

Statutory Information

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3.0 Corporate Profile

Heron Resources NL is a Kalgoorlie-based development and exploration company. The corporate aim is to become a profitable mining company through the development of mineral deposits.

Heron is focused on development and exploration activities on nickel projects in the Eastern Goldfields of Western Australia.

The Company undertakes cost-effective exploration based on literature reviews, aeromagnetic structural interpretations, and ore resource drill testing of targets so generated.

The management of the Company is based in Kalgoorlie. Accordingly, the Company has excellent access to tenement acquisition opportunities, and to specialist contractor services. Administrative overheads are also maintained at lower levels due to the Kalgoorlie base.

The Company is managed and staffed by a team of five with extensive industry experience.

OBJECTIVES

- To convert current nickel laterite mineral resources into cash flows for the Company;
- To increase the value of the Company through the continued acquisition, exploration and development of mineral resources;
- To establish mining cash flows that increase the Company's market capitalisation and value to Shareholders; and
- To conduct operations in a safe and environmentally responsible manner, to offer employment opportunities to those who live in the exploration province, and to respect and nurture the indigenous culture of the exploration province.

STRATEGY

- Acquire equity in nickel laterite and associated commodity projects through pegging, optioning or outright purchase, concentrating within the Eastern Goldfields of Western Australia;
- Focus on cost-effective drill exploration to convert exploration targets into mineral resources;
- Location of corporate base at Kalgoorlie within the principal area of operation;
- Active acquisition and testing of new exploration concepts and targets, such as the Bremer-Eucla oil shale project;
- Use of best management, technical and financial control techniques; and
- Utilise farm outs where appropriate to spread exploration risk (see Table 1).

Table 1 - Joint Venture Schedule

Project	Operator	Right to Earn	Farm-in Expenditure	Minimum DME Expenditure
Menzies East	Golden State Resources NL	60%	\$250,000	\$36,040
Laverton	Metex Resources NL	70%	\$500,000	\$40,000
Mount Morgans	Metex Resources NL	70%	\$200,000	\$56,720
Snake Hill	Connemara Gold Mines Pty Ltd	70%	\$300,000	\$40,000
Mungari Northwest	Kundana Gold Pty Ltd	50%	\$3,000,000	\$107,760
Blister Dam	Delta Gold NL	75%	\$1,000,000	\$73,160
Southern Laverton TZ	Gutnick Resources NL	80%	\$1,200,000	\$116,364
Laverton Tectonic Zone	Croesus Mining NL	80%	\$750,000	\$210,940
Bungalbin and Mt Jackson	Portman Mining Ltd	100%*	\$250,000	pending
			\$7,450,000	\$680,984

* The Company has a royalty based on tonnes of iron ore sold by Portman Mining Ltd.

CORPORATE GOVERNANCE PRACTICES

General

The Company does not have any formally constituted committees of the Board of Directors. The Company is not of a size nor are its affairs of such complexity to justify the formation of separate or special committees. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Composition of the Board

At the date of this statement the Board comprises four Directors, three of whom are non executive Directors. The names, qualifications and relative experience of each Director is included in the Directors' Report, Sections 4.0.

The Company's Articles provide that the number of Directors shall not be less than three and not more than nine (Article 19.1). There is no requirement for any Share holding qualification although it is preferable that Directors will become significant Shareholders. An Employee Option Plan has been in operation to encourage Directors to take significant Shareholdings.

As the Company's activities increase in their size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company's activities determined within the limitations imposed by the Articles and as circumstances demand.

Board Membership

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the appointment of a suitable candidate for the Board shall include the quality of the individual, experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities and the mining industry, intellectual ability to contribute to the Board's duties and physical ability to undertake the Board's duties and responsibilities.

Under the Company's Articles the tenure of the Directors (other than a Managing Director) is subject to re-appointment by Shareholders not later than the third anniversary following their last appointment (Article 19.7). The Board does not subscribe to the principle of a retirement age and there is no maximum period of service as a Director.

Appointment to Other Boards

Directors are required to take into consideration any conflicts when accepting appointment to other boards. Accordingly, Directors wishing to accept appointment to other boards must first seek approval from the Board, approval of which will not unreasonably be withheld.

Directors' Remuneration

At the date of this statement the maximum per annum amount payable to Directors as Director's fees was set by Shareholders at a general meeting on 21 June 1996 at \$100,000. Currently fees are paid at the rate of \$70,000 per annum. No Director's fees are paid to the Managing Director, who receives a salary approved by the Board.

Independent Support

The Board has determined that individual Directors may in appropriate circumstances engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board and will not unreasonably be withheld.

Compensation Arrangements

The Board is responsible for reviewing compensation arrangements (including superannuation and other benefits) for the Managing Director and other senior executives.

Continuous Review of Corporate Governance

Directors consider on an ongoing basis how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

The Directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving the value of the net worth of the Company.



Directors' Report

4.0 Directors' Report

The Directors submit their Report on the operations of the Company for the year ended 30 June 1999 including the accounts for the financial year ended on that date in accordance with a resolution of the Directors of the Company.

DIRECTORS

The names and details of the Directors of the Company in office at the date of this Report are:

Director **Rodney Michael Evans - FCA, FCIS, FCIM, AIArBA**

Appointed 26 March 1996

Position Chairman (Non-Executive)

Rod Evans is a chartered accountant and consultant and has had wide experience in corporate administration and finance. He is a Director and Chairman of Giants Reef Mining NL, RAC Insurance Pty Ltd, RAC Finance Pty Ltd, and SDS Corporation Limited, and past Chairman of Clark Kenneth Leventhal a world-wide association of accounting firms, the Australian Automobile Association, and a number of publicly listed companies involved in mining and exploration in Australia.

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

Appointed 17 February 1995

Position Managing Director

Ian Buchhorn is a Mineral Economist and has worked on nickel, gold, lead-zinc and diamond projects in southern Africa. In Australia, Mr Buchhorn has worked on bauxite and industrial mineral mining and exploration, gold and base metal project generation and supervision, and in gold mine operation and in corporate evaluations. He has 27 years' experience as an economic geologist, and has provided expert technical advice in benchmark mining litigation cases, systematically monitored and acquired tenements throughout the Eastern Goldfields, commissioned several open cut gold mines, and has been a Registered Mine Manager. Mr Buchhorn is responsible for the day to day technical management of the Company.

Director **Robert George Colville - AssocRMIT, MAusIMM**

Appointed 09 December 1996

Position Director (Non-Executive)

Bob Colville has over 27 years' exploration experience predominantly within the Eastern Goldfields of Western Australia. He has held a number of senior and executive positions with both major companies and junior explorers. He has been associated with the discovery and development of successful mines at Ranger Uranium (NT), and New Celebration, Goongarrie, Davyhurst and Two Boys (Eastern Goldfields WA). Mr Colville is an executive director of Barminto Pty Ltd, the largest private underground mining contractor in Australia.

Director **Kenneth John Hellsten - BSc (Hons), FAusIMM**

Appointed 17 September 1999

Position Director (Non-Executive)

Ken Hellsten joined Centaur Mining & Exploration Ltd ("Centaur") as General Manager in May 1994. In August 1995, he was appointed General Manager - Operations with the responsibility for the Cawse Nickel Project. Prior to joining Centaur, Mr Hellsten held the positions of Regional Manager Union Reefs Project and Regional Exploration Manager Northern Territory with Shell Australia and Billiton Australia where he was responsible for the discovery of the Union Reefs and Tanami Gold Mines.

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

There are no material contracts involving Director's interests at the end of the financial year nor have any been entered into since the end of the previous financial year not otherwise disclosed in this Report.

Directors' Report

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the development and exploration of lateritic nickel deposits and joint venturing with other mining companies to explore for mineral deposits. There has been no significant change in the nature of these activities during the year.

OPERATING RESULTS

The loss of the Company for the 1999 financial year after income tax of nil (1998 : nil) was \$5,680,473 (1998 : \$543,326).

DIVIDENDS

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

REVIEW OF OPERATIONS

The detailed Operations Review of the Company 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 Company during the year:

10,000,000 Shares were issued during the year at \$0.125 each raising \$1,250,000 which was used principally for mining tenement acquisitions, ongoing feasibility studies for the Kalpini Nickel Project and for working capital.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than mentioned below at the date of this Report there is no matter or circumstance which has arisen since 30 June 1999 that has significantly affected or may significantly affect:

- a) The operations, in the financial years subsequent to 30 June 1999, of the Company;
- b) The results of those operations; or
- c) The state of affairs, in the financial years subsequent to 30 June 1999, of the Company.

On 17 September 1999 the Company entered into a Strategic Alliance Agreement with Centaur Mining & Exploration Ltd ("Centaur"). The alliance supports the planned Stage II expansion of the Cawse Nickel Project to a production level of more than 40,000 tonnes per annum of LME grade nickel. Pursuant to the Agreement the Company received \$3,132,000 and granted Centaur an option, at no additional cost, to call for the issue of 10,440,000 Shares in the Company. On 28 September 1999 the Company received advice from Centaur that it elected to call for the issue of the 10,440,000 Shares.

