOTAL	250,000	100.00

Optionholders (Options exercisable on or before 1 June 2010) were:

	Number of Options	% of Issued Options
Sarah Calvert	200,000	12.13
Vanessa Purcell	25,000	1.51
Tracy Browning	100,000	6.06
Phillip Purcell	25,000	1.51
Alison Andinach	200,000	12.13
Jonnothan Briant	100,000	6.06
Adele Millard	500,000	30.30
Mat Mining Pty Ltd	500,000	30.30
TOTAL	1,650,000	100.00

Optionholders (Options exercisable on or before 7 September 2010) were:

	Number of Options	% of Issued Options
Pamela Buchhorn	5,000,000	100.00
TOTAL	5,000,000	100.00

Optionholders (Options exercisable on or before 1 November 2010) were:

	Number of Options	% of Issued Options
Jane von Perger	500,000	43.48
David von Perger	500,000	43.48
Steven Jones	100,000	8.69
Alison Andinach	50,000	4.35
TOTAL	1,150,000	100.00

Optionholders (Options exercisable on or before 2 January 2011) were:

	Number of Options	% of Issued Options
Michelle Reynolds	500,000	100.00
TOTAL	500,000	100.00

Optionholders (Options exercisable on or before 9 January 2011) were:

	Number of Options	% of Issued Options
Frith Adrienne Klug	250,000	100.00
TOTAL	250,000	100.00

Optionholders (Options exercisable on or before 30 June 2011) were:

	Number of Options	% of Issued Options
Jennifer Priestley	50,000	11.12
Bryan Horan	100,000	22.22
Mark Haslam	100,000	22.22
Briony Robertson	100,000	22.22
Margaret Newton	100,000	22.22
TOTAL	450,000	100.00

Optionholders (Options exercisable on or before 5 June 2012) were:

	Number of Options	% of Issued Options
Hengolo Pty Ltd	500,000	33.34
Kenneth Hellsten	500,000	33.33
Stephen Dennis	500,000	33.33
TOTAL	1,500,000	100.00

Optionholders (Options exercisable on or before 2 January 2013) were:

	Number of Options	% of Issued Options
Michelle Reynolds	2,000,000	100.00
TOTAL	2,000,000	100.00

Optionholders (Options exercisable on or before 9 January 2013) were:

	Number of Options	% of Issued Options
Frith Adrienne Klug	2,250,000	100.00
TOTAL	2,250,000	100.00

Optionholders (Options exercisable on or before 16 March 2013) were:

	Number of Options	% of Issued Options
Frith Adrienne Klug	1,500,000	50.00
Michelle Reynolds	1,500,000	50.00
TOTAL	3,000,000	100.00

Optionholders (Options exercisable on or before 19 March 2013) were:

	Number of Options	% of Issued Options
Sarah Calvert	2,000,000	50.00
David von Perger	2,000,000	50.00
TOTAL	4,000,000	100.00

Optionholders (Options exercisable on or before 5 June 2013) were:

	Number of Options	% of Issued Options
Hengolo Pty Ltd	1,000,000	9.09
Kenneth Hellsten	1,000,000	9.09
Stephen Dennis	1,000,000	9.09
Norman Mathew Longworth	5,000,000	45.46
Pamela Buchhorn	3,000,000	27.27
TOTAL	11,000,000	100.00

Optionholders (Options exercisable on or before 5 June 2014) were:

	Number of Options	% of Issued Options
Hengolo Pty Ltd	750,000	6.12
Kenneth Hellsten	750,000	6.12
Stephen Dennis	750,000	6.12
Norman Mathew Longworth	7,000,000	57.15
Pamela Buchhorn	3,000,000	24.49
TOTAL	12,250,000	100.00

Optionholders (Options exercisable on or before 31 December 2015) were:

	Number of Options	% of Issued Options
Argonaut Investments	2,750,000	100.00
TOTAL	2,750,000	100.00

Optionholders (Options exercisable on or before 7 September 2016) were:

	Number of Options	% of Issued Options
Pamela Buchhorn	5,000,000	100.00
TOTAL	5,000,000	100.00

Summary of Optionholders as at 24 August 2007

	Number of Options	% of Issued Options
1. Pamela Buchhorn	16,000,000	27.30
2. Norman Mathew Longworth	12,000,000	20.47
3. Michelle Reynolds	4,000,000	6.83
4. Frith Adrienne Klug	4,000,000	6.83
5. Hengolo Pty Ltd	3,000,000	5.12
6. Argonaut Investments	2,750,000	4.70
7. Sarah Calvert	2,750,000	4.70
8. David von Perger	2,620,000	4.46
9. Stephen Dennis	2,250,000	3.84
10. Kenneth Hellsten	2,250,000	3.84
11. Hazurn Pty Ltd	2,000,000	3.41
12. Mat Mining Pty Ltd	1,500,000	2.55
13. Kurana Pty Ltd	1,000,000	1.70
14. Jane von Perger	530,000	0.91
15. Adele Millard	500,000	0.86
16. Alison Andinach	250,000	0.42
17. Mathew Longworth	200,000	0.34
18. Tracy Browning	100,000	0.17
19. Steven Jones	100,000	0.17
20. Mark Haslam	100,000	0.17
21. Margaret Newton	100,000	0.17
22. Kimlex Investments Pty Ltd	100,000	0.17
23. Jonnothan Briant	100,000	0.17
24. Bryan Horan	100,000	0.17
25. Briony Robertson	100,000	0.17
26. Le Shay Chong	50,000	0.08
27. Jennifer Priestley	50,000	0.08
28. Hui Kei Man	50,000	0.08
29. Vanessa Purcell	25,000	0.04
30. Phillip Purcell	25,000	0.04
31. Maithilee Shirgaonkar	25,000	0.04
TOTAL	58,625,000	100.00

8.0 Statement of Mineral Resources

Project	Prospect	million tonnes	Ni %	Co %	Ni tonnes ⁶	Co tonnes ⁶	Cut-off %Ni	Category	Estimation Method
Goongarrie	Big Four Heron	32.6	0.77	0.065	251,600	21,200	0.5	Inferred	Krige ¹
Goongarrie	Big Four Placer ³	29.2	0.71	0.049	208,400	14,300	0.5	Inferred	Krige ¹
Goongarrie	Goongarrie Hill	50.9	0.67	0.043	342,000	21,700	0.5	Inferred	Krige ¹
Goongarrie	Goongarrie South	11.7	0.96	0.079	112,200	9,300	0.5	Measured	Krige ¹
Goongarrie	Goongarrie South	54.6	0.77	0.062	420,500	33,800	0.5	Indicated	Krige ¹
Goongarrie	Goongarrie South	12.2	0.65	0.058	79,900	7,100	0.5	Inferred	Krige ¹
Goongarrie	Highway ⁴	96.2	0.74	0.054	707,600	51,700	0.5	Inferred	Krige ¹
Goongarrie	Scotia	11.2	0.77	0.080	86,400	9,000	0.5	Inferred	Krige ¹
Sub-Total Goongarrie		298.6	0.74	0.056	2,208,600	168,100			
Siberia	Siberia South	111.8	0.65	0.035	727,200	38,800	0.5	Inferred	Krige ¹
Siberia	Siberia North	67.3	0.71	0.053	475,200	35,500	0.5	Inferred	Krige ¹
Siberia	Black Range	20.4	0.75	0.102	152,400	20,800	0.5	Inferred	Krige ¹
Siberia	Ghost Rocks	47.3	0.66	0.042	312,900	19,900	0.5	Inferred	Krige ¹
Sub-Total Siberia		246.8	0.68	0.047	1,667,700	115,000			
Bulong	Main ⁵	85.5	0.86	0.053	738,000	45,000	0.5	Indicated	Krige ¹
Bulong	Main ⁵	141.7	0.75	0.045	1,056,000	63,000	0.5	Inferred	Krige ¹
Bulong	East	14.0	0.89	0.046	124,000	6,000	0.5	Indicated	Krige ¹
Bulong	East	23.7	0.79	0.054	188,000	13,000	0.5	Inferred	Krige ¹
Sub-Total Bulong		264.9	0.80	0.048	2,106,000	127,000			
Hampton	Kalpini	76.4	0.73	0.044	559,200	33,500	0.5	Inferred	Krige ¹
Hampton	Rebecca	16.2	0.94	0.050	152,300	8,100	0.5	Inferred	End Area ²
Sub-Total Hampton		92.6	0.77	0.045	711,500	41,600			
Kalgoorlie Nickel Project Total		902.9	0.74	0.050	6,693,800	451,700			
Yerilla	Jump-up Dam	49.0	0.75	0.044	367,500	19,600	0.5	Indicated	Krige ¹
Yerilla	Jump-up Dam	16.6	0.61	0.033	101,300	5,000	0.5	Inferred	Krige ¹
Yerilla	Boyce Creek	18.7	0.81	0.062	151,500	11,200	0.5	Inferred	Krige ¹
Sub-Total Yerilla		84.3	0.74	0.046	620,300	35,800			
Company Total		987.2	0.74	0.050	7,314,100	487,500			

1 Shaun Hackett Attribution Statement

The information in this report that relates to Mineral Resources or mineralisation is based on information compiled by Shaun Hackett, who is a Member of the Australian Institute of Geoscientists.

Shaun Hackett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Shaun Hackett consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Shaun Hackett is a full-time employee of Snowden Mining Industry Consultants.

No significant areas of extrapolation are represented in the inferred resources.

2 Norman Mathew Longworth Attribution Statement

The information in this report that relates to Mineral Resources or mineralisation is based on information compiled by Norman Mathew Longworth, who is a Member of the Australasian Institute of Mining and Metallurgy.

Norman Mathew Longworth has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Norman Mathew Longworth consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Norman Mathew Longworth is a full-time employee of Heron Resources Limited, being employed as Managing Director.

3 Resource acquired pursuant to an agreement dated 7 February 2006 between Heron and Paddington Gold Pty Ltd, Placer Dome Australia Ltd and Kundana Gold Ltd.

4 Heron acquired 100% rights to the Highway mineral resources from Helix Resources NL pursuant to a sale agreement dated the 23 November 2005.

5 Resource ownership pursuant to a letter agreement dated 8 April 2004 whereby Heron entered into an agreement for the purchase of all mineral rights for mining tenements in the Bulong Project beneficially owned by Bulong Operations Pty Ltd and Bulong Nickel Pty Ltd (both with Receivers and Managers Appointed and in Liquidation). In respect of the Bulong Main Tenements where LionOre (Avalon) Pty Ltd is the registered tenement holder, LionOre rejected Heron's claim for exploration access in January 2007. This was disclosed to the ASX on 1 February 2007. The parties are now in dispute and Heron is considering its position.

6 Resource tonnages have been rounded to the nearest 100,000 tonnes and result in minor rounding differences in the Ni and Co tonnes presented.