OPTIONS

No Options were issued or exercised during the year.

As at 30 June 1999 there were a total of 10,840,000 Options exercisable at \$0.25 on issue as follows:

Number Issued	Expiry Date
10,000,000	30 June 2000
125,000	28 August 2001
150,000	01 September 2001
500,000	15 December 2001
65,000	05 March 2002

LIKELY DEVELOPMENTS

The Company will continue its core nickel development activities through sole funded exploration and joint venture. Inferred Mineral Resources at Goongarrie and Ghost Rocks are to be drilled out to an Indicated status for the Cawse Stage II Bankable Feasibility Study to be completed by Centaur.

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

Directors' Report

4.0 Continued

Further information is not included on the likely developments in the operations of the Company and the expected results of those operations, as it is the opinion of the Directors that this would prejudice the interests of the Company if included in this Report.

DIRECTORS' BENEFITS

Disclosure of benefits provided to Directors during the financial year is made in Notes 12 and 14 of the financial statements, in accordance with ASC class order 98/2395.

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

There are no material contracts involving Director's interests at the end of the financial year nor have any been entered into since the end of the previous financial year not otherwise disclosed in this Report.

DIRECTORS' SHAREHOLDING IN THE COMPANY

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

	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
R M Evans	-	800,000	-	200,000
I J Buchhorn	1,847,857	19,321,999	250,000	8,900,000
R G Colville	-	140,000	-	150,000
K Hellsten	-	-	-	-

DIRECTORS MEETINGS

During the year the Company held 10 meetings of Directors. The attendance of the Directors at meetings of the Board were:

Director	Meetings held while a Director	Number of meetings attended
R M Evans	10	10
I J Buchhorn	10	10
R G Colville	10	10
K J Hellsten	-	-

EMOLUMENTS OF DIRECTORS AND SENIOR EXECUTIVES

Executive remuneration and other terms of employment are reviewed by the Board on an ongoing basis having regard to performance against goals at the start of the year, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

	Salary \$	Directors Fees \$	Superannuation \$	Other \$
R M Evans	-	-	47,352	-
I J Buchhorn	96,000	-	20,000	-
R G Colville	-	20,000	1,400	-
K J Hellsten*	-	20,000	1,400	-
D J Crook	91,578	-	28,420	30,002

* Appointed 17 September 1999

No Options were issued to any of the Directors during the year.

Directors' Report

AUDIT COMMITTEE

At the date of this Report the Company has not formed an Audit Committee. The Directors discuss the Company's activities with the auditors throughout the year. Due to the size and nature of operations, it has not been considered necessary to form an Audit Committee of the Board of Directors.

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.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Heron Resources NL support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the Section 3.0 Corporate Profile of the Annual Report.

ENVIRONMENTAL REGULATION

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

Signed in accordance with a resolution of Directors



R G COLVILLE

Director

Perth, 28 September 1999

Heron Resources NL

Financial Statements

5.0 Financial Statements

Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 1999

	Notes	1999 \$	1998 \$
OPERATING REVENUE	2(c)	<u>149,287</u>	<u>220,410</u>
OPERATING LOSS BEFORE ABNORMAL ITEMS AND INCOME TAX		(539,483)	(62,893)
ABNORMAL ITEMS BEFORE INCOME TAX	3	<u>(5,140,990)</u>	<u>(480,433)</u>
OPERATING LOSS BEFORE INCOME TAX		(5,680,473)	(543,326)
INCOME TAX ATTRIBUTABLE TO OPERATING LOSS	4	<u>-</u>	<u>-</u>
OPERATING LOSS AFTER INCOME TAX		(5,680,473)	(543,326)
ACCUMULATED LOSSES at the beginning of the financial year		<u>(1,090,295)</u>	<u>(546,969)</u>
ACCUMULATED LOSSES at the end of the financial year		<u>(6,770,768)</u>	<u>(1,090,295)</u>

The accompanying notes form part of these financial statements

Financial Statements

5.0 Continued

Balance Sheet

FOR THE YEAR ENDED 30 JUNE 1999

	Notes	1999 \$	1998 \$
CURRENT ASSETS			
Cash		1,286,067	2,467,742
Receivable	5	4,289	6,346
TOTAL CURRENT ASSETS		<u>1,290,356</u>	<u>2,474,088</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	166,135	193,956
Exploration and evaluation costs carried forward	7	7,681,825	11,072,712
TOTAL NON-CURRENT ASSETS		<u>7,847,960</u>	<u>11,266,668</u>
TOTAL ASSETS		<u>9,138,316</u>	<u>13,740,756</u>
CURRENT LIABILITIES			
Accounts payable	8	14,614	232,807
Provisions	9	64,469	48,243
TOTAL CURRENT LIABILITIES		<u>79,083</u>	<u>281,050</u>
TOTAL LIABILITIES		<u>79,083</u>	<u>281,050</u>
NET ASSETS		<u>9,059,233</u>	<u>13,459,706</u>
SHAREHOLDERS' EQUITY			
Share capital	10	15,830,001	14,550,001
Accumulated losses		<u>(6,770,768)</u>	<u>(1,090,295)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>9,059,233</u>	<u>13,459,706</u>

The accompanying notes form part of these financial statements



5.0 Continued

Financial Statements

Statement of Cash Flow

FOR THE YEAR ENDED 30 JUNE 1999

	Notes	1999 \$	1998 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		83,844	223,691
Proceeds from sale of tenements		67,500	-
Payments to suppliers		<u>(531,218)</u>	<u>(211,936)</u>
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	11(a)	(379,874)	11,755
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration expenditure		(2,030,861)	(3,013,780)
Acquisition of plant & equipment		<u>(20,940)</u>	<u>(103,015)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(2,051,801)	(3,116,795)
CASH INFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares		<u>1,250,000</u>	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,250,000	-
NET DECREASE IN CASH HELD		(1,181,675)	(3,105,040)
Cash at the beginning of the financial year		<u>2,467,742</u>	<u>5,572,782</u>
CASH AT THE END OF THE FINANCIAL YEAR	11(c)	<u><u>1,286,067</u></u>	<u><u>2,467,742</u></u>
Non-cash financing and investing activities	11(b)	<u><u>30,000</u></u>	<u><u>1,350,000</u></u>

The accompanying notes form part of these financial statements

Financial Statements

5.0 Continued

Notes to and Forming Part of the Accounts

FOR THE YEAR ENDED 30 JUNE 1999

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Law. The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements.

a) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense shown in the profit & loss account is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of the realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Exploration, Evaluation and Development Expenditure

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, or where the activities in the area have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves.

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.

c) Investments

Investments are brought to account at cost or at Directors' valuation. The carrying amount of investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments.

d) Depreciation

Depreciation is calculated on a straight line or diminishing value basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Rates of depreciation are 15% for motor vehicles, 15% to 100% for plant & equipment, and 20% to 36% for office furniture and equipment.

e) Interests in Joint Ventures

The Company's share of the assets, liabilities, revenue and expenses of joint ventures is included in the appropriate items of the balance sheet and the profit and loss account.

Details of the joint ventures are set out in Note 19.



f) Employee Entitlements

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date.

A liability for long service leave is recognised and is 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 the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

g) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

h) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether Shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where Shares are issued in an acquisition, the value of the Shares is determined by reference to the fair value of the assets acquired, including goodwill where applicable.

Costs relating to the acquisition of new areas of interest are classified as either exploration and evaluation expenditure, development properties or mine properties based on the stage of development reached at the date of acquisition. Assets acquired may also include mineral reserves, mineral resources and unexplored and unevaluated acreage.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

A liability for restructuring costs is recognised as at the date of acquisition of an entity or part thereof when there is a demonstrable commitment to a restructuring of the acquired entity and a reliable estimate of the amount of the liability can be made.

i) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount. Where the net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss account.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market-determined, risk adjusted discount rate.

j) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

Financial Statements

k) Receivables and Revenue Recognition

Bills of Exchange

Bills of exchange have been purchased in the market at a discount to face value. The bills are carried at an amount representing cost and a portion of the discount recognised as income on an effective yield basis. The discount brought to account each period is accounted for as interest received.

l) Year 2000 Software Modification Costs

Costs relating to the modification of computer software for year 2000 compatibility are charged as expenses when incurred.

m) Earnings per Share

i) Basic Earnings per Share

Basic earnings per Share is determined by dividing the operating profit/(loss) after income tax by the weighted average number of ordinary Shares outstanding during the financial year, adjusted for bonus elements in ordinary Shares issued during the year.

ii) Diluted Earnings per Share

Diluted earnings per Share adjusts the figures used in the determination of basic earnings per Share by taking into account amounts unpaid on ordinary Shares and Options and any reduction in earnings per Share that will probably arise from the exercise of Options outstanding during the financial year.

	1999	1998
	\$	\$

Note 2. Operating Loss

The operating loss before income tax is arrived at after:

a) Charging as Expenses:

Depreciation	48,761	40,024
Loss on sale of tenements	77,563	-
Employee entitlements	1,623	749
	<u>127,947</u>	<u>40,773</u>

b) Crediting as Income:

Interest received from other persons	81,787	220,410
	<u>81,787</u>	<u>220,410</u>

c) Operating Revenue:

Other operating revenue		
Interest received	81,787	220,410
Proceeds from sale of tenements	67,500	
	<u>149,287</u>	<u>220,410</u>

Note 3. Abnormal Items

Included in the operating loss after tax is the following abnormal item:

Exploration expenditure written off	5,140,990	480,433
	<u>5,140,990</u>	<u>480,433</u>



Financial Statements 5.0 Continued

1999
\$ **1998**
\$

Note 4. Income Tax

Prima facie income tax benefit on operating loss reconciles to the income tax expense as follows:

Operating loss before tax	(5,680,473)	(543,326)
Prima facie tax at 36%	(2,044,970)	(195,597)
Non deductible items	1,728,904	139,432
Timing differences and tax losses not brought to account	316,066	56,165
Income tax expense	-	-

The Directors estimate the potential tax losses and section 330 exploration expenditure deduction entitlements available to be \$5,119,000 (1998 \$3,228,000).

The future income tax benefit arising from tax losses has not been recognised as an asset because recovery is not virtually certain.

The tax benefits will only be obtained if:

- i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for losses.

1999
\$ **1998**
\$

Note 5. Receivable (Current)

Accrued interest	4,289	6,346
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Note 6. Property Plant and Equipment

Plant and equipment at cost	61,576	56,676
Accumulated depreciation	(31,480)	(14,189)
	30,096	42,487
Office equipment at cost	22,925	6,885
Accumulated depreciation	(7,681)	(2,610)
	15,244	4,275
Motor vehicles at cost	176,168	176,168
Accumulated depreciation	(55,373)	(28,974)
	120,795	147,194
Total property, plant and equipment	166,135	193,956

Financial Statements

5.0 Continued

	1999	1998
	\$	\$
Note 7. Exploration and Evaluation Costs Carried Forward		
Balance at beginning of year	11,072,712	6,984,667
Acquisition costs	381,215	2,494,616
Exploration and evaluation costs incurred during the year	1,513,951	2,073,862
Exploration and evaluation costs of mining tenements disposed of	(145,063)	-
Exploration and evaluation costs written off	(5,140,990)	(480,433)
Balance at end of year	<u>7,681,825</u>	<u>11,072,712</u>

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

Note 8. Accounts Payable (Current)

Trade creditors and accruals	<u>14,614</u>	<u>232,807</u>
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Note 9. Provisions (Current)

Employee entitlements	<u>64,469</u>	<u>48,243</u>
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Note 10. Share Capital

Issued Capital		
69,600,000 (1998 : 59,400,000) ordinary Shares	15,830,001	14,850,000
Less: Discount on Shares	-	(299,999)
	<u>15,830,001</u>	<u>14,550,001</u>

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

	1999	
	Number	\$
Balance at beginning of year	59,400,000	14,550,001
Issued during the year	10,000,000	1,250,000
Issued during the year	200,000	30,000
Balance at end of year	<u>69,600,000</u>	<u>15,830,001</u>

The purpose of the issue of the 10,000,000 Shares at \$0.125 each during the year was principally for mining tenement acquisitions, ongoing feasibility studies for the Kalpini Nickel Project and for working capital.

The purpose of the issue of 200,000 Shares was for acquisition of mining tenements.

No Options were issued or exercised during the year.

5.0 Continued

Financial Statements

As at 30 June 1999 there were a total of 10,840,000 Options exercisable at \$0.25 on issue as follows:

Number Issued	Expiry Date
10,000,000	30 June 2000
125,000	28 August 2001
150,000	01 September 2001
500,000	15 December 2001
65,000	05 March 2002

1999	1998
\$	\$

Note 11. Statement of Cash Flows

a) Reconciliation of operating loss after income tax to the net cash flows from operations

Operating loss after income tax	(5,680,473)	(543,326)
Add/(less)		
Exploration and evaluation costs written off	5,140,990	480,433
Exploration and evaluation costs of mining tenements disposed of	145,063	-
Depreciation	48,761	40,024
(Increase)/decrease in accrued interest	2,057	3,281
Increase/(decrease) in creditors and accruals	(36,272)	31,343
	<u>(379,874)</u>	<u>11,755</u>

b) Non-Cash Financing and Investing Activities

During the year the Company purchased interests in mining tenements for which it issued Shares as consideration

30,000	1,350,000
--------	-----------

c) Reconciliation of Cash

Cash on hand and at bank	1,286,067	476,413
Commercial bills	-	1,991,329
Closing cash balance	<u>1,286,067</u>	<u>2,467,742</u>

Note 12. Remuneration of Directors

Income paid or payable, or otherwise made available to Directors by the Company and related parties in connection with the management of affairs of the Company:

184,752	190,015
---------	---------

The numbers of the Company's Directors whose income (including superannuation contributions) was within the specified bands are as follows:

	1999 Number	1998 Number
\$0 - \$9,999	-	1
\$20,000 - \$29,999	1	1
\$40,000 - \$49,999	1	1
\$110,000 - \$119,999	1	1

Financial Statements

5.0 Continued

1999
\$ **1998**
\$

Note 13. Remuneration of Executives

Income paid or payable, or otherwise made available to Executives by the Company and related parties in connection with the management of affairs of the Company:

150,000 150,000

The numbers of the Company's Executives whose income (including superannuation contributions) was within the specified bands are as follows:

1999
Number **1998**
Number

\$150,000 - \$159,999

1 1

The terms Director and Executive officer have been treated as mutually exclusive for the purposes of this disclosure. In the opinion of the Directors, remuneration paid to Directors and Executives is considered fair and reasonable.

Note 14. Related Party Disclosures

a) The Directors of the Company during the financial year were:

Rodney Michael Evans
Ilan James Buchhorn
Robert George Colville

b) Related party transactions during the financial year were:

- payment of \$75,622 (1998 : \$48,951) to parties related to Mr I J Buchhorn for the provision of office accommodation and secretarial services on normal commercial terms and conditions;
- payment of \$3,680 (1998 : \$23,920) for residential accommodation secured by the Company for an employee from a party related to Mr I J Buchhorn on normal commercial terms and conditions; and

Information on remuneration of Directors and Executives of the Company is disclosed in Notes 12 and 13.

c) Transactions of Directors and Director-related entities concerning Shares or Share Options were:

- Aggregate number of Shares and Share Options of the Company held directly, indirectly or beneficially by Directors or Director-related entities at balance date:

1999
\$ **1998**
\$

Ordinary Shares held	22,109,856	21,461,998
Options over Ordinary Shares held	9,500,000	9,500,000

- During the year, Directors and Director-related entities acquired 647,858 Shares of the Company on the same basis as similar transactions with other Shareholders.

d) No other benefits have been received or are receivable by Directors or Director-related entities, other than those already disclosed in the notes to the accounts.



Financial Statements 5.0 Continued

Note 15. Financial Instruments

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 date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
<i>i) Financial assets</i>			
11am Call Account		11am call account is carried at cost.	The 11am call account is at call with an interest rate of 4.5% (1998:4.75%).
<i>ii) Financial liabilities</i>			
Trade creditors and accruals	8	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	10	Ordinary Share capital is recognised at the the fair value of the consideration received by the Company.	Details of the Shares issues and the the terms and conditions of the Options outstanding over ordinary Shares at balance date are set out in Note 10.

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 as per balance sheet		Weighted ave. effective interest rate	
	1999	1998	1999	1998	1999	1998	1999	1998
	\$	\$	\$	\$	\$	\$	%	%
<i>i) Financial assets</i>								
Cash at bank	209,376	130,717	-	-	209,376	130,717	2.50	3.00
Commercial bills	-	-	-	1,991,329	-	1,991,329	-	5.48
11am Call Account	1,076,691	345,696	-	-	1,076,691	345,696	4.50	4.75
Total financial assets	1,286,067	476,413	-	1,991,329	1,286,067	2,467,742	n/a	n/a

	Floating interest rate		Total carrying amount as per balance sheet		Weighted ave. effective interest rate			
	1999	1998	1999	1998	1999	1998		
	\$	\$	\$	\$	%	%		
<i>ii) Financial liabilities</i>								
Trade creditors and accruals			14,614	232,807	14,614	232,807	n/a	n/a
Total financial liabilities			14,614	232,807	14,614	232,807	n/a	n/a

Financial Statements

5.0 Continued

c) Net fair values

	Total carrying amount as per balance sheet		Aggregate net fair value ¹⁾	
	1999 \$	1998 \$	1999 \$	1998 \$
<i>Financial assets</i>				
Cash at bank	209,376	130,717	209,376	130,717
Commercial bills	-	1,991,329	-	1,991,329
11am Call Account	1,076,691	345,696	1,076,691	345,696
Total financial assets	<u>1,268,067</u>	<u>2,467,742</u>	<u>1,268,067</u>	<u>2,467,742</u>
<i>Financial liabilities</i>				
Trade creditors and accruals	14,614	232,807	14,614	232,807
Total financial liabilities	<u>14,614</u>	<u>232,807</u>	<u>14,614</u>	<u>232,807</u>

¹⁾ 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.