9.0 Interest in Mining Tenements

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
KALGOORLIE NICKEL PROJECT						
CVRD-Inco Farm-In and Joint Venture						
NORTH KALGOORLIE NICKEL						
Goongarrie Project						
Goongarrie West	68km NNW of Kalgoorlie	E24/00124	100.0	165.20	Live	1
Siberia	70km NW of Kalgoorlie	L24/00191	100.0	50.42	Pending	1
Comet Vale	90km NNW of Kalgoorlie	E29/00462	100.0	75.60	Live	1
Comet Vale	96km NNW of Kalgoorlie	E29/00508	100.0	8.40	Live	1
Ghost Rocks	147km NNW of Kalgoorlie	E29/00517	100.0	196.00	Live	1
Ghost Rocks	145km NNW of Kalgoorlie	M29/00291	100.0	{8.96}	Pending	1
Ghost Rocks	145km NNW of Kalgoorlie	E29/00658	100.0	8.40	Pending	1
Four Corners Well	187km NW of Kalgoorlie	E29/00527	100.0	30.80	Live	1
Goongarrie	76km NNW of Kalgoorlie	E29/00536	100.0	137.20	Live	1
Simpson Bore	187km NW of Kalgoorlie	E29/00544	100.0	19.60	Live	1
Comet Vale	90km NNW of Kalgoorlie	E29/00553	100.0	145.60	Pending	1
Ghost Rocks South	134km NNW of Kalgoorlie	E29/00563	100.0	56.00	Live	1
Baden Powell	55km NNW of Kalgoorlie	M24/00481	100.0	1.20	Pending	1
Blue Dam	60km NNW of Kalgoorlie	M24/00539	100.0	6.58	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04188	100.0	1.87	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04189	100.0	1.56	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04190	100.0	1.48	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04191	100.0	1.57	Pending	1
Blue Dam	60km NNW of Kalgoorlie	M24/00540	100.0	4.53	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04192	100.0	1.36	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04193	100.0	1.98	Pending	1
Blue Dam	60km NNW of Kalgoorlie	P24/04194	100.0	1.22	Pending	1
Scotia Dam	67km NNW of Kalgoorlie	M24/00541	100.0	5.20	Live	1
Baden Powell	55km NNW of Kalgoorlie	M24/00587	100.0	3.24	Pending	1
Baden Powell	55km NNW of Kalgoorlie	P24/04198	100.0	1.30	Pending	1
Baden Powell	55km NNW of Kalgoorlie	P24/04199	100.0	1.93	Pending	1
Blue Reef	60km NNW of Kalgoorlie	M24/00697	100.0	2.00	Pending	1
Blue Reef	60km NNW of Kalgoorlie	P24/04216	100.0	2.00	Pending	1
Blue Reef	60km NNW of Kalgoorlie	M24/00719	100.0	1.28	Pending	1
Blue Reef	60km NNW of Kalgoorlie	P24/04215	100.0	1.27	Pending	1
Scotia North	75km NNW of Kalgoorlie	M24/00744	100.0	0.06	Live	1
Vettersberg	50km NNW of Kalgoorlie	M24/00749	100.0	9.31	Pending	1
Vettersberg	55km NNW of Kalgoorlie	M24/00750	100.0	4.46	Pending	1
Scotia East	68km NNW of Kalgoorlie	M24/00798	100.0	0.25	Live	1
Scotia	62km NNE of Kalgoorlie	M24/00843	100.0	4.71	Pending	1
Scotia	62km NNE of Kalgoorlie	P24/04195	100.0	1.55	Pending	1
Scotia	62km NNE of Kalgoorlie	P24/04196	100.0	1.60	Pending	1
Scotia	62km NNE of Kalgoorlie	P24/04197	100.0	1.75	Pending	1
Scotia	62km NNE of Kalgoorlie	M24/00898	100.0	7.10	Pending	1
Goongarrie West	87km NNW of Kalgoorlie	M29/00167	100.0	0.80	Live	1
Goongarrie West	86km NNW of Kalgoorlie	M29/00202	100.0	5.94	Live	1
Goongarrie South	77km NNW of Kalgoorlie	M29/00272	100.0	6.03	Live	1
Canegrass	74km NNW of Kalgoorlie	M29/00278	100.0	8.03	Live	1
Goongarrie Lady	82km NNW of Kalgoorlie	M29/00281	100.0	3.46	Pending	1
Goongarrie Lady	82km NNW of Kalgoorlie	P29/01954	100.0	1.63	Pending	1
Goongarrie Lady	82km NNW of Kalgoorlie	P29/01955	100.0	1.63	Pending	1
Goongarrie South	75km NNW of Kalgoorlie	M29/00283	100.0	5.53	Live	1
Goongarrie West	84km NNW of Kalgoorlie	M29/00292	100.0	4.29	Pending	1
Goongarrie West	84km NNW of Kalgoorlie	P29/01951	100.0	1.82	Pending	1
Goongarrie West	84km NNW of Kalgoorlie	P29/01952	100.0	1.54	Pending	1
Goongarrie West	84km NNW of Kalgoorlie	P29/01953	100.0	1.08	Pending	1
Goongarrie	82km NNW of Kalgoorlie	M29/00320	100.0	0.23	Pending	1
Goongarrie	82km NNW of Kalgoorlie	P29/01960	100.0	0.24	Pending	1
Menzies South	109km NNW of Kalgoorlie	M29/00323	100.0	0.78	Pending	1
Menzies South	109km NNW of Kalgoorlie	P29/01961	100.0	0.76	Pending	1
Goongarrie Hill North	100km NNW of Kalgoorlie	M29/00388	100.0	2.38	Pending	1

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Goongarrie Project continued						
Goongarrie Hill North	100km NNW of Kalgoorlie	P29/01963	100.0	0.38	Pending	1
Goongarrie Hill North	100km NNW of Kalgoorlie	P29/01849	100.0	{2.00}	Live	1
Vettersberg	62km NNW of Kalgoorlie	P24/03672	100.0	0.34	Live	1
Vettersberg	62km NNW of Kalgoorlie	P24/03695	100.0	1.95	Live	1
Vettersberg	62km NNW of Kalgoorlie	M24/00933	100.0	2.00	Pending	1
Vettersberg	62km NNW of Kalgoorlie	P24/04212	100.0	2.00	Pending	1
Vetters North	62km NNW of Kalgoorlie	P24/03734	100.0	1.84	Live	1
Vetters North	62km NNW of Kalgoorlie	M24/00921	100.0	2.13	Pending	1
Vetters North	62km NNW of Kalgoorlie	P24/04200	100.0	1.55	Pending	1
Vetters North	62km NNW of Kalgoorlie	P24/04201	100.0	0.59	Pending	1
Windanya	46km NNW of Kalgoorlie	P24/03765	100.0	2.00	Pending	1
Windanya	47km NNW of Kalgoorlie	P24/03766	100.0	1.99	Pending	1
Windanya	48km NNW of Kalgoorlie	P24/03767	100.0	1.99	Pending	1
Windanya	49km NNW of Kalgoorlie	P24/03768	100.0	1.98	Pending	1
Windanya	50km NNW of Kalgoorlie	P24/03769	100.0	1.94	Pending	1
Windanya	51km NNW of Kalgoorlie	P24/03770	100.0	1.80	Pending	1
Windanya	53km NNW of Kalgoorlie	P24/03771	100.0	2.00	Pending	1
Windanya	55km NNW of Kalgoorlie	P24/03772	100.0	1.99	Live	1
Grafters South	64km NNW of Kalgoorlie	P24/03777	100.0	1.26	Live	1
Grafters South	63km NNW of Kalgoorlie	P24/03778	100.0	1.22	Live	1
Grafters South	62km NNW of Kalgoorlie	P24/03779	100.0	2.00	Live	1
Grafters South	63km NNW of Kalgoorlie	P24/03780	100.0	1.87	Live	1
Grafters South	65km NNW of Kalgoorlie	P24/03781	100.0	1.13	Live	1
Scotia Dam South	63km NNW of Kalgoorlie	M24/00919	100.0	7.52	Pending	1
Windanya	55km NNW of Kalgoorlie	P24/03790	100.0	1.16	Live	1
Windanya	55km NNW of Kalgoorlie	P24/03791	100.0	1.36	Live	1
Windanya	55km NNW of Kalgoorlie	P24/03792	100.0	1.68	Live	1
Windanya	55km NNW of Kalgoorlie	P24/03797	100.0	1.86	Live	1
Windanya	55km NNW of Kalgoorlie	M24/00920	100.0	4.40	Pending	1
Windanya	55km NNW of Kalgoorlie	P24/04222	100.0	1.16	Pending	1
Windanya	55km NNW of Kalgoorlie	P24/04217	100.0	1.37	Pending	1
Windanya	55km NNW of Kalgoorlie	P24/04218	100.0	1.86	Pending	1
Scotia	63km NNW of Kalgoorlie	P24/03804	100.0	1.32	Live	1
Scotia Siding	63km NNW of Kalgoorlie	M24/00918	100.0	{1.32}	Pending	1
Scotia Siding	63km NNW of Kalgoorlie	P24/04213	100.0	1.25	Pending	1
Canegrass	75km NNW of Kalgoorlie	P24/03810	100.0	0.61	Live	1
Goongarrie Hill North	99km NNW of Kalgoorlie	P29/01671	100.0	0.39	Live	1
Ghost Rocks	134km NNW of Kalgoorlie	P29/01681	100.0	0.50	Live	1
Ghost Rocks	134km NNW of Kalgoorlie	M29/00337	100.0	{0.50}	Pending	1
Ghost Rocks	134km NNW of Kalgoorlie	P29/01958	100.0	0.45	Pending	1
Ghost Rocks	134km NNW of Kalgoorlie	P29/01682	100.0	0.75	Live	1
Ghost Rocks	134km NNW of Kalgoorlie	M29/00396	100.0	0.69	Pending	1
Ghost Rocks	134km NNW of Kalgoorlie	P29/01959	100.0	0.69	Pending	1
Comet Vale	90km NNW of Kalgoorlie	P29/01684	100.0	0.06	Live	1
Comet Vale	90km NNW of Kalgoorlie	M29/00338	100.0	{0.06}	Pending	1
Comet Vale	90km NNW of Kalgoorlie	P29/01962	100.0	0.06	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01850	100.0	1.84	Live	1
Highway North	110km NNW of Kalgoorlie	P29/01851	100.0	1.91	Live	1
Highway North	110km NNW of Kalgoorlie	P29/01852	100.0	1.98	Live	1
Highway North	110km NNW of Kalgoorlie	P29/01853	100.0	1.95	Live	1
Highway North	110km NNW of Kalgoorlie	M29/00395	100.0	7.68	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01973	100.0	1.96	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01974	100.0	1.98	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01975	100.0	1.91	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01976	100.0	1.84	Pending	1
111				1,100		
Highway Project						
Highway	100km NNW of Kalgoorlie	E29/00139	100.0	{59.97}	Live	1
Highway	100km NNW of Kalgoorlie	E29/00646	100.0	75.60	Pending	1
Highway	100km NNW of Kalgoorlie	M29/00214	100.0	9.50	Pending	1

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Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
NORTH KALGOORLIE NICKEL						
Highway Extended Project						
Highway North	105km NNW of Kalgoorlie	P29/01362	87.5	0.91	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01363	87.5	0.90	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01364	87.5	1.21	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01365	87.5	1.20	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01366	87.5	1.21	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01367	87.5	1.21	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01368	87.5	1.21	Live	1,2
Highway North	105km NNW of Kalgoorlie	P29/01369	87.5	1.20	Live	1,2
Highway North	110km NNW of Kalgoorlie	M29/00209	87.5	{9.05}	Pending	1,2
Highway North	110km NNW of Kalgoorlie	P29/01965	100.0	0.91	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01966	100.0	0.90	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01967	100.0	1.21	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01968	100.0	1.20	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01969	100.0	1.21	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01970	100.0	1.21	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01971	100.0	1.21	Pending	1
Highway North	110km NNW of Kalgoorlie	P29/01972	100.0	1.21	Pending	1
17				18		