1999
\$

1998
\$

Note 16. Auditors' Remuneration

Amounts received or due and receivable by the auditors for:

- audit services	12,500	13,750
- other services	7,785	-



Financial Statements 5.0 Continued

1999
\$ **1998**
\$

Note 17. Commitments for Expenditure

Exploration Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Company has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	1999	1998
	\$	\$
Not later than 1 year	2,000,000	2,000,000
Later than 1 year but not later than 2 years	2,000,000	2,000,000
Later than 2 years but not later than 5 years	6,000,000	4,000,000

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 farmout 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 (refer Note 19).

Note 18. Segment Information

The Company operates in the mineral exploration industry in Australia.

Note 19. Joint Venture Agreements

The Company has entered into the following joint venture agreements:

Project	Operator	Right to Earn	Farm-in Expenditure
Menzies East	Golden State Resources NL	60%	\$250,000
Laverton	Metex Resources NL	70%	\$500,000
Mount Morgans	Metex Resources NL	70%	\$200,000
Snake Hill	Connemara Gold Mines Pty Ltd	70%	\$300,000
Mungari Northwest	Kundana Gold Pty Ltd	50%	\$3,000,000
Blister Dam	Delta Gold NL	75%	\$1,000,000
Southern Laverton TZ	Gutnick Resources NL	80%	\$1,200,000
Laverton Tectonic Zone	Croesus Mining NL	80%	\$750,000
Bungalbin and Mt Jackson	Portman Mining Ltd	100%*	\$250,000
			\$7,450,000

* The Company has a royalty based on tonnes of iron ore sold by Portman Mining Ltd.

Financial Statements

5.0 Continued

Note 20. Contingent Liabilities

Native title claims have been made with respect to areas which include tenements in which the Company has interests. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects.

	1999	1998
	\$	\$

Note 21. Earnings per share

Basic earnings per Share	(0.0891)	(0.0098)
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Weighted average number of ordinary Shares outstanding during the year used in the calculation of basic earnings per Share.	63,757,808	55,583,013
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As diluted earnings per Share is not materially different from basic earnings per Share, it has not been disclosed.

Note 22. Subsequent Events

On 17 September 1999 the Company entered into a Strategic Alliance Agreement with Centaur Mining & Exploration Ltd. The alliance supports the planned Stage II expansion of the Cawse Nickel Project to a production level of more than 40,000 tonnes per annum of LME grade nickel. Pursuant to the Agreement the Company received \$3,132,000 and granted Centaur Mining & Exploration Ltd an option, at no additional cost, to call for the issue of 10,440,000 Shares in the Company. On 28 September the Company received advice from Centaur Mining & Exploration Ltd that it elected to call for the issue of the 10,440,000 Shares.



5.0 Continued Directors' Declaration

In accordance with a resolution of the Directors of Heron Resources NL, I state that:

In the opinion of the Directors:

- a) the financial statements and notes of the Company are in accordance with the Corporations Law, including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 1999 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards and Corporations Regulations; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



R G COLVILLE

Director

Perth, 28 September 1999

Independent Audit Report

6.0 Independent Audit Report

To the members of Heron Resources NL

Scope

We have audited the financial report of Heron Resources NL for the year ended 30 June 1999 as set out on pages 29 to 50. The Company's Directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

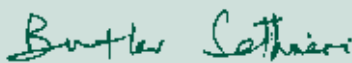
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this Report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Heron Resources NL is in accordance with:

- a) the Corporations Law including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 1999 and of its performance for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations;
and
- b) other mandatory professional reporting requirements.



BUTLER SETTINERI
Chartered Accountants



COLIN P BUTLER
Partner

Perth, 29 September 1999

7.0 Shareholder Information as at 16 September 1999

1. Issued Shares and Options

a) Distribution of Shareholders:

Size of Holding		Number of Holders	Shares Held
1	- 1000	16	11,523
1001	- 5000	198	735,427
5001	- 10000	362	3,142,727
10001	- 100000	694	23,758,149
100001	-	61	41,952,174
		1,331	69,600,000

b) The twenty largest shareholders hold 48.84% of the issued fully paid capital of the Company.

c) Substantial Shareholder who has notified the Company:

Holder	Number of Shares	%
Hazum Pty Ltd	17,500,000	32.41

d) Distribution of optionholders:

The following options were on issue:

- i) 10,000,000 exercisable on or before 30 June 2000 by payment of \$0.25 per option exercised;
- ii) 125,000 exercisable on or before 28 August 2001 by payment of \$0.25 per option exercised;
- iii) 150,000 exercisable on or before 01 September 2001 by payment of \$0.25 per option exercised;
- iv) 500,000 exercisable on or before 15 December 2001 by payment of \$0.25 per option exercised; and
- v) 65,000 exercisable on or before 05 March 2002 by payment of \$0.25 per option exercised.

Size of Holding		Number of Holders	Options Held
1	- 1000	-	-
1001	- 5000	-	-
5001	- 10000	1	10,000
10001	- 100000	8	590,000
100001	-	6	10,240,000
		15	10,840,000

e) There were 27 Shareholders who held less than a marketable parcel.

f) Nil securities have been classified by ASX as restricted:

VOTING RIGHTS

In accordance with Regulation 18.1 of 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.

Shareholder Information

7.0 Continued

Twenty Largest Shareholders as at 16 September 1999

		Number of Shares	% of Issued Shares
1.	Hazum Pty Ltd	17,500,000	25.14
2.	Centaur Nickel Investments Pty Ltd	3,444,398	4.95
3.	Buchhorn Ian James	1,947,857	2.80
4.	GHK Mining Pty Ltd	1,580,000	2.27
5.	Buchhorn Pamela Jean	1,509,998	2.17
6.	Erlup Nominee Pty Ltd	1,355,667	1.95
7.	Bronwen Pty Ltd	800,000	1.15
8.	Invesco Nominees Pty Ltd	633,777	0.91
9.	Hawke Robert Lawrence	593,333	0.85
10.	Mulroney Trevor	570,000	0.82
11.	Hasenkam Peter Francis	500,000	0.72
12.	Everest William and Roseanne	500,000	0.72
13.	Yan's Investment Pty Ltd	500,000	0.72
14.	Powell William Dudley James	468,000	0.67
15.	Leigh Benjamin Joseph	370,000	0.53
16.	Barmenco Pty Ltd	359,285	0.52
17.	Allens Business Group Pty Ltd	350,000	0.50
18.	Corcarr Nominees Pty Ltd	346,000	0.50
19.	Fogbell Nominees Pty Ltd	332,025	0.48
20.	Saltbush Nominees (1506887) Pty Ltd	327,000	0.47
	TOTAL ISSUED SHARES	33,987,340	48.84

Optionholders as at 16 September 1999

Optionholders (Options exercisable on or before 30 June 2000) were:

	Number of Options	% of Issued Options
Hazum Pty Ltd	8,750,000	87.50
GHK Mining Pty Ltd	740,000	7.40
Buchhorn Ian James	100,000	1.00
Killoran NL	100,000	1.00
Kerr Ian	86,668	0.87
Gianni Peter Romeo	86,666	0.87
Hawke Robert Lawrence	86,666	0.86
Manorina Mining NL	40,000	0.40
Buchhorn Pamela Jean	10,000	0.10
	10,000,000	100.00

Optionholders (Options exercisable on or before 28 August 2001) were:

	Number of Options	% of Issued Options
Crook Jennifer Ann	100,000	80.00
Rossetto Suzanne Elizabeth	25,000	20.00
	125,000	100.00

Optionholders (Options exercisable on or before 01 September 2001) were:

	Number of Options	% of Issued Options
Red Oaks Pty Ltd	150,000	100.00

Shareholder Information 7.0 Continued

Optionholders (Options exercisable on or before 15 December 2001) were:

	Number of Options	% of Issued Options
Whitebeach Pty Ltd	200,000	40.00
Buchhorn Ian James	150,000	30.00
Colville Marilyn	150,000	30.00
	500,000	100.00

Optionholders (Options exercisable on or before 05 March 2002) were:

	Number of Options	% of Issued Options
Rudd Mara	50,000	77.00
Rossetto Suzanne Elizabeth	15,000	23.00
	65,000	100.00