NORTH KALGOORLIE NICKEL**Comet Vale Project**

Comet Vale	90km NNW of Kalgoorlie	M29/00185	right to 70 for Ni	0.08	Live	1,3
Comet Vale	90km NNW of Kalgoorlie	M29/00186	right to 70 for Ni	2.86	Live	1,3
2				3		

NORTH KALGOORLIE NICKEL**Placer Big Four Project**

Placer Big Four	70km NNW of Kalgoorlie	E24/00074	100.0	{22.4}	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	E29/00421	100.0	11.20	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00731	100.0	6.03	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00732	100.0	5.09	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00778	100.0	8.90	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00781	100.0	0.80	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P24/04210	100.0	0.81	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	M29/00169	100.0	9.74	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	M29/00268	100.0	3.90	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P29/01956	100.0	1.97	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P29/01957	100.0	1.95	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	E29/00412	100.0	16.80	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00648	100.0	0.74	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P24/04214	100.0	0.74	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P24/03642	100.0	1.13	Live	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00780	100.0	1.78	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P24/04209	100.0	1.77	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	M24/00783	100.0	0.65	Pending	1,4
Placer Big Four	70km NNW of Kalgoorlie	P24/04211	100.0	0.65	Pending	1,4
19				75		

NORTH KALGOORLIE NICKEL**Siberia Project**

Goongarrie West	73km NW of Kalgoorlie	E24/00116	100.0	50.40	Live	1
Wongi Bore	78km NW of Kalgoorlie	E29/00531	100.0	{5.6}	Pending	1
Wongi Hill	78km NW of Kalgoorlie	E29/00535	100.0	145.60	Live	1
Wongi Hill	78km NW of Kalgoorlie	E29/00569	100.0	2.80	Live	1
Siberia North	78km NW of Kalgoorlie	M24/00634	100.0	1.9	Live	1
Siberia	75km NW of Kalgoorlie	M24/00658	100.0	3.75	Pending	1
Siberia	75km NW of Kalgoorlie	M24/00659	100.0	8.97	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04202	100.0	1.98	Pending	1

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Siberia Project continued						
Siberia	75km NW of Kalgoorlie	P24/04203	100.0	1.65	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04204	100.0	1.61	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04205	100.0	1.93	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04206	100.0	1.81	Pending	1
Siberia	75km NW of Kalgoorlie	M24/00661	100.0	1.17	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04243	100.0	1.17	Pending	1
Siberia	75km NW of Kalgoorlie	M24/00685	100.0	3.42	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04207	100.0	1.42	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04208	100.0	2.00	Pending	1
Siberia	75km NW of Kalgoorlie	M24/00686	100.0	2.15	Pending	1
Black Range	63km NW of Kalgoorlie	M24/00757	100.0	5.91	Pending	1
Black Range	63km NW of Kalgoorlie	M24/00912	100.0	2.84	Pending	1
Siberia	78km NW of Kalgoorlie	M29/00312	100.0	{4.78}	Pending	1
Siberia	75km NW of Kalgoorlie	P24/03144	100.0	0.99	Live	1
Siberia	75km NW of Kalgoorlie	P24/03145	100.0	1.19	Live	1
Siberia	75km NW of Kalgoorlie	P24/03146	100.0	0.88	Live	1
Siberia	75km NW of Kalgoorlie	M24/00663	100.0	{3.06}	Pending	1
Siberia	75km NW of Kalgoorlie	P24/03169	100.0	1.30	Live	1
Siberia	75km NW of Kalgoorlie	M24/00664	100.0	{1.43}	Pending	1
Siberia	75km NW of Kalgoorlie	M24/00660	100.0	{1.74}	Live	1
Siberia	75km NW of Kalgoorlie	P24/03276	100.0	1.31	Live	1
Siberia	75km NW of Kalgoorlie	M24/00690	100.0	{1.30}	Pending	1
Camperdown	78km NW of Kalgoorlie	P24/03748	100.0	1.62	Live	1
Camperdown	78km NW of Kalgoorlie	P24/03749	100.0	1.87	Live	1
Camperdown	78km NW of Kalgoorlie	P24/03750	100.0	1.82	Live	1
Camperdown	78km NW of Kalgoorlie	M24/00916	100.0	{5.44}	Pending	1
Bardoc West	71km NW of Kalgoorlie	P24/03764	100.0	1.46	Live	1
Siberia North	78km NW of Kalgoorlie	P24/03811	100.0	0.70	Live	1
Siberia North	78km NW of Kalgoorlie	M24/00915	100.0	{0.7}	Pending	1
Cave Hill	75km NW of Kalgoorlie	P24/03857	100.0	1.50	Live	1
Cave Hill	75km NW of Kalgoorlie	M24/00917	100.0	{1.5}	Pending	1
Linger and Die	70km NW of Kalgoorlie	P24/03952	100.0	0.09	Live	1
Linger and Die	70km NW of Kalgoorlie	P24/03953	100.0	0.03	Live	1
Linger and Die	70km NW of Kalgoorlie	P24/03954	100.0	0.00	Live	1
Siberia	75km NW of Kalgoorlie	P24/03943	100.0	0.11	Live	1
Siberia	75km NW of Kalgoorlie	M24/00927	100.0	0.12	Pending	1
Siberia	75km NW of Kalgoorlie	P24/04221	100.0	0.12	Pending	1
45				258		

NORTH KALGOORLIE NICKEL**Siberia Tank Project**

Siberia Tank	75km NW of Kalgoorlie	P24/03179	90.0	1.21	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	P24/03180	90.0	2.00	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	P24/03181	90.0	1.95	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	P24/03182	90.0	1.20	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	P24/03183	90.0	1.19	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	P24/03184	90.0	1.20	Live	1,10
Siberia Tank	75km NW of Kalgoorlie	M24/00665	90.0	{8.25}	Pending	1,10

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Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
NORTH KALGOORLIE NICKEL						
SMC Siberia Project						
Siberia North	78km NW of Kalgoorlie	E24/00092	100.0	8.40	Live	1
Siberia North	78km NW of Kalgoorlie	M24/00797	100.0	{8.06}	Pending	1
Siberia South	71km NW of Kalgoorlie	M24/00845	100 of Ni only	8.97	Live	1,9
Siberia South	71km NW of Kalgoorlie	M24/00846	100 of Ni only	6.07	Live	1,9
Siberia South	71km NW of Kalgoorlie	M24/00847	100 of Ni only	8.12	Live	1,9
Siberia South	71km NW of Kalgoorlie	M24/00848	100 of Ni only	7.89	Live	1,9
Siberia North	78km NW of Kalgoorlie	P24/03233	100.0	0.56	Live	1
Siberia North	78km NW of Kalgoorlie	M24/00683	100.0	{0.56}	Pending	1
Siberia North	71km NW of Kalgoorlie	P24/03518	100.0	1.92	Live	1
Siberia North	71km NW of Kalgoorlie	M24/00772	100.0	{1.98}	Pending	1
Siberia East	70km NW of Kalgoorlie	P24/03827	100.0	1.32	Live	1
Siberia East	70km NW of Kalgoorlie	P24/03828	100.0	1.70	Live	1
Siberia East	70km NW of Kalgoorlie	M24/00937	100.0	3.02	Pending	1
Siberia East	70km NW of Kalgoorlie	P24/04219	100.0	1.70	Pending	1
Siberia East	70km NW of Kalgoorlie	P24/04220	100.0	1.34	Pending	1
15				51		
NORTH KALGOORLIE NICKEL						
Coolgardie Project						
Carbine North	62km NW of Kalgoorlie	E16/00276	100 of Ni only	25.20	Pending	1,9
Carbine North	62km NW of Kalgoorlie	E16/00332	100 of Ni only	70.00	Live	1,9
Dunnsville	62km NW of Kalgoorlie	E16/00292	100.0	22.40	Live	1
Chadwin West	79km NW of Kalgoorlie	P16/02249	100.0	1.84	Live	1
Blue Dam	79km NW of Kalgoorlie	M16/00515	100.0	1.84	Pending	1
Chadwin East	76km NW of Kalgoorlie	P16/02250	100.0	1.91	Live	1
Rundle Dam	76km NW of Kalgoorlie	M16/00514	100.0	1.92	Pending	1
7				125		
NORTH KALGOORLIE NICKEL						
Frances Lesley Project						
Frances Lesley	95km NW of Kalgoorlie	E16/00174	100 of Ni only	2.80	Live	1,6
Frances Lesley	88km NW of Kalgoorlie	E16/00239	100 of Ni only	33.60	Live	1,6
Frances Lesley	98km NW of Kalgoorlie	M16/00385	100 of Ni only	2.00	Pending	1,6
3				38		
NORTH KALGOORLIE NICKEL						
Blister Dam Project						
Turkey Flat Dam	70km NW of Kalgoorlie	M16/00513	100.0	{4.12}	Pending	1
Turkey Flat Dam	70km NW of Kalgoorlie	P16/02468	100.0	1.19	Pending	1
Turkey Flat Dam	70km NW of Kalgoorlie	P16/02469	100.0	1.01	Pending	1
Turkey Flat Dam	70km NW of Kalgoorlie	P16/02470	100.0	1.93	Pending	1
Blister Dam	70km NW of Kalgoorlie	E24/00148	100.0	16.80	Live	1
Blister Dam	76km NW of Kalgoorlie	M16/00516	100.0	8.60	Pending	1
Chadwin	75km NW of Kalgoorlie	P24/04291	100.0	2.00	Pending	1
Blister Dam	76km NW of Kalgoorlie	P16/02461	100.0	1.86	Pending	1
Blister Dam	76km NW of Kalgoorlie	P16/02462	100.0	1.09	Pending	1
Blister Dam	76km NW of Kalgoorlie	P16/02463	100.0	1.86	Pending	1
Blister Dam	76km NW of Kalgoorlie	P24/04294	100.0	1.79	Pending	1
Blister Dam	76km NW of Kalgoorlie	P16/02466	100.0	1.92	Pending	1
Blister Dam	76km NW of Kalgoorlie	P16/02467	100.0	1.84	Pending	1
13				42		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
HAMPTON NICKEL						
Bulong Central Project						
Bulong	40km E of Kalgoorlie	M25/00075	right to 100% of all minerals	6.42	Live	1,5
Bulong	40km E of Kalgoorlie	M25/00076	right to 100% of all minerals	9.79	Live	1,5
Bulong	40km E of Kalgoorlie	M25/00077	right to 100% of all minerals	9.92	Live	1,5
Bulong	40km E of Kalgoorlie	M25/00078	right to 100% of all minerals	9.99	Live	1,5
Bulong	40km E of Kalgoorlie	M27/00189	right to 100% of all minerals	7.25	Live	1,5
5				43		

HAMPTON NICKEL**Bulong Main Project**

Bulong	40km E of Kalgoorlie	M25/00160	100.0	{5.40}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01964	100.0	1.58	Pending	1
Bulong	40km E of Kalgoorlie	P25/01966	100.0	1.74	Pending	1
Bulong	40km E of Kalgoorlie	P25/01967	100.0	1.94	Pending	1
Bulong	40km E of Kalgoorlie	M27/00275	100.0	{4.98}	Pending	1
Bulong	40km E of Kalgoorlie	E27/00355	100.0	2.80	Pending	1
Bulong	40km E of Kalgoorlie	P27/01762	100.0	2.00	Pending	1
Bulong	40km E of Kalgoorlie	P27/01753	100.0	1.74	Pending	1
Bulong	40km E of Kalgoorlie	M27/00276	100.0	{7.99}	Pending	1
Bulong	40km E of Kalgoorlie	P27/01763	100.0	1.52	Pending	1
Bulong	40km E of Kalgoorlie	P27/01764	100.0	1.07	Pending	1
Bulong	40km E of Kalgoorlie	P27/01765	100.0	2.00	Pending	1
Bulong	40km E of Kalgoorlie	P27/01766	100.0	1.97	Pending	1
Bulong	40km E of Kalgoorlie	E27/00094	100.0	47.60	Live	1
Bulong	40km E of Kalgoorlie	M27/00341	100.0	{7.52}	Pending	1
Bulong	40km E of Kalgoorlie	M27/00342	100.0	{8.67}	Pending	1
Bulong	40km E of Kalgoorlie	E27/00356	100.0	8.40	Pending	1
Bulong	40km E of Kalgoorlie	P27/01756	100.0	0.49	Pending	1
Bulong	40km E of Kalgoorlie	P27/01759	100.0	1.63	Pending	1
Bulong	40km E of Kalgoorlie	P27/01760	100.0	1.95	Pending	1
Bulong	40km E of Kalgoorlie	P27/01761	100.0	1.48	Pending	1
Bulong	40km E of Kalgoorlie	M27/00343	100.0	{8.67}	Pending	1
Bulong	40km E of Kalgoorlie	P27/01757	100.0	1.68	Pending	1
Bulong	40km E of Kalgoorlie	P27/01758	100.0	1.56	Pending	1
Bulong	40km E of Kalgoorlie	M25/00111	100.0	1.19	Live	1
Bulong	40km E of Kalgoorlie	M25/00127	100.0	5.83	Live	1
Bulong	40km E of Kalgoorlie	M25/00128	100.0	5.60	Live	1
Bulong	40km E of Kalgoorlie	M25/00134	100.0	8.16	Live	1
Bulong	40km E of Kalgoorlie	M25/00145	100.0	1.72	Live	1
Bulong	40km E of Kalgoorlie	M25/00187	100.0	0.50	Live	1
Bulong	40km E of Kalgoorlie	M25/00263	100.0	1.20	Pending	1
Bulong	40km E of Kalgoorlie	M25/00161	100.0	{6.40}	Live	1
Bulong	40km E of Kalgoorlie	P25/01049	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01050	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01051	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	M25/00162	100.0	{3.66}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01058	100.0	1.21	Live	1
Bulong	40km E of Kalgoorlie	P25/01061	100.0	1.20	Live	1
Bulong	40km E of Kalgoorlie	P25/01062	100.0	1.16	Live	1
Bulong	40km E of Kalgoorlie	P25/01063	100.0	0.88	Live	1
Bulong	40km E of Kalgoorlie	M25/00165	100.0	4.45	Pending	1
Bulong	40km E of Kalgoorlie	P25/01071	100.0	1.01	Live	1
Bulong	40km E of Kalgoorlie	M25/00171	100.0	{1.01}	Pending	1
Bulong	40km E of Kalgoorlie	M25/00175	100.0	{2.21}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01853	100.0	0.20	Live	1
Bulong	40km E of Kalgoorlie	P25/01193	100.0	1.21	Live	1
Bulong	40km E of Kalgoorlie	P25/01194	100.0	1.21	Live	1
Bulong	40km E of Kalgoorlie	M25/00206	100.0	{2.14}	Pending	1
Bulong	40km E of Kalgoorlie	M25/00210	100.0	{9.58}	Live	1
Bulong	40km E of Kalgoorlie	M25/00209	100.0	9.60	Live	1
Bulong	40km E of Kalgoorlie	M25/00208	100.0	{1.21}	Live	1
Bulong	40km E of Kalgoorlie	M25/00220	100.0	{1.21}	Live	1

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Bulong Main Project continued						
Bulong	40km E of Kalgoorlie	M25/00207	100.0	{1.82}	Pending	1
Bulong	40km E of Kalgoorlie	M25/00231	100.0	{0.02}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01235	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01236	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01237	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01238	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	P25/01239	100.0	1.22	Live	1
Bulong	40km E of Kalgoorlie	M25/00234	100.0	{6.06}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01422	100.0	0.05	Live	1
Bulong	40km E of Kalgoorlie	M25/00260	100.0	{0.04}	Pending	1
Bulong	40km E of Kalgoorlie	P25/01724	100.0	1.21	Live	1
Bulong	40km E of Kalgoorlie	P25/01725	100.0	1.21	Live	1
Bulong	40km E of Kalgoorlie	P25/01726	100.0	0.10	Live	1
Bulong	40km E of Kalgoorlie	M27/00294	100.0	{1.76}	Pending	1
Bulong	40km E of Kalgoorlie	P27/01755	100.0	1.76	Pending	1
Bulong	40km E of Kalgoorlie	M27/00291	100.0	{1.99}	Pending	1
Bulong	40km E of Kalgoorlie	P27/01754	100.0	2.00	Pending	1
Bulong	40km E of Kalgoorlie	L27/00067	100.0	9.39	Live	1
Bulong	40km E of Kalgoorlie	L27/00072	100.0	3.35	Live	1
Bulong	40km E of Kalgoorlie	L27/00073	100.0	6.08	Live	1
Bulong	40km E of Kalgoorlie	M25/00341	100.0	0.02	Pending	1
Bulong	40km E of Kalgoorlie	P25/01965	100.0	0.02	Pending	1
74				164		
HAMPTON NICKEL						
Bulong East Project						
Gumbulger Hill	34km East of Kalgoorlie	M25/00059	100.0	0.84	Live	1
Bulong	34km East of Kalgoorlie	M25/00191	100.0	{3.63}	Pending	1
Bulong Townsite	34km East of Kalgoorlie	M25/00226	100.0	{1.2125}	Pending	1
Bulong	34km East of Kalgoorlie	P25/01175	100.0	1.21	Live	1
Bulong	34km East of Kalgoorlie	P25/01176	100.0	1.69	Live	1
Bulong	34km East of Kalgoorlie	P25/01177	100.0	0.75	Live	1
Bulong	34km East of Kalgoorlie	P25/01179	100.0	1.21	Live	1
7				6		
HAMPTON NICKEL						
Bulong South Project						
Clinker Hill	32km ESE of Kalgoorlie	E25/00250	100.0	30.80	Live	1
Wombola North	44km SE of Kalgoorlie	P26/03090	100.0	1.41	Live	1
Wombola North	44km SE of Kalgoorlie	P26/03091	100.0	1.08	Live	1
Simplex Hill East	40km SE of Kalgoorlie	P26/03300	100.0	1.18	Live	1
Yindarigooda	37km E of Kalgoorlie	P25/01839	100.0	1.10	Live	1
Yindarigooda	37km E of Kalgoorlie	P25/01840	100.0	1.04	Live	1
6				37		
HAMPTON NICKEL						
Kalpini Project						
Binti Binti South	74km NE of Kalgoorlie	E27/00168	-	{47.6}	Live	1,11
Binti Binti South	77km NE of Kalgoorlie	M27/00408	100.0	8.90	Pending	1,11
Binti Binti South	77km NE of Kalgoorlie	E27/00359	-	22.40	Pending	1,11
Binti Binti South	77km NE of Kalgoorlie	P27/01848	100.0	1.21	Pending	1,11
Binti Binti South	74km NE of Kalgoorlie	M27/00409	100.0	5.94	Pending	1,11
Binti Binti South	74km NE of Kalgoorlie	M27/00410	100.0	8.90	Pending	1,11
Kurnalpi Hill	88km NE of Kalgoorlie	M28/00348	100.0	9.92	Pending	1
Kurnalpi Hill	88km NE of Kalgoorlie	M28/00349	100.0	9.78	Pending	1
Kurnalpi Hill	88km NE of Kalgoorlie	E28/01745	100.0	36.40	Pending	1
Yowie Hill	86km ENE of Kalgoorlie	E28/01606	100.0	64.40	Pending	1
Mooree Hill	75km NE of Kalgoorlie	E28/01187	100.0	19.60	Live	1
Wellington North	63km NE of Kalgoorlie	E28/01224	100.0	184.80	Live	1

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Kalpini Project continued						
Wellington North	68km NE of Kalgoorlie	M27/00395	100.0	{2.61}	Live	1
Yowie Hill	86km ENE of Kalgoorlie	M28/00362	100.0 % of Ni	8.86	Pending	1
Acra East	75km NE of Kalgoorlie	E28/01413	100.0	78.40	Live	1
Acra Southeast	70km NE of Kalgoorlie	E28/01428	100.0	14.00	Live	1
Arcoona	72km NE of Kalgoorlie	E28/01607	100.0	100.80	Live	1
Kurnalpi Hill	82km NE of Kalgoorlie	M28/00340	100.0	{7.41}	Pending	1
Kurnalpi Hill	82km NE of Kalgoorlie	P28/01121	100.0	2.00	Pending	1
Kurnalpi Hill	82km NE of Kalgoorlie	P28/01122	100.0	2.00	Pending	1
Kurnalpi Hill	82km NE of Kalgoorlie	P28/01123	100.0	1.70	Pending	1
Kurnalpi Hill	82km NE of Kalgoorlie	P28/01124	100.0	1.71	Pending	1
Acra Chrysoprase	62km NE of Kalgoorlie	M28/00127	100.0	0.32	Live	1
Acra North	65km NE of Kalgoorlie	M28/00199	100.0	9.76	Live	1
Acra North	65km NE of Kalgoorlie	M28/00201	100.0	9.63	Live	1
Betsy Bore	66km NE of Kalgoorlie	M28/00205	100.0	8.50	Live	1
Binti Binti	81km NE of Kalgoorlie	M31/00297	100.0	8.90	Pending	1
Binti Binti	81km NE of Kalgoorlie	P31/01841	100.0	1.98	Pending	1
Binti Binti	81km NE of Kalgoorlie	P31/01844	100.0	0.99	Pending	1
Binti Binti	81km NE of Kalgoorlie	P31/01845	100.0	1.98	Pending	1
Binti Binti	81km NE of Kalgoorlie	P31/01846	100.0	1.98	Pending	1
Binti Binti	81km NE of Kalgoorlie	P31/01847	100.0	1.98	Pending	1
Binti Binti	80km NE of Kalgoorlie	M31/00305	100.0	5.93	Pending	1
Binti Binti	80km NE of Kalgoorlie	P31/01848	100.0	1.98	Pending	1
Binti Binti	80km NE of Kalgoorlie	P31/01849	100.0	1.98	Pending	1
Binti Binti	80km NE of Kalgoorlie	P31/01850	100.0	1.98	Pending	1
Wellington North	68km NE of Kalgoorlie	P27/01562	100.0	0.47	Live	1
Acra North	61km NE of Kalgoorlie	P28/00983	100.0	0.36	Live	1
Acra East	65km NE of Kalgoorlie	P28/01000	100.0	0.29	Live	1
Acra East	65km NE of Kalgoorlie	M28/00350	100.0	0.29	Pending	1
Acra East	65km NE of Kalgoorlie	P28/01001	100.0	0.98	Live	1
Acra Southeast	70km NE of Kalgoorlie	P28/01006	100.0	1.17	Live	1
42				643		