Summary of Optionholders as at 16 September 1999

	Number of Options	% of Issued Options
1. Hazum Pty Ltd	8,750,000	87.72
2. GHK Mining Pty Ltd	740,000	6.83
3. Buchhorn Ian James	250,000	2.30
4. Whitebeach Pty Ltd	200,000	1.85
5. Red Oaks Pty Ltd	150,000	1.38
6. Colville Marilyn	150,000	1.38
7. Killoran NL	100,000	0.92
8. Crook Jennifer Ann	100,000	0.92
9. Kerr Ian	86,668	0.80
10. Gianni Peter Romeo	86,666	0.80
11. Hawke Robert Lawrence	86,666	0.80
12. Rudd Mara	50,000	0.46
13. Manarina Mining Pty Ltd	40,000	0.37
14. Rossetto Suzanne Elizabeth	40,000	0.37
15. Buchhorn Pamela Jean	10,000	0.09
TOTAL ISSUED OPTIONS	10,840,000	100.00

Interest in Mining Tenements

8.0 Interest in Mining Tenements

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
CENTAUR MINING & EXPLORATION STRATEGIC ALLIANCE Goongarrie Nickel Project: Ni(-Au)					
Goongarrie South	75km NNW of Kalgoorlie	E29/00148	30.80	G	100% ¹
Siberia	70km NNW of Kalgoorlie	E29/00356	4.78	G	100% ¹
Menzies South	109km NNW of Kalgoorlie	E29/00433	11.20	A	100% ¹
Goongarrie	88km NNW of Kalgoorlie	E29/00437	19.60	A	100% ¹
Comet Vale	90km NNW of Kalgoorlie	E29/00462	89.60	A	100% ¹
Scotia Dam	65km NNW of Kalgoorlie	P24/02749	1.28	G	100% ¹
Scotia Dam	63km NNW of Kalgoorlie	P24/02750	1.12	G	100% ¹
Scotia Dam	61km NNW of Kalgoorlie	P24/02751	2.00	G	100% ¹
Scotia Dam	63km NNW of Kalgoorlie	P24/02752	1.81	G	100% ¹
Scotia Dam	65km NNW of Kalgoorlie	P24/02753	1.10	G	100% ¹
		M24/00542		A	100% ¹
Scotia Dam	65km NNW of Kalgoorlie	P24/02754	1.82	G	100% ¹
Scotia Dam	66km NNW of Kalgoorlie	P24/02755	2.00	G	100% ¹
Scotia Dam	67km NNW of Kalgoorlie	P24/02756	1.28	G	100% ¹
		M24/00541		A	100% ¹
Scotia North	75km NW of Kalgoorlie	P24/03273	0.06	G	100% ¹
		M24/00744		A	100% ¹
Scotia North	72km NNW of Kalgoorlie	P24/03307	0.48	G	100% ¹
		M24/00718		A	100% ¹
Scotia	68km NNW of Kalgoorlie	P24/03479	0.28	G	100% ¹
		M24/00798		A	100% ¹
Goongarrie West	88km NNW of Kalgoorlie	P29/01338	2.00	G	100% ¹
Goongarrie West	88km NNW of Kalgoorlie	P29/01339	1.98	G	100% ¹
Goongarrie West	86km NNW of Kalgoorlie	P29/01340	1.98	G	100% ¹
		M29/00202		A	100% ¹
Goongarrie West	82km NNW of Kalgoorlie	P29/01634	1.84	A	100% ¹
Goongarrie West	82km NNW of Kalgoorlie	P29/01635	1.39	A	100% ¹
Scotia North	74km NNW of Kalgoorlie	P29/01636	1.16	A	100% ¹
Scotia North	74km NNW of Kalgoorlie	P29/01637	1.16	A	100% ¹
Goongarrie	89km NNW of Kalgoorlie	P29/01671	0.39	A	100% ¹
24			181.11		

¹ Centaur right to process ore through the proposed Cawse Stage II plant, subject to favourable BFS.

CENTAUR MINING & EXPLORATION STRATEGIC ALLIANCE Ghost Rocks Nickel Project: Ni(-Au)

Ghost Rock	146km NNW of Kalgoorlie	E29/00147	84.00	G	100% ¹
Ghost Rocks	146km NNW of Kalgoorlie	E29/00464	61.60	A	100% ¹
Ghost Rocks	145km NNW of Kalgoorlie	E29/00465	61.60	A	100% ¹
3			207.20		

¹ Centaur right to process ore through the proposed Cawse Stage II plant, subject to favourable BFS.

Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
CENTAUR MINING & EXPLORATION STRATEGIC ALLIANCE Kalpini Nickel Project: Ni(-Au)					
Acra North	65km NE of Kalgoorlie	E27/00076	1.14	G	100% ¹
		M27/00349		A	100% ¹
Wellington East	65km NE of Kalgoorlie	E27/00129	86.80	G	100% ¹
		M27/00364		A	100% ¹
		M27/00365		A	100% ¹
North Burton	58km NE of Kalgoorlie	E27/00210	5.60	A	100% ¹
Kalpini Hill South	60km NE of Kalgoorlie	E27/00211	2.80	A	100% ¹
Sampson South	68km NE of Kalgoorlie	E27/00216	2.80	A	100% ¹
Wellington	65km NE of Kalgoorlie	E27/00217	53.20	A	100% ¹
Acra North	65km NE of Kalgoorlie	E28/00426	36.99	G	100% ¹
		M28/00199		A	100% ¹
		M28/00200		A	100% ¹
		M28/00201		A	100% ¹
		M28/00202		A	100% ¹
Betsy Bore	65km NE of Kalgoorlie	E28/00459	22.16	G	100% ¹
		M28/00169		A	100% ¹
		M28/00205		A	100% ¹
		M28/00206		A	100% ¹
		M28/00215		A	100% ¹
Betsy Bore	85km NE of Kalgoorlie	E28/00897	173.60	A	100% ¹
Grey Dam	70km NE of Kalgoorlie	E28/00991	11.20	A	100% ¹
Betsy Bore	79km NE of Kalgoorlie	E28/01002	47.60	A	100% ¹
Kumalpi Hill	87km NE of Kalgoorlie	E28/01012	61.60	A	100% ¹
Acra Chrysoprase	65km NE of Kalgoorlie	M28/00127	0.32	A	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01448	1.60	G	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01449	1.08	G	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01450	1.59	G	100% ¹
		M27/00361		A	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01451	1.90	G	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01452	1.86	G	100% ¹
		M27/00362		A	100% ¹
Wellington North	70km NE of Kalgoorlie	P27/01453	1.56	G	100% ¹
19			515.40		

¹ Centaur right to process ore through the proposed Cawse Stage II plant, subject to favourable BFS.

KEITH KILKENNY PROVINCE Edjudina Nickel Project: Ni(-Au)

Raeside	143km NNE of Kalgoorlie	E31/00139	50.40	G	100%
Raeside	144km NNE of Kalgoorlie	E31/00143	11.20	G	100%
Raeside	140km NNE of Kalgoorlie	E31/00145	5.60	G	100%
Raeside	149km NNE of Kalgoorlie	E31/00164	30.80	G	100%
Yerilla North	165km NNE of Kalgoorlie	E31/00278	28.00	G	100%
Mt Catherine South	145km NNE of Kalgoorlie	E31/00279	56.00	G	100%
Webb Find North	150km NNE of Kalgoorlie	E31/00287	2.80	G	100%
Boyce Creek East	150km NNE of Kalgoorlie	E31/00304	11.20	G	100%
Mt Remarkable East	155km NNE of Kalgoorlie	E31/00346	2.80	B	100%
Claypan Dam	155km NNE of Kalgoorlie	E31/00347	2.80	B	100%
Yerilla Ck Dam	155km NNE of Kalgoorlie	E31/00348	11.20	B	100%
Mt Catherine East	145km NNE of Kalgoorlie	E31/00372	5.60	B	100%
Mt Catherine East	145km NNE of Kalgoorlie	E31/00373	2.80	B	100%
Webb Hill	145km NNE of Kalgoorlie	E31/00375	2.97	A	100%