HAMPTON NICKEL**Lake Rebecca Project**

Wallbrook Hill	118km NE of Kalgoorlie	E31/00586	100 of Ni	44.80	Live	1
Lake Rebecca	114km NE of Kalgoorlie	M31/00318	100.0	4.39	Pending	1
2				49		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Heron Full Nickel Rights Projects						
North Kalgoorlie Nickel Project						
Twin Hills	150km N of Kalgoorlie	E29/00490	100.0	30.80	Live	
Round Hill	150km N of Kalgoorlie	E29/00669	100.0	8.40	Pending	
Jeedamya	150km N of Kalgoorlie	E40/00228	100.0	145.60	Pending	
Snake Hill	170km NW of Kalgoorlie	E29/00586	100.0	56.00	Live	
Riverina	190km NW of Kalgoorlie	E29/00575	100.0	2.80	Live	
Riverina	170km NW of Kalgoorlie	E29/00610	100.0	5.60	Live	
Morleys	144km NW of Kalgoorlie	E30/00247	100.0	61.60	Live	
Mt Morely	150km NW of Kalgoorlie	E30/00289	100.0	28.00	Live	
Camel Hump	60km NNW of Kalgoorlie	P24/03859	100.0	1.07	Live	
Mt Ida North	212km NNW of Kalgoorlie	E29/00613	100.0	2.80	Live	
Goongarrie Hill	95km NNW of Kalgoorlie	P29/01875	100.0	0.10	Live	
Easter Dam	65km NW of Kalgoorlie	E16/00335	100.0	78.40	Pending	
Swamp Dam	80km ENE of Kalgoorlie	E28/01775	100.0	75.60	Pending	
Yunndaga East	110km NNW of Kalgoorlie	P29/01827	100.0	1.40	Live	
Yunndaga East	110km NNW of Kalgoorlie	P29/01828	100.0	1.88	Live	
Yunndaga East	110km NNW of Kalgoorlie	P29/01829	100.0	1.42	Live	
Yunndaga East	110km NNW of Kalgoorlie	P29/01830	100.0	1.14	Live	
Highway East	110km NNW of Kalgoorlie	M29/00215	100.0	9.66	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00216	100.0	8.83	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00217	100.0	9.00	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00218	100.0	9.42	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00219	100.0	9.58	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00220	100.0	6.46	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00171	100.0	0.45	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00173	100.0	8.61	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01914	100.0	0.43	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01915	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01916	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01917	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01918	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00226	100.0	5.95	Pending	
Highway East	110km NNW of Kalgoorlie	M29/00227	100.0	5.95	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01870	100.0	1.95	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01871	100.0	1.98	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01872	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01873	100.0	2.00	Pending	
Highway East	110km NNW of Kalgoorlie	P29/01874	100.0	0.43	Pending	
Placer Big Four	70km NNW of Kalgoorlie	M29/00168	Right to 100%	9.18	Pending	
Placer Big Four	70km NNW of Kalgoorlie	E29/00407	Right to 100%	11.20	Live	
Placer Big Four	70km NNW of Kalgoorlie	E29/00419	Right to 100%	11.20	Pending	
Siberia	80km NW of Kalgoorlie	P24/04000	100.0	1.89	Live	
Siberia	80km NW of Kalgoorlie	P24/04001	100.0	1.99	Live	
Alex's Find	42km NW of Kalgoorlie	P24/04016	100.0	0.82	Live	
Linger and Die	70km NW of Kalgoorlie	P24/04009	100.0	1.15	Live	
Coolgardie West	8km W of Coolgardie	E15/00899	100.0	25.20	Live	
Coolgardie North	22 km N of Coolgardie	P15/04782	100.0	0.72	Live	
Credo	43km WNW of Kalgoorlie	P16/02324	100.0	1.46	Pending	
Kununalling	48km WNW of Kalgoorlie	P16/02335	100.0	1.23	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02329	100.0	1.92	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02330	100.0	2.00	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02331	100.0	2.00	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02332	100.0	1.60	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02333	100.0	1.15	Pending	
Black Flag	38km WNW of Kalgoorlie	P16/02334	100.0	2.00	Pending	
Breakaway Dam	54km NW of Kalgoorlie	P16/02336	100.0	1.68	Pending	
Breakaway Dam	54km NW of Kalgoorlie	P16/02337	100.0	1.75	Pending	
Breakaway Dam	54km NW of Kalgoorlie	P16/02338	100.0	1.74	Pending	
Breakaway Dam	54km NW of Kalgoorlie	P16/02339	100.0	1.90	Pending	
Kintore North West	55km NW of Kalgoorlie	P16/02312	100.0	0.17	Live	
Rundle Dam	70km NW of Kalgoorlie	P16/02310	100.0	1.10	Live	
Two Gum Dam	60km NW of Kalgoorlie	E16/00295	100.0	2.80	Live	
Lady Jane West	55km NW of Kalgoorlie	E16/00328	100.0	11.20	Live	
Lady Ida North	72km NW of Coolgardie	E16/00322	100.0	2.80	Live	

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
North Kalgoorlie Nickel Project continued						
Credo Station	76km NW of Coolgardie	P16/02308	100.0	0.10	Live	
Tindals	3.5km E of Kalgoorlie	M15/01465	100.0	0.08	Pending	
Gibraltar	60km W of Kalgoorlie	P15/04678	100.0	0.10	Live	
Gibraltar	60km W of Kalgoorlie	P15/04820	100.0	1.91	Pending	
Pamela	60km W of Kalgoorlie	P15/04728	100.0	0.18	Live	
Gnarlbine	70km WSW of Kalgoorlie	E15/00942	100.0	22.40	Pending	
Bullabulling North	60km W of Kalgoorlie	P15/04760	100.0	1.82	Live	
Gibraltar	60km W of Kalgoorlie	P15/04733	100.0	1.79	Live	
Mungari	25km E of Kalgoorlie	P15/04739	100.0	0.39	Live	
Easter Dam	90km NW of Kalgoorlie	E16/00334	100.0	84.00	Live	
Riches Find	77km NW of Kalgoorlie	P24/03956	100.0	0.38	Live	
Saunders Find North	120km NW of Kalgoorlie	P30/00990	100.0	0.04	Live	
Saunders Find East	120km NW of Kalgoorlie	P30/00991	100.0	0.22	Live	
Turkey Flat Dam North	70km NW of Kalgoorlie	P16/02309	100.0	0.35	Live	
Blister Dam	76km NW of Kalgoorlie	P24/03776	100.0	0.21	Live	
Bulong	40km E of Kalgoorlie	L27/00065	right to 100	35.45	Live	
Bulong	40km E of Kalgoorlie	L27/00066	right to 100	3.24	Live	
L Yindarigooda-Bennet Dam	34km East of Kalgoorlie	L25/00007	100.0	0.01	Live	
Boorara Hill East	25km ESE of Kalgoorlie	E25/00321	100.0	2.80	Live	R3
North Dam	28km ENE of Kalgoorlie	E27/00330	100.0	30.80	Pending	R3
Wombola North	42km SE of Kalgoorlie	P25/01735	100.0	1.18	Live	R3
Wombola North	42km SE of Kalgoorlie	P25/01736	100.0	1.14	Live	R3
Bulong	38km E of Kalgoorlie	P25/01004	100.0	1.21	Live	
Bulong	38km E of Kalgoorlie	P25/01005	100.0	1.21	Live	
Bulong	38km E of Kalgoorlie	P25/01006	100.0	1.21	Live	
Bulong	38km E of Kalgoorlie	M25/00151	100.0	3.66	Pending	
Mulgabbie	112km NE of Kalgoorlie	E28/01650	100.0	11.20	Pending	
90				902		

Kanowna South Project

Kanowna	17km ENE of Kalgoorlie	P27/01550	100.0	1.99	Live	
Kanowna	16km ENE of Kalgoorlie	P27/01551	100.0	1.81	Live	
Kanowna	15km ENE of Kalgoorlie	P27/01552	100.0	1.69	Live	
Kanowna	16km ENE of Kalgoorlie	P27/01553	100.0	1.95	Live	
Kanowna	16km ENE of Kalgoorlie	P27/01554	100.0	1.97	Live	
Kanowna	17km ENE of Kalgoorlie	P27/01555	100.0	1.98	Live	
Kanowna	19km ENE of Kalgoorlie	P27/01556	100.0	1.99	Live	
Kanowna	16km ENE of Kalgoorlie	P27/01557	100.0	1.99	Live	
Kanowna	15km ENE of Kalgoorlie	P27/01558	100.0	1.99	Live	
Kanowna	16km ENE of Kalgoorlie	P27/01559	100.0	1.99	Live	
Kanowna	15km ENE of Kalgoorlie	P27/01560	100.0	1.99	Live	
Kanowna	14km ENE of Kalgoorlie	P27/01561	100.0	1.99	Live	
12				23		

Laverton Project

Mineral Patch Hill	75km SE of Laverton	E38/00931	100 of Ni	36.40	Live	6
Mineral Patch Hill	75km SE of Laverton	E38/02008	100 of Ni	50.40	Pending	6
Mineral Patch Hill	75km SE of Laverton	M38/01239	100 of Ni	6.00	Pending	6
Mineral Patch Hill	75km SE of Laverton	M38/01240	100 of Ni	9.73	Pending	6
Mineral Patch Hill	75km SE of Laverton	M39/01008	100 of Ni	8.99	Pending	6
Mineral Patch Hill	75km SE of Laverton	M39/01009	100 of Ni	8.99	Pending	6
Gum Well	50km N of Laverton	E38/01911	100 of Ni	28.00	Pending	R3
Mount Varden	43km N of Laverton	E38/01695	100 of Ni	50.40	Live	R3
Erlistoun	60km N of Laverton	E38/01724	100 of Ni	61.60	Live	R3
Erlistoun-Kurrajong Well	50km N of Laverton	E38/01742	100 of Ni	30.80	Live	R3
Jubilee Hill South	41km S of Laverton	E38/01894	100.0	11.20	Pending	
Shady Well	32km NW of Laverton	E39/01256	100.0	89.60	Pending	
Merolia	51km SE of Laverton	E38/01696	100.0	128.80	Live	
Mt McKenna	40km E of Laverton	E38/02085	100.0	30.80	Pending	
Burtville	51km S of Laverton	E38/01727	100.0	19.60	Live	
Wilga Hill East	70km S of Laverton	E39/01244	100.0	16.80	Pending	
Perseverance Well	53km WNW of Laverton	M39/00928	100.0	{3.02}	Pending	