Interest in Mining Tenements

8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
KEITH KILKENNY PROVINCE Edjudina Nickel Project: Ni(-Au) (cont.)					
Boyce Creek South	150km NNE of Kalgoorlie	E31/00377	28.00	A	100%
Yerilla	150km NNE of Kalgoorlie	E31/00399	2.80	A	100%
Boyce Creek	150km NNE of Kalgoorlie	E31/00400	5.60	A	100%
Webb Hill South	145km NNE of Kalgoorlie	E31/00402	22.40	A	100%
Campbell Well	165km NNE of Kalgoorlie	E31/00435	8.40	A	100%
Boyce Creek	139km NNE of Kalgoorlie	E31/00464	2.80	A	100%
Aubils Bore	175km NNE of Kalgoorlie	E39/00345	33.60	G	100%
Raeside	171km NNE of Kalgoorlie	E39/00357	50.40	G	100%
Raeside	163km NNE of Kalgoorlie	E39/00390	70.00	G	100%
Raeside	172km NNE of Kalgoorlie	E39/00509	39.20	G	100%
Larkin Well	170km NNE of Kalgoorlie	E39/00641	5.60	A	100%
Kilmore Hill	175km NNE of Kalgoorlie	E39/00648	26.93	G	100%
Mount Percy	175km NNE of Kalgoorlie	E39/00680	2.98	A	100%
Mount Percy	175km NNE of Kalgoorlie	E39/00681	2.98	A	100%
Mount Percy	175km NNE of Kalgoorlie	E39/00682	17.90	A	100%
Kilmore Hill	175km NNE of Kalgoorlie	E39/00694	42.00	A	100%
Kilmore Hill	175km NNE of Kalgoorlie	E39/00695	8.40	A	100%
Lake Raeside	175km NNE of Kalgoorlie	E39/00700	32.88	A	100%
Lake Raeside	175km NNE of Kalgoorlie	E39/00725	16.80	A	100%
Kilmore Hill	175km NNE of Kalgoorlie	E39/00758	2.80	A	100%
Yerilla	150km NNE of Kalgoorlie	M31/00105	2.40	G	100%
Yerilla	150km NNE of Kalgoorlie	M31/00110	7.20	G	100%
Yerilla	150km NNE of Kalgoorlie	M31/00278	0.70	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00656	1.48	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00657	4.44	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00658	1.48	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00659	1.48	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00660	1.48	A	100%
Aubils Bore	175km NNE of Kalgoorlie	M39/00662	2.96	A	100%
Yerilla	150km NNE of Kalgoorlie	P31/01538	1.11	G	100%
44			671.37		
KEITH KILKENNY PROVINCE Edjudina Gold Project: Au					
Friday Well	164km N of Kalgoorlie	E31/00484	16.80	A	100%
Patricia South	150km NE of Kalgoorlie	E31/00489	16.80	A	100%
Yilgangi	155km NE of Kalgoorlie	E31/00494	81.20	A	100%
Gairdner West	170km NNE of Kalgoorlie	E39/00642	2.80	A	100%
Larkin West	170km NNE of Kalgoorlie	E39/00643	5.60	A	100%
Yabboo Hill East	154km NE of Kalgoorlie	E39/00795	8.40	A	100%
Banjo Well	145km NE of Kalgoorlie	M31/00047	4.70	G	100%
Yarri	145km NE of Kalgoorlie	M31/00115	4.21	G	100%
Yilgangi Castle	140km NE of Kalgoorlie	M31/00173	0.34	A	100%
Mt Catherine	145km NNE of Kalgoorlie	M31/00249	0.58	A	100%
Webb Find	145km NE of Kalgoorlie	M31/00281	1.20	A	100%
Yarri	145km NE of Kalgoorlie	P31/01398	0.19	G	100%
		M31/00141		A	
12			142.83		



Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
KEITH KILKENNY PROVINCE Laverton Tectonic Zone JV: Au					
Outcamp Bore	155km NE of Kalgoorlie	E31/00190	11.20	G	100% ²
Oak Bore	155km NE of Kalgoorlie	E31/00233	2.80	G	100% ²
Oak Bore South	155km NE of Kalgoorlie	E31/00234	2.80	G	100% ²
Yarri South	135km NE of Kalgoorlie	E31/00235	5.60	G	100% ²
Yilgangi East	140km NE of Kalgoorlie	E31/00236	1.60	G	100% ²
Wallbrook Hill	125km NE of Kalgoorlie	E31/00237	18.00	G	100% ²
Webb Find North	150km NNE of Kalgoorlie	E31/00288	47.60	G	100% ²
Outcamp Bore West	150km NE of Kalgoorlie	E31/00311	33.60	G	100% ²
Yarri East	155km NE of Kalgoorlie	E31/00312	68.41	A	100% ²
Seddon Bore	155km NE of Kalgoorlie	E31/00354	16.80	A	100% ²
Webb Find West	145km NNE of Kalgoorlie	E31/00374	14.00	A	100% ²
Duck Hill West	165km NNE of Kalgoorlie	E31/00430	84.00	A	100% ²
Lake Rebecca	116km NE of Kalgoorlie	E31/00465	2.80	A	100% ²
Lake Rebecca	115km NE of Kalgoorlie	E31/00479	11.20	A	100% ²
Mt Varden West	55km N of Laverton	E38/00944	11.20	A	100% ²
Camel Hump	55km N of Laverton	E38/00945	9.06	G	100% ²
Mt Varden East	45km N of Laverton	E38/00946	75.60	A	100% ²
Mt Varden West	55km N of Laverton	E38/01152	126.00	A	100% ²
Mt Varden West	55km N of Laverton	E38/01153	19.60	A	100% ²
Porphyry North	155km NE of Kalgoorlie	P31/01537	0.85	G	100% ²
Edjudina South	135km NE of Kalgoorlie	P31/01548	0.40	G	100% ²
Yilgangi North	131km NNE of Kalgoorlie	P31/01580	1.85	A	100% ²
Yilgangi North	132km NNE of Kalgoorlie	P31/01581	1.76	A	100% ²
Yilgangi North	134km NNE of Kalgoorlie	P31/01582	1.65	A	100% ²

24

568.38

² Croesus Mining NL right to earn 80%, Heron retains all nickel rights.

KEITH KILKENNY PROVINCE South Laverton Tectonic Zone JV: Au

Pinjin South	140km ENE of Kalgoorlie	E28/00891	11.20	A	100% ³
Patricia West	155km ENE of Kalgoorlie	E31/00244	16.80	A	100% ³
Pinjin	140km ENE of Kalgoorlie	E31/00263	2.80	G	100% ³
Stophanis East	155km ENE of Kalgoorlie	E31/00265	2.80	G	100% ³
Yarri North East	160km NE of Kalgoorlie	E31/00313	2.80	G	100% ³
Yarri North East	160km NE of Kalgoorlie	E31/00315	5.60	G	100% ³
Edjudina East	160km NE of Kalgoorlie	E31/00317	38.65	G	100% ³
Stophanis East	150km ENE of Kalgoorlie	E31/00343	2.97	G	100% ³
Broken Hill Bore	160km NE of Kalgoorlie	E31/00352	2.86	A	100% ³
Clymies Well	160km NE of Kalgoorlie	E31/00353	37.46	A	100% ³
Hobble Gap	160km NE of Kalgoorlie	E31/00434	44.80	A	100% ³
Deep Well North	170km NE of Kalgoorlie	E39/00662	2.98	A	100% ³
Deep Well	170km NE of Kalgoorlie	E39/00663	2.98	A	100% ³
Gairdiners Find	170km NNE of Kalgoorlie	E39/00721	47.60	A	100% ³
Mount Hornet	170km NNE of Kalgoorlie	E39/00729	33.60	A	100% ³
Gairdiners Find	170km NNE of Kalgoorlie	E39/00734	5.60	A	100% ³
Stophanis South	150km ENE of Kalgoorlie	P31/01546	1.61	A	100% ³
Stophanis South	150km ENE of Kalgoorlie	P31/01547	1.20	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01569	1.79	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01570	2.00	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01571	1.83	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01572	1.86	A	100% ³

Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
KEITH KILKENNY PROVINCE South Laverton Tectonic Zone JV: Au (cont.)					
Edjudina	160km NE of Kalgoorlie	P31/01573	0.76	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01574	1.87	A	100% ³
Edjudina	160km NE of Kalgoorlie	P31/01575	1.72	A	100% ³
Gairdiners Find	170km NNE of Kalgoorlie	P39/03691	2.00	G	100% ³
Crab Hill	135km ENE of Kalgoorlie	P28/00923	1.38	G	100% ³
Crab Hill	135km ENE of Kalgoorlie	P28/00924	1.71	G	100% ³
Crab Hill	135km ENE of Kalgoorlie	P28/00925	1.95	G	100% ³
Crab Hill	135km ENE of Kalgoorlie	P28/00926	1.64	G	100% ³
Crab Hill	135km ENE of Kalgoorlie	P28/00927	1.14	G	100% ³
31			285.96		
³ Gutnick Resources NL right to earn 80%, Heron retains all nickel rights.					
KEITH KILKENNY PROVINCE Mulgabbie Nickel Project: Ni(-Au)					
Lake Rebecca	110km NE of Kalgoorlie	M31/00080	2.02	G	100%
Lake Rebecca	110km NE of Kalgoorlie	M31/00081	1.21	G	100%
Lake Rebecca	110km NE of Kalgoorlie	M31/00118	1.14	G	100%
3			4.37		
KEITH KILKENNY PROVINCE Karonie Project: Au(-Ni)					
Karonie South	140km SE of Kalgoorlie	E28/00631	196.00	G	100%
Karonie South	140km SE of Kalgoorlie	E28/00638	25.20	G	100%
Karonie South	140km SE of Kalgoorlie	E28/00665	67.20	G	100%
Karonie South	140km SE of Kalgoorlie	E28/00822	99.38	G	100%
Karonie South	140km SE of Kalgoorlie	E28/00860	8.78	A	100%
Karonie South	140km SE of Kalgoorlie	E28/00861	58.54	A	100%
Karonie South	140km SE of Kalgoorlie	E28/00862	128.80	A	100%
Karonie South	140km SE of Kalgoorlie	E28/00881	126.00	A	100%
Karonie South	140km SE of Kalgoorlie	E28/00929	95.20	A	100%
Buningonia	156km SE of Kalgoorlie	E28/01014	42.00	A	100%
Fraser Range West	140km SE of Kalgoorlie	E63/00455	151.20	A	100%
Fraser Range West	140km SE of Kalgoorlie	E63/00631	36.40	A	100%
Fraser	168km SE of Kalgoorlie	E63/00691	151.20	A	100%
13			1,185.90		
SCOTIA KANOWNA PROVINCE Scotia Kanowna Project: Ni-Au					
Mulgarie North	47km N of Kalgoorlie	E24/00097	30.80	A	100%
Gindalbie	50km NNE of Kalgoorlie	E27/00145	95.20	G	100%
Six Mile North	25km NNE of Kalgoorlie	E27/00166	29.54	G	100%
Scotia East	60km N of Kalgoorlie	E27/00169	108.40	G	100%
Scotia East	55km NNW of Kalgoorlie	M24/00799	7.10	A	100%
Scotia East	55km NNW of Kalgoorlie	M24/00800	3.48	A	100%
Kanowna East	23km NE of Kalgoorlie	M27/00272	1.95	A	100%
Silver Swan North	47km NNE of Kalgoorlie	P27/01427	1.50	G	100%
Silver Swan North	47km NNE of Kalgoorlie	P27/01428	1.50	G	100%
Silver Swan North	47km NNE of Kalgoorlie	P27/01429	1.50	G	100%
Silver Swan North	47km NNE of Kalgoorlie	P27/01430	1.50	G	100%
Kanowna East	23km NE of Kalgoorlie	P27/01440	0.03	G	100%
12			282.50		

Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
SCOTIA KANOWNA PROVINCE Menzies East JV Project: Au					
Menzies East	112km NNW of Kalgoorlie	P29/01381	1.29	G	100% ⁴
		M29/00231		A	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01413	0.10	G	100% ⁴
		M29/00230		A	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01496	1.70	G	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01498	1.35	G	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01499	1.52	G	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01500	1.20	G	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01520	0.94	G	100% ⁴
Menzies East	112km NNW of Kalgoorlie	P29/01521	0.28	G	100% ⁴
			8	8.38	

⁴ Golden State Resources NL right to earn 60%

EMU FAULT PROVINCE Kalpini Gold Project: Ni Infrastructure -Au

Yindargooda	52km NE of Kalgoorlie	E25/00222	58.80	A	100%
Kumalpi South	75km ENE of Kalgoorlie	E28/00819	11.06	G	100%
Kumalpi East	100km NE of Kalgoorlie	E28/00886	53.20	A	100%
Tap Rock Hill	90km E of Kalgoorlie	E28/00927	190.40	A	100%
Lake Yindargooda	110km ENE of Kalgoorlie	E28/00993	84.00	A	100%
Yindi Dam	100km NE of Kalgoorlie	E28/00995	67.20	A	100%
Acra South	62km ENE of Kalgoorlie	E28/01056	8.40	A	100%
North Burton	60km NE of Kalgoorlie	E27/00212	2.80	A	100%
Kalpini Hill	69km NE of Kalgoorlie	E27/00213	2.80	A	100%
			9	478.66	

EMU FAULT PROVINCE Gindalbie East Project: Au

Kalpini NW	60km NE of Kalgoorlie	E27/00170	46.00	G	100%
Lake Emu	68km NE of Kalgoorlie	E27/00215	47.60	A	100%
Lindsay Find	55km NNE of Kalgoorlie	M27/00305	1.20	A	100%
Kalpini West	48km NE of Kalgoorlie	M27/00371	3.37	A	100%
Kalpini West	52km NE of Kalgoorlie	M27/00372	1.64	A	100%
Lindsays North	55km NNE of Kalgoorlie	M27/00382	1.15	A	100%
Garibaldi	45km NE of Kalgoorlie	M27/00383	3.47	A	100%
Kalpini West	45km NE of Kalgoorlie	P27/01400	0.29	G	100%
Lindsays Find	55km NNE of Kalgoorlie	P27/01474	0.77	G	100%
Garibaldi	48km NE of Kalgoorlie	P27/01491	1.34	A	100%
			10	106.83	

EMU FAULT PROVINCE Transline Project: Ni-Au

Trans Find North	60km ESE of Kalgoorlie	E25/00179	89.60	A	100%
Trans Find	60km ESE of Kalgoorlie	E25/00184	56.00	A	100%
Gundockerta Hill W	60km ESE of Kalgoorlie	E25/00186	8.40	A	100%
White Dam	60km ESE of Kalgoorlie	E25/00188	16.80	A	100%
Seabrook Hills	60km ESE of Kalgoorlie	E25/00189	2.80	A	100%
Seabrook Hills	60km ESE of Kalgoorlie	E25/00191	14.00	A	100%
Trans Find	60km ESE of Kalgoorlie	E25/00195	44.80	A	100%
Hawke Hill	60km ESE of Kalgoorlie	E25/00204	8.40	A	100%
Pipeclay Peaks	68km ESE of Kalgoorlie	E25/00209	5.60	A	100%
Pipeclay Peaks	71km ESE of Kalgoorlie	E25/00210	2.80	A	100%
Pipeclay Peaks	69km ESE of Kalgoorlie	E25/00211	2.80	A	100%
Transline	69km ESE of Kalgoorlie	E25/00214	50.40	A	100%

Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
EMU FAULT PROVINCE Transline Project: Ni-Au (cont.)					
Transline	69km ESE of Kalgoorlie	E25/00215	50.40	A	100%
Pipeclay Peaks	62km E of Kalgoorlie	E25/00216	120.40	A	100%
Kim's Dam	86km E of Kalgoorlie	E28/01003	56.00	A	100%
Transline	75km E of Kalgoorlie	E28/01045	25.20	A	100%
Randalls	60km ESE of Kalgoorlie	P25/01580	1.00	A	100%
17			555.40		

MUNGARI PROVINCE Mungari NW JV Project: Au

Mungari Northwest	35km WNW of Kalgoorlie	E15/00411	2.08	A	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	E16/00121	25.20	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	E16/00146	0.34	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01682	2.00	G	100% ⁵
		M16/00377		A	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01683	1.30	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01684	1.44	G	100% ⁵
		M16/00378		A	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01685	1.40	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01686	1.91	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01696	1.99	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01697	2.00	G	100% ⁵
		M16/00379		A	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01811	1.53	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01812	1.04	G	100% ⁵
Mungari Northwest	35km WNW of Kalgoorlie	P16/01813	1.58	G	100% ⁵
Balgarri South	35km WNW of Kalgoorlie	P16/01963	2.00	G	100% ⁵
		M16/00414		A	100% ⁵
14			45.81		

⁵ Kundana Gold right to earn 50%

LEONORA LAVERTON PROVINCE Laverton Nickel Project: Ni-Au

Merolia	40km SE of Laverton	E38/01179	196.00	A	100%
Bandya Hill	107km NNW of Laverton	E38/01270	36.40	A	100%
Perseverance Well	60km NW of Laverton	E39/00738	36.40	A	100%
Perseverance Well	60km NW of Laverton	E39/00739	2.80	A	100%
White Quartz Bore	73km SSW of Laverton	E39/00813	22.40	B	100%
Camelback Bore	53km S of Laverton	E39/00820	11.20	A	100%
Eulamina	75km SW of Laverton	P39/02704	1.28	G	100%
Eulamina	75km SW of Laverton	P39/02705	1.20	G	100%
Eulamina	74km SW of Laverton	P39/02706	1.20	G	100%
Eulamina	74km SW of Laverton	P39/02707	1.20	G	100%
Eulamina	74km SW of Laverton	P39/02708	1.20	G	100%
		M39/00428		A	100%
11			311.28		

LEONORA LAVERTON PROVINCE Laverton JV Project: Au

Hawkes Nest	15km WSW of Laverton	E38/00831	16.80	G	100% ⁶
Hawkes Nest South	15km WSW of Laverton	E38/00832	14.00	G	100% ⁶
2			30.80		