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Laverton Project continued						
Perseverance Well	53km WNW of Laverton	E39/01254	100.0	44.80	Pending	
Easter Well	70km NW of Laverton	E39/01255	100.0	47.60	Pending	
Jasper Hills	120km SE of Laverton	E39/00907	100.0	22.40	Live	
Mount Carlon	130km ESE of Laverton	E38/01859	100.0	140.00	Live	
Prenti Downs	220km N of Laverton	E38/01951	100.0	313.60	Pending	
Lake Wells	160km NE of Kalgoorlie	E38/02099	100.0	210.00	Pending	
Stella Range	120km SE of Laverton	E39/01076	100.0	2.80	Live	
Stella Range	126km SE of Laverton	E39/01124	100.0	11.20	Live	
Macey Hill	50km ESE of Leonora	E39/01233	100.0	2.80	Pending	
Murrin Murrin	50km ESE of Laverton	P39/04228	100.0	1.21	Live	
Mt Morgan West	75km E of Leonora	P39/04557	100.0	1.79	Pending	
Mt Morgan West	75km E of Leonora	P39/04558	100.0	1.83	Pending	
Mt Morgan West	75km E of Leonora	P39/04559	100.0	1.76	Pending	
Murrin Murrin	50 ESE of Leonora	P39/04410	100.0	1.21	Live	
Macey Hill	44km ESE of Leonora	P39/04348	100.0	0.97	Live	
32				13,892		
Yerilla Project						
Mt Remarkable	166km NNE of Kalgoorlie	E39/01139	100 of Ni	109.20	Live	R3
Aubils	170km NNE of Kalgoorlie	L31/00047	100.0	0.17	Pending	
Yundamindra	160km NE of Kalgoorlie	L39/00176	100 of Ni	278.94	Pending	R3
Moolyn Well	175km NNE of Kalgoorlie	E39/01282	100.0	100.80	Pending	
Moolyn Well Nth	180km NNE of Kalgoorlie	E39/01303	100.0	170.80	Pending	
Claypan Dam	166km NNE of Kalgoorlie	E31/00735	100.0	50.40	Pending	
Yerilla SE	140km NNE of Kalgoorlie	E31/00684	100 of Ni	53.20	Live	R3
Kilmore Hill	170km NNE of Kalgoorlie	E39/01120	100 of Ni	58.80	Live	R3
Aubils North	170km NNE of Kalgoorlie	E39/01228	100 of Ni	8.40	Live	R3
Murphy Well	177km NNE of Kalgoorlie	E39/00831	100 of Ni	11.20	Live	R3
Pearce Bore	177km NNE of Kalgoorlie	E39/01265	100.0	5.60	Pending	
Yerilla	146km NNE of Kalgoorlie	P31/01752	100 of Ni	1.19	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01753	100 of Ni	1.15	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01754	100 of Ni	1.15	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01755	100 of Ni	1.19	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01756	100 of Ni	1.15	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01757	100 of Ni	1.15	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01758	100 of Ni	1.11	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01759	100 of Ni	0.91	Live	R3
Yerilla	146km NNE of Kalgoorlie	P31/01798	100.0	0.25	Pending	
Yerilla South	129km NE of Kalgoorlie	E31/00713	100.0	39.20	Live	
Lake Rebecca	130km NE of Kalgoorlie	E31/00801	100.0	120.40	Pending	
Lake Well	130km NE of Kalgoorlie	E31/00802	100.0	22.40	Pending	
Menangina	130km NE of Kalgoorlie	L31/00042	100.0	542.55	Pending	
Menangina	130km NE of Kalgoorlie	L31/00043	100.0	1.29	Pending	
Jump-up Dam	140km NE of Kalgoorlie	E31/00738	100.0	196.00	Pending	
Jump-up Dam	140km NE of Kalgoorlie	E31/00739	100.0	196.00	Pending	
Sputnik Bore	165km NE of Kalgoorlie	E39/01322	100.0	196.00	Pending	
Smith Well	160km N of Kalgoorlie	E31/00784	100.0	196.00	Pending	
Donkey Rocks	100km NNE of Kalgoorlie	E31/00785	100.0	95.20	Pending	
Boomerang Bore	130km NNE of Kalgoorlie	E31/00803	100.0	196.00	Pending	
North Well	130km NNE of Kalgoorlie	E31/00804	100.0	196.00	Pending	
Pine Well	130km NNE of Kalgoorlie	E31/00805	100.0	196.00	Pending	
Hawkins Well	144km NNE of Kalgoorlie	E31/00786	100.0	19.60	Pending	
Boyce Creek	140km NNE of Kalgoorlie	E31/00797	100.0	36.40	Pending	
Jump-up Dam	129km NE of Kalgoorlie	M31/00475	100.0	1.20	Live	
Jump-up Dam	129km NE of Kalgoorlie	M31/00477	100.0	4.46	Live	
Jump-up Dam	129km NE of Kalgoorlie	M31/00479	100.0	27.93	Live	
Mt Boyce	134km NW of Kalgoorlie	E31/00524	100.0	56.00	Live	
39				3,195		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Yindarigooda Project						
Carr Boyd	67km N of Kalgoorlie	E31/00729	100.0	16.80	Live	
Mulgarrie	41km NNE of Kalgoorlie	E24/00134	100.0	28.00	Live	
Gimlet Dam	50km NNE of Kalgoorlie	E24/00149	100.0	151.20	Live	
Mulgarrie	41km NNE of Kalgoorlie	E27/00306	100.0	11.20	Live	
Willow Well	50km E of Kalgoorlie	E25/00340	100.0	25.20	Pending	
Trans East	72km ESE of Kalgoorlie	E28/01079	100 of Ni	22.40	Live	R3
Hampton Plains	80km ESE of Kalgoorlie	E28/01639	100 of Ni	28.00	Live	R3
Cowarna Downs	96km SE of Kalgoorlie	E28/01310	100 of Ni	67.20	Live	R3
Karonie South	128km SE of Kalgoorlie	E28/01341	100 of Ni	148.40	Live	R3
Madoona Downs	119km SE of Kalgoorlie	E28/01427	100 of Ni	109.20	Live	R3
Lake Yindarigooda	59km ENE of Kalgoorlie	M28/00341	100 of Ni	{6.9}	Pending	R3
Pineapple Dam	70km ESE of Kalgoorlie	E28/01790	100.0	8.40	Pending	
Trans East	75km ESE of Kalgoorlie	E28/01733	100.0	28.00	Pending	
Sawmill Dam	80km ESE of Kalgoorlie	E28/01784	100.0	11.20	Pending	
Madoonia	125km SE of Kalgoorlie	E28/01563	100.0	72.80	Live	
Jimberlana	80km ENE of Norseman	E63/01173	100.0	50.40	Pending	
Fraser Range	205km ESE of Kalgoorlie	E28/01776	100.0	288.40	Pending	
Naretha East	390 km E of Kalgoorlie	E69/02381	100.0	207.20	Pending	
Naretha West	290km E of Kalgoorlie	E28/01760	100.0	271.60	Pending	
Kitchener Limestone	280km E of Kalgoorlie	E28/01680	100.0	137.20	Pending	
Mulgarrie	41km NNE of Kalgoorlie	M27/00419	100.0	6.11	Pending	
Mulgarrie	41km NNE of Kalgoorlie	P27/01707	100.0	1.72	Pending	
Mulgarrie	41km NNE of Kalgoorlie	P27/01708	100.0	1.04	Pending	
Mulgarrie	41km NNE of Kalgoorlie	P27/01709	100.0	1.40	Pending	
Mulgarrie	41km NNE of Kalgoorlie	P27/01710	100.0	1.85	Pending	
Kalgoorlie West	5km W of Kalgoorlie	P26/03283	100.0	0.87	Pending	
Kalgoorlie West	5km W of Kalgoorlie	P26/03284	100.0	1.83	Pending	
Kalgoorlie West	5km W of Kalgoorlie	P26/03285	100.0	1.99	Pending	
Kalgoorlie	1km N of Kalgoorlie	P26/03308	100.0	2.00	Live	
Little Arrow Lake	22km NNW of Kalgoorlie	P24/04286	100.0	0.06	Pending	
Kalgoorlie	1km N of Kalgoorlie	P26/03309	100.0	1.12	Live	
31				1,703		
Boorara Project						
Lake Lefroy	68km SE of Kalgoorlie	E15/00926	100.0	16.80	Pending	
Lake Lefroy	68km SE of Kalgoorlie	E15/00927	100.0	5.60	Live	
Lake Lefroy	60km SSE of Kalgoorlie	E15/01010	100.0	53.20	Pending	
Marloo Dam North	70km SE of Kalgoorlie	E15/01005	100.0	75.60	Pending	
Abattoir South	30km S of Kalgoorlie	P26/03286	100.0	1.91	Live	
Abattoir North	10km S of Kalgoorlie	P26/03292	100.0	1.96	Live	
Abattoir North	10km S of Kalgoorlie	P26/03293	100.0	1.96	Live	
Quarry Siding	10km S of Kalgoorlie	P26/03618	100.0	1.96	Pending	
Lake Yallurine	55km SE of Kalgoorlie	P25/01986	100.0	1.57	pending	
Lake Yallurine	55km SE of Kalgoorlie	P25/01987	100.0	1.64	pending	
Lake Yallurine	55km SE of Kalgoorlie	P25/01988	100.0	1.82	pending	
Lake Yallurine	55km SE of Kalgoorlie	P25/01989	100.0	1.82	Pending	
Mount Monger	55km SE of Kalgoorlie	P26/03331	101.0	0.65	Live	
Wombola	46km SE of Kalgoorlie	P26/03298	100 of Ni	1.34	Live	R3
Wombola	46km SE of Kalgoorlie	P26/03299	100 of Ni	0.90	Live	R3
Mount Deans	12km SSW of Norseman	M63/00417	100.0	9.87	Pending	
Mount Deans	15km SSW of Norseman	M63/00418	100.0	9.26	Pending	
Mount Deans	15km SSW of Norseman	P63/01430	100.0	2.00	Pending	
Mount Deans	15km SSW of Norseman	P63/01431	100.0	1.94	Pending	
Mount Deans	15km SSW of Norseman	P63/01436	100.0	2.00	Pending	
Mount Deans	15km SSW of Norseman	P63/01437	100.0	2.00	Pending	
Mount Deans	15km SSW of Norseman	P63/01438	100.0	2.00	Pending	
Mount Deans	15km SSW of Norseman	P63/01439	100.0	1.96	Pending	
23				200		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Yarri Project						
Yerilla Ck Dam	155km NNE of Kalgoorlie	E31/00348	100.0	11.20	Live	
Mt Catherine East	143km NNE of Kalgoorlie	E31/00372	100.0	5.60	Pending	
Westward Ho Well	140km NNE of Kalgoorlie	E31/00576	100.0	30.80	Pending	
Webb Find	136km NE of Kalgoorlie	E31/00670	100.0	8.40	Live	
Jungle Dam	143km NE of Kalgoorlie	E31/00675	100.0	2.80	Live	
Wild Dog Dam	130km ENE of Kalgoorlie	E28/01767	100.0	75.60	Pending	
Hobble Gap	170km NE of Kalgoorlie	E31/00694	100.0	56.00	Pending	
Windy Well	160km NE of Kalgoorlie	E31/00730	100.0	64.40	Pending	
Mt Percy	163km NNE of Kalgoorlie	E39/00883	100.0	148.40	Live	R3
Yarri	137km NE of Kalgoorlie	M31/00141	100.0	0.20	Pending	
Yarri	137km NE of Kalgoorlie	P31/01791	100.0	0.19	Pending	
Webb Find	153km NE of Kalgoorlie	M31/00281	100.0	1.20	Pending	
Webb Find	153km NE of Kalgoorlie	P31/01795	100.0	1.20	Pending	
Banjo Well	141km NE of Kalgoorlie	M31/00310	100.0	4.70	Pending	
Banjo Well	141km NE of Kalgoorlie	P31/01794	100.0	1.10	Pending	
Banjo Well	141km NE of Kalgoorlie	P31/01793	100.0	1.80	Pending	
Banjo Well	141km NE of Kalgoorlie	P31/01792	100.0	1.80	Pending	
Yarri	136km NE of Kalgoorlie	P31/01790	100.0	1.12	Pending	
Yarri	136km NE of Kalgoorlie	P31/01789	100.0	1.64	Pending	
Yarri	136km NE of Kalgoorlie	P31/01788	100.0	1.66	Pending	
Nils Desperandum	135km NE of Kalgoorlie	P31/01680	100.0	0.05	Live	
21				420		
Kookynie Project						
Rufus Hill	70km NE of Leonora	E37/00842	100.0	114.80	Pending	
Prospector Pool	80km SE of Leonora	E31/00708	100.0	25.2	Pending	R3
Cutmore	37km NW of Leonora	E37/00876	100.0	25.2	Pending	
3				165		
Wildara North Project						
Mount McClure North	170km NNW of Leonora	E36/00576	100.0	11.20	Live	
Table Hill	102km NNW of Leonora	E36/00483	100.0	11.20	Live	
Wibboo	120km NW of Leonora	E36/00596	100.0	92.40	Pending	
Warrida Well	135km NNW of Leonora	E36/00554	100.0	11.20	Live	
Barwidgee	220km N of Leonora	E53/01119	100.0	11.20	Live	
Lawlers	120km NW of Leonora	P36/01525	101.0	0.09	Live	
6				137		
Kimberley Project						
Carson River	250km NW of Kununurra	E80/03508	100.0	196.00	Live	
Cape Londonderry	285km NW of Kununurra	E80/03592	100.0	196.00	Pending	
Carson River	260km NW of Kununurra	E80/03717	100.0	249.20	Pending	
Macintosh Hills	45km N of Halls Creek	E80/03637	100.0	75.60	Pending	
Gordon Downs	40km NE of Halls Creek	E80/03531	100.0	187.60	Live	
Fitzroy River	40km South of Derby	E04/01727	100.0	140.00	Pending	
5				1,044		
Neale Project						
Neale	460km ENE of Kalgoorlie	E69/02120	100.0	196.00	Live	
1				196		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Eastern Goldfields Nickel Rights						
Rubicon Gold Projects (Heron retains nickel rights)						
Bulong	40km E of Kalgoorlie	M25/00196	100 of Ni	{5.18}	Pending	R2
Bulong	40km E of Kalgoorlie	M25/00197	100 of Ni	{3.99}	Pending	R2
Bulong	40km E of Kalgoorlie	M27/00344	100 of Ni	{2.21}	Pending	R2
Bulong	40km E of Kalgoorlie	M27/00345	100 of Ni	{8.85}	Pending	R2
Bulong	40km E of Kalgoorlie	E27/00291	100 of Ni	22.40	Live	R2
Bulong	40km E of Kalgoorlie	M27/00295	100 of Ni	{5.91}	Pending	R2
Bulong	40km E of Kalgoorlie	M25/00123	100 of Ni	9.94	Live	R2
Bulong	40km E of Kalgoorlie	M25/00149	100 of Ni	4.00	Live	R2
Bulong	40km E of Kalgoorlie	M25/00300	100 of Ni	0.38	Pending	R2
Bulong	40km E of Kalgoorlie	M25/00184	100 of Ni	{0.91}	Pending	R2
Bulong	40km E of Kalgoorlie	M25/00245	100 of Ni	{1.95}	Pending	R2
Bulong	40km E of Kalgoorlie	P27/01578	100 of Ni	0.24	Live	R2
Bulong	40km E of Kalgoorlie	P27/01579	100 of Ni	0.24	Pending	R2
Gumbulger Hill	34km East of Kalgoorlie	M25/00019	100 of Ni	1.09	Live	R2
Gumbulger Hill	34km East of Kalgoorlie	M25/00032	100 of Ni	1.89	Live	R2
Bulong	34km East of Kalgoorlie	M25/00036	100 of Ni	1.25	Live	R2
Lake Yindarigooda	34km East of Kalgoorlie	M25/00058	100 of Ni	1.21	Live	R2
Bulong	34km East of Kalgoorlie	M25/00064	100 of Ni	1.01	Live	R2
Bennet Dam	34km East of Kalgoorlie	M25/00081	100 of Ni	1.36	Live	R2
Bennet Dam	34km East of Kalgoorlie	M25/00082	100 of Ni	0.98	Live	R2
Mt Mcleay	50km NE of Kalgoorlie	E27/00243	100 of Ni	11.20	Live	R2
Queen Lapage	45km ENE of Kalgoorlie	E25/00273	100 of Ni	165.20	Live	R2
Gindalbie	50km NE of Kalgoorlie	E27/00305	100 of Ni	14.00	Live	R2
Leaky Dam	50km NE of Kalgoorlie	P27/01675	100 of Ni	1.99	Live	R2
Gindalbie	60km NE of Kalgoorlie	E27/00322	100 of Ni	11.20	Pending	R2
Kalpini West	50km NE of Kalgoorlie	M27/00371	100 of Ni	3.37	Pending	R2
Kalpini West	50km NE of Kalgoorlie	P27/01746	100 of Ni	2.00	Pending	R2
Kalpini West	50km NE of Kalgoorlie	P27/01747	100 of Ni	1.46	Pending	R2
Kalpini West	53km NE of Kalgoorlie	M27/00372	100 of Ni	{1.64}	Pending	R2
Kalpini West	53km NE of Kalgoorlie	P27/01712	100 of Ni	1.64	Pending	R2
Gindalbie	45km NE of Kalgoorlie	M27/00383	100 of Ni	3.58	Pending	R2
Gindalbie	45km NE of Kalgoorlie	P27/01748	100 of Ni	1.61	Pending	R2
Gindalbie	45km NE of Kalgoorlie	P27/01749	100 of Ni	1.97	Pending	R2
Garibaldi	48km NNE of Kalgoorlie	M27/00386	100 of Ni	0.29	Pending	R2
Garibaldi	48km NNE of Kalgoorlie	P27/01711	100 of Ni	0.29	Pending	R2
Garibaldi	48km NE of Kalgoorlie	P27/01491	100 of Ni	1.34	Live	R2
Garibaldi	48km NE of Kalgoorlie	M27/00432	100 of Ni	{1.34}	Pending	R2
Yindarigooda	37km E of Kalgoorlie	P25/01841	100 of Ni	1.21	Live	R2
Eldona Dam North	40km NE of Kalgoorlie	P27/01517	100 of Ni	0.72	Live	R2
Our Swamp Dam	43km ENE of Kalgoorlie	P27/01575	100 of Ni	1.41	Live	R2
Our Swamp Dam	44km ENE of Kalgoorlie	P27/01576	100 of Ni	1.92	Live	R2
Our Swamp Dam	44km ENE of Kalgoorlie	M27/00466	100 of Ni	3.32	Pending	R2
Forestry Dam	40km NE of Kalgoorlie	P27/01661	100 of Ni	1.42	Live	R2
Kurnalpi West	80km ENE of Kalgoorlie	P28/01050	100 of Ni	1.44	Live	R2
Kurnalpi West	80km ENE of Kalgoorlie	P28/01051	100 of Ni	1.52	Live	R2
Kurnalpi West	80km ENE of Kalgoorlie	P28/01052	100 of Ni	0.27	Live	R2
Lake Yindarigooda	61km ENE of Kalgoorlie	E28/01522	100 of Ni	2.80	Live	R2
Kurnalpi West	70km NE of Kalgoorlie	P28/01004	100 of Ni	0.87	Live	R2
Kurnalpi West	70km NE of Kalgoorlie	P28/01005	100 of Ni	1.58	Live	R2
Pipeclay Peaks	66km ESE of Kalgoorlie	E25/00241	100 of Ni	11.20	Live	R2
Lake Yindarigooda	54km ENE of Kalgoorlie	E25/00271	100 of Ni	14.00	Live	R2
Seabrook Hills	73km SE of Kalgoorlie	E25/00293	100 of Ni	2.80	Live	R2
Trans Find	55km ESE of Kalgoorlie	E25/00298	100 of Ni	159.60	Live	R2
Trans Find East	65km E of Kalgoorlie	E25/00303	100 of Ni	22.40	Live	R2
Wattle Dam	55km E of Kalgoorlie	E25/00319	100 of Ni	61.60	Live	R2
Peter Dam	75km SE of Kalgoorlie	E15/00869	100 of Ni	103.60	Live	R2
Mt Monger	50km SE of Kalgoorlie	E25/00307	100 of Ni	47.60	Live	R2
Cutters Luck	32km SSE of Kalgoorlie	E26/00110	100 of Ni	44.80	Live	R2
Cutters Luck	48km SSE of Kalgoorlie	E26/00115	100 of Ni	16.80	Live	R2
Cutters Luck	48km SSE of Kalgoorlie	M26/00667	100 of Ni	2.27	Pending	R2
Cutters Luck	48km SSE of Kalgoorlie	P26/03497	100 of Ni	0.65	Pending	R2
Cutters Luck	48km SSE of Kalgoorlie	P26/03498	100 of Ni	1.70	Pending	R2
Cutters Luck	44km SSE of Kalgoorlie	P26/02909	100 of Ni	1.66	Pending	R2

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
Rubicon Gold Projects (Heron retains nickel rights) continued						
Mount Monger	55km SE of Kalgoorlie	P26/03341	100 of Ni	1.21	Live	R2
Mount Monger	55km SE of Kalgoorlie	P26/03342	100 of Ni	1.21	Live	R2
Mount Monger	55km SE of Kalgoorlie	P26/03343	100 of Ni	1.97	Live	R2
Mount Monger	55km SE of Kalgoorlie	P25/01844	100 of Ni	1.21	Live	R2
Mount Monger	55km SE of Kalgoorlie	P25/01845	100 of Ni	1.22	Live	R2
Mt Catherine	141km NNE of Kalgoorlie	E31/00529	100 of Ni	2.80	Live	R2
Mt Catherine	145km NNE of Kalgoorlie	E31/00628	100 of Ni	28.00	Pending	R2
Mt Remarkable	157km NNE of Kalgoorlie	E39/01269	100 of Ni	196.00	Pending	R2
Davis Creek	140km NNE of Kalgoorlie	E31/00734	100 of Ni	47.60	Pending	R2
Malcolm East	21km ESE of Leonora	M37/00728	100 of Ni	5.73	Pending	R2
Malcolm East	22km ESE of Leonora	M37/00730	100 of Ni	8.00	Pending	R2
Malcolm	25km E of Leonora	P37/06774	100 of Ni	1.88	Live	R2
75				1,073		
Gidgi Joint Venture Project						
Gidji Roaster	14km N of Kalgoorlie	E24/00111	100.0	61.60	Live	7
Five Mill Hill	6km NNE of Kalgoorlie	M26/00736	100.0	{7.04}	Pending	7
Kurramia	8km NE of Kalgoorlie	M26/00780	100.0	1.60	Pending	7
Five Mill Hill	7km NNE of Kalgoorlie	P26/03112	100.0	1.55	Pending	7
Five Mill Hill	5km NNE of Kalgoorlie	P26/03113	100.0	1.51	Pending	7
Five Mill Hill	5km NNE of Kalgoorlie	P26/03114	100.0	2.00	Pending	7
Five Mill Hill	6km NNE of Kalgoorlie	P26/03115	100.0	2.00	Pending	7
Five Mill Hill	6km NNE of Kalgoorlie	P26/03360	100.0	0.89	Live	7
Five Mill Hill	6km NNE of Kalgoorlie	P26/03361	100.0	0.18	Live	7
Five Mill Hill	6km NNE of Kalgoorlie	P26/03362	100.0	1.40	Live	7
10				73		
King of Creation JV Project						
Doris Well	60km N of Laverton	E38/01368	100.0	22.40	Live	8
King of Creation	53km N of Laverton	E38/01375	100.0	2.80	Live	8
2				25		
WHEATBELT PROVINCE						
Wheatbelt Projects						
Roundtop/Jimberlana	126km W of Norseman	E63/00958	100.0	33.60	Pending	
Bronzite Ridge	50km W of Norseman	E63/01174	100.0	98.00	Pending	
Disappointment Rock	50km W of Norseman	E63/01115	100.0	196.00	Pending	
Bronzite Ridge East	40km W of Norseman	E63/01116	100.0	196.00	Pending	
Mt Barker	70km NW of Albany	E70/03000	100.0	560.00	Pending	
Rocky Gully West	105km NW of Albany	E70/03001	100.0	484.40	Pending	
Rocky Gully	85km NW of Albany	E70/02801	100.0	128.80	Live	
7				1,697		
NORTHERN TERRITORY BASE METALS						
Dulcie Range	225km NE of Alice Springs	E24638	100.0	481.60	Live	
1				482		
SOUTHERN CROSS PROVINCE						
Windarling Peak	130km N of Southern Cross	E77/01353	100.0	33.60	Pending	
Windarling	120km N of Southern Cross	E77/01462	100.0	196.00	Pending	
Bungalbin Hill South	100km NE of Southern Cross	E77/01380	100.0	11.20	Pending	
Bungalbin Hill East	100km NE of Southern Cross	E77/01381	100.0	28.00	Pending	
4				269		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
BREMER EUCLA PROVINCE (NON-URANIUM RIGHTS ONLY)						
Balladonia Project						
Heartbreak 9	46km NNE of Norseman	E15/00656	100.0	30.80	Live	E2
Kakarook	250km NE of Kalgoorlie	E39/01178	100.0	196.00	Live	E2
Heartbreak 1	76km E of Norseman	E63/00707	100.0	196.00	Pending	E2
Heartbreak 2	70km NE of Norseman	E63/00708	100.0	196.00	Pending	E2
Heartbreak	82km E of Norseman	E63/00711	100.0	156.80	Live	E2
Geordie Rock	87km SSW of Norseman	E63/00720	100.0	112.00	Live	E2
Lake Dundas	34km SSW of Norseman	E63/00736	100.0	64.40	Live	E2
Yardina SE	70km NE of Norseman	E63/00944	100.0	196.00	Live	E2
Walgorina Rock East	73km ENE of Norseman	E63/01016	100.0	159.60	Pending	E2
Charlina Rocks	153km ESE of Norseman	E69/01473	100.0	196.00	Live	E2
Balladonia	168km ESE of Norseman	E69/01474	100.0	196.00	Live	E2
Boingaring Rocks	156km ESE of Norseman	E69/01475	100.0	196.00	Live	E2
Afghan Rock	185km ESE of Norseman	E69/01476	100.0	196.00	Live	E2
Balladonia West	153km ESE of Norseman	E69/01477	100.0	196.00	Live	E2
Charlina South	147km ESE of Norseman	E69/01478	100.0	196.00	Live	E2
Charlina West	143km ESE of Norseman	E69/01479	100.0	196.00	Live	E2
Curnadinia Rock	163km ESE of Norseman	E69/01480	100.0	196.00	Live	E2
Yalodinya Rock	159km ESE of Norseman	E69/01481	100.0	134.40	Live	E2
Charlina East	162km ESE of Norseman	E69/01482	100.0	81.20	Live	E2
Chidalinya Rock	193km ESE of Norseman	E69/01492	100.0	106.40	Live	E2
Jerandilla	190km ESE of Norseman	E69/01493	100.0	196.00	Live	E2
Eclipse Hill	189km SE of Norseman	E69/01495	100.0	196.00	Live	E2
Bonnie Hill	178km SE of Norseman	E69/01499	100.0	196.00	Live	E2
Florabell Hill	190km SE of Norseman	E69/01500	100.0	196.00	Live	E2
Balladonia	184km E of Norseman	E69/01717	100.0	196.00	Live	E2
Balladonia Central	169km ESE of Norseman	E69/01742	100.0	151.20	Live	E2
Balladonia Central	166km ESE of Norseman	E69/01743	100.0	168.00	Pending	E2
Condabina South	180km ESE of Norseman	E69/02075	100.0	196.00	Live	E2
Namerlonia Rock	180km SE of Norseman	E69/02076	100.0	196.00	Live	E2
Yalodinya Rock 2	165km ESE of Norseman	E69/02077	100.0	196.00	Live	E2
Brooks Soak	190km E of Norseman	E69/02078	100.0	95.20	Live	E2
Balladonia Rock	190km E of Norseman	E69/02079	100.0	120.40	Live	E2
Yalodinya Rock North	165km ESE of Norseman	E69/02080	100.0	42.00	Pending	E2
Lort River	110km SSW of Norseman	E74/00278	100.0	151.20	Live	E2
Emu Point	240km ENE of Norseman	E28/01674	100.0	313.60	Pending	E2
Steele Hill	160km SE of Norseman	E69/02291	100.0	280.00	Pending	E2
Coragina Rock	180km SE of Norseman	E69/02292	100.0	288.40	Pending	E2
Junction Lake	100km NE of Norseman	E28/01673	100.0	123.20	Live	E2
Emu Point North	240km ENE of Norseman	E28/01678	100.0	145.60	Pending	E2
39				6,644		

PIONEER; HERON RETAINED NICKEL LATERITE OR PRE-EMPTIVE NICKEL LATERITE RIGHTS

KALGOORLIE NICKEL PROVINCE

HERON RETAINS NICKEL LATERITE

Sampson	66km NE of Kalgoorlie	E27/00273	Ni Lat 100	176.40	Live	1
Kalpini	61km NE of Kalgoorlie	E27/00278	Ni Lat 100	109.20	Live	1
Acra	61km NE of Kalgoorlie	E28/01223	Ni Lat 100	106.40	Live	1
Jubilee	60km NE of Kalgoorlie	P28/00972	Ni Lat 100	1.20	Live	1
Jubilee	60km NE of Kalgoorlie	P28/00991	Ni Lat 100	1.29	Live	1
Boomerang Lake	103km NE of Kalgoorlie	E31/00519	Ni Lat 100	78.40	Live	
Mt Ballona	87km NE of Kalgoorlie	E31/00575	Ni Lat 100	67.20	Live	
Jungle Hill	140km NE of Kalgoorlie	E31/00579	Ni Lat 100	42.00	Live	
Boomerang North	122km NE of Kalgoorlie	E31/00581	Ni Lat 100	78.40	Live	
9				660		

Prospect	Geographic Location	Tenement	Heron Interest	Area km ²	Status	Note
KALGOORLIE NICKEL PROVINCE						
HERON PRE-EMPTIVE RIGHT TO NICKEL LATERITE						
Wattle Dam	65km S of Kalgoorlie	E15/00718	preempt Ni Lat	50.40	Live	
Wattle Dam	65km S of Kalgoorlie	M15/01101	preempt Ni Lat	5.19	Live	
Wattle Dam	65km S of Kalgoorlie	M15/01264	preempt Ni Lat	{0.85}	Live	
Wattle Dam	65km S of Kalgoorlie	M15/01263	preempt Ni Lat	{2.17}	Live	
Wattle Dam	65km S of Kalgoorlie	P15/03767	preempt Ni Lat	0.60	Live	
Wattle Dam	65km S of Kalgoorlie	M15/01323	preempt Ni Lat	{0.50}	Pending	
Wattle Dam	65km S of Kalgoorlie	P15/03873	preempt Ni Lat	0.84	Live	
Wattle Dam	65km S of Kalgoorlie	M15/01338	preempt Ni Lat	{0.87}	Pending	
Wattle Dam	65km S of Kalgoorlie	P15/04479	preempt Ni Lat	1.38	Live	
Mt Jewell	48km N of Kalgoorlie	E27/00300	preempt Ni Lat	19.60	Live	
Carr Boyd	70km ENE of Kalgoorlie	E31/00617	preempt Ni Lat	2.80	Live	
Silver Swan North	46km NNE of Kalgoorlie	M27/00388	preempt Ni Lat	5.54	Pending	
12				86		
AVOCA; HERON RETAINED NICKEL RIGHTS						
Tap Rock Hill	88km NE of Kalgoorlie	E28/00927	100 of Ni	39.20	Live	1
Hampton	71km E of Kalgoorlie	E28/01117	100 of Ni	16.80	Live	
Avoca Downs	83km ESE of Kalgoorlie	E28/01199	100 of Ni	81.20	Live	
Adelaide Dams	78km E of Kalgoorlie	E28/01309	100 of Ni	44.80	Live	
Low Trap Hills	81km E of Kalgoorlie	E28/01225	100 of Ni	14.00	Live	
Mt Zephyr	72km NE of Leonora	E39/00940	100 of Ni	58.80	Live	
6				255		
TOTAL AREA				23,389		

Notes

- 1 CVRD-Inco KNP Rights
 - 2 Dalrymple Resources Limited has 12.5% equity free carried to BFS. Heron is manager of the joint venture.
 - 3 Heron has the right to earn a 70% equity in nickel rights from Reed Resources Limited. Heron is manager of the joint venture.
 - 4 Heron has acquired the tenements 100% from Placer Dome Australia Limited. Placer retains certain gold rights.
 - 5 Heron has rights to explore, mine and develop minerals in the tenements subject to completing an access agreement. This right is currently disputed.
 - 6 Heron has nickel rights, Leviathan Resources Limited retains gold and silver rights.
 - 7 Jackson Gold Limited earning a 70% interest, Heron retains all nickel rights.
 - 8 A1 Minerals Limited earning a 70% interest.
 - 9 Monarch Gold Limited has gold rights.
 - 10 Impress Ventures Limited has a 10% equity free-carried interest to a decision to mine.
 - 11 Heron has Nickel rights under an agreement with Outokumpu Exploration Ventures Pty Ltd.
- E2 100% transfer to Epsilon Energy Ltd with Heron retaining non-uranium rights.
- R2 100% transfer to Rubicon Resources Limited with Heron retaining Nickel Rights.
- R3 100% retention by Heron with Rubicon Resources Limited having Non Nickel Rights.

Areas in brackets not included in area totals due to overlying tenure.