⁶ Metex right to earn 70%



Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
LEONORA LAVERTON PROVINCE Mt Morgans JV Project: Au					
Mt Morgans Northwest	40km WSW of Laverton	P39/03454	1.56	G	100% ⁷
Mt Morgans Northwest	40km WSW of Laverton	P39/03455	1.95	G	100% ⁷
Mt Morgans Northwest	40km WSW of Laverton	P39/03456	1.95	G	100% ⁷
Mt Morgans Northwest	40km WSW of Laverton	P39/03457	1.86	G	100% ⁷
Mt Morgans West	40km WSW of Laverton	P39/03466	1.71	G	100% ⁷
Mt Morgans West	40km WSW of Laverton	P39/03467	1.71	G	100% ⁷
Mt Morgans West	40km WSW of Laverton	P39/03468	1.71	G	100% ⁷
Mt Morgans West	40km WSW of Laverton	P39/03469	1.71	G	100% ⁷
8			14.15		
⁷ Metex right to earn 70%					
LEONORA LAVERTON PROVINCE Malcolm Project: Au					
Glenom South	45km SE of Leonora	E31/00410	67.20	A	100%
Morapoi	55km S of Leonora	E40/00088	11.20	G	100%
Morapoi	55km S of Leonora	E40/00132	5.97	A	100%
Tampa	40km SSE of Leonora	E40/00140	8.98	A	100%
Tampa	40km SSE of Leonora	E40/00141	2.99	A	100%
Tampa	40km SSE of Leonora	E40/00142	14.00	B	100%
Malcolm East	25km SE of Leonora	M37/00727	4.43	A	100%
Malcolm East	25km SE of Leonora	M37/00728	5.73	A	100%
Malcolm East	25km SE of Leonora	M37/00729	9.74	A	100%
Malcolm East	25km SE of Leonora	M37/00730	8.00	A	100%
Alice Gold Mine	17km ESE of Leonora	M37/00953	0.10	A	100%
11			138.34		
LEONORA LAVERTON PROVINCE Victory Project: Au					
Bellevue West	150km NW of Leonora	E36/00320	33.60	A	100%
Mount McClure	120km NNW of Leonora	E36/00387	16.80	A	100%
Mount McClure	120km NNW of Leonora	E36/00388	5.60	G	100%
Doyle Well	60km NW of Leonora	E37/00406	33.60	G	100%
Victory Gold Mine	55km NW of Leonora	M37/00931	0.18	A	100%
Victory	50km NW of Leonora	P37/05830	1.95	A	100%
Victory	50km NW of Leonora	P37/05831	1.96	A	100%
Victory	50km NW of Leonora	P37/05832	1.87	A	100%
Victory	50km NW of Leonora	P37/05833	1.00	A	100%
9			96.56		

Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
LAWRENCE FIND PROVINCE Lawrence Find Project: Cu-Zn-Au-Ni					
Ranford Peak	326km NW of Kalgoorlie	E29/00434	98.00	A	100%
Mount Marnion	207km NW of Kalgoorlie	E29/00435	95.20	A	100%
Metzkes Find	213km NW of Kalgoorlie	E29/00455	156.80	A	100%
Lawrence Find	159km NW of Kalgoorlie	E30/00203	208.52	A	100%
Lawrence Find North	188km NW of Kalgoorlie	E30/00226	196.00	A	100%
Lawrence Find	176km NW of Kalgoorlie	E30/00228	64.40	A	100%
Union Jack Well	236km NNW of Kalgoorlie	E37/00498	39.11	G	100%
<hr/>			858.03		
IDA FAULT PROVINCE Snake Hill JV Project: Au(-Ni)					
Snake Hill North	140km NW of Kalgoorlie	E29/00290	14.00	G	100% ⁸
Mulline	140km NW of Kalgoorlie	E30/00158	39.20	B	100%
Snake Hill	140km NW of Kalgoorlie	E30/00166	16.80	G	100% ⁸
<hr/>			70.00		
IDA FAULT PROVINCE Lesley Project: Au(-Ni)					
Frances Lesley	90km NW of Kalgoorlie	E16/00173	5.60	A	100%
Frances Lesley	90km NW of Kalgoorlie	E16/00174	5.60	A	100%
Frances Lesley	90km NW of Kalgoorlie	E16/00179	5.60	A	100%
Frances Lesley	90km NW of Kalgoorlie	E16/00180	11.20	A	100%
Frances Lesley	90km NW of Kalgoorlie	E16/00192	86.80	A	100%
Frances Lesley	90km NW of Kalgoorlie	M16/00384	2.00	A	100%
<hr/>			116.80		
IDA FAULT PROVINCE Blister Dam JV Project: Au(-Ni)					
Blister Dam	70km NW of Kalgoorlie	E24/00088	28.00	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P16/01842	1.98	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P16/01843	2.00	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P16/01847	1.70	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P16/01848	1.36	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03566	1.93	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03567	0.42	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03568	0.75	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03569	0.77	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03577	0.59	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03578	0.56	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03579	0.63	G	100% ⁹
Blister Dam	70km NW of Kalgoorlie	P24/03580	0.45	G	100% ⁹
<hr/>			41.15		

7

3

⁸ Connemara right to earn 70%

6

13

⁹ Delta Gold NL right to earn 75%, Heron retains nickel rights.



Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
IDA FAULT PROVINCE Bullabulling Project: Ni-Au					
Bullabulling	60km WSW of Kalgoorlie	E15/00541	19.60	A	100%
Bullabulling	60km WSW of Kalgoorlie	E15/00542	5.60	A	100%
Bullabulling	60km WSW of Kalgoorlie	E15/00556	39.48	A	100%
Bullabulling	60km WSW of Kalgoorlie	E16/00172	11.80	A	100%
Bullabulling-Dunnsville	60km W of Kalgoorlie	E16/00181	2.80	A	100%
Bullabulling-Dunnsville	60km W of Kalgoorlie	E16/00182	14.00	A	100%
Bullabulling-Carbine	60km W of Kalgoorlie	E16/00195	44.80	A	100%
Bullabulling	60km WSW of Kalgoorlie	P15/04049	0.87	G	100%
Bullabulling	60km WSW of Kalgoorlie	P15/04050	2.00	G	100%
Bullabulling	60km WSW of Kalgoorlie	P15/04051	2.00	G	100%
Bullabulling	60km WSW of Kalgoorlie	P15/04052	2.00	G	100%
Bullabulling	60km WSW of Kalgoorlie	P15/04053	2.00	G	100%
12			146.95		
IDA FAULT PROVINCE Yilmia Hill Project: Ni-Au					
Yilmia Hill	60km S of Kalgoorlie	E15/00550	5.86	G	100%
Wannaway West	90km SSW of Kalgoorlie	E15/00561	29.21	A	100%
Larkinvile	80km S of Kalgoorlie	E15/00626	100.80	A	100%
Spargoville	80km SSW of Kalgoorlie	P15/04150	1.98	A	100%
Spargoville	80km SSW of Kalgoorlie	P15/04151	1.65	A	100%
Spargoville	80km SSW of Kalgoorlie	P15/04152	1.60	A	100%
Spargoville	80km SSW of Kalgoorlie	P15/04153	1.40	A	100%
Logans	62km S of Kalgoorlie	P15/04186	1.97	A	100%
Logans	62km S of Kalgoorlie	P15/04187	1.98	A	100%
Logans	63km S of Kalgoorlie	P15/04188	1.98	A	100%
Logans	63km S of Kalgoorlie	P15/04189	2.00	A	100%
Logans	65km S of Kalgoorlie	P15/04190	1.81	A	100%
Logans	68km S of Kalgoorlie	P15/04191	1.61	A	100%
Logans	69km S of Kalgoorlie	P15/04192	1.89	A	100%
Logans	71km S of Kalgoorlie	P15/04193	1.92	A	100%
Logans	71km S of Kalgoorlie	P15/04194	1.90	A	100%
Logans	72km S of Kalgoorlie	P15/04195	1.06	A	100%
Larkinvile	76km S of Kalgoorlie	P15/04213	1.22	A	100%
Larkinvile	76km S of Kalgoorlie	P15/04214	1.21	A	100%
19			163.05		
IDA FAULT PROVINCE Cowan Project: Ni-Au					
Lake Cowan	120km SSE of Kalgoorlie	E15/00570	204.01	A	100%
Pioneer	120km SSE of Kalgoorlie	E15/00573	47.60	A	100%
Lake Cowan	120km SSE of Kalgoorlie	E15/00632	19.60	A	100%
3			271.21		
KAMBALDA DOMAIN Binduli East Project: Au-Ni					
Mount Hunt	10km SW of Kalgoorlie	E26/00081	14.00	A	100%
Binduli East	10km SW of Kalgoorlie	M26/00561	3.87	A	100%
Binduli East	10km SW of Kalgoorlie	P26/02791	1.98	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02792	1.82	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02794	1.60	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02800	1.68	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02801	1.50	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02802	1.73	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02803	1.96	G	100%

Interest in Mining Tenements

8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
KAMBALDA DOMAIN Binduli East Project: Au-Ni (cont.)					
Binduli East	10km SW of Kalgoorlie	P26/02814	0.71	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02815	1.96	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02818	1.04	G	100%
Binduli East	10km SW of Kalgoorlie	P26/02904	1.84	A	100%
Binduli East	10km SW of Kalgoorlie	P26/02905	2.00	A	100%
Binduli East	10km SW of Kalgoorlie	P26/02972	1.96	A	100%
15			39.65		
KAMBALDA DOMAIN Kurramia Project: Au-Ni					
Kurramia	10km N of Kalgoorlie	P26/02883	1.17	G	100%
Kurramia	10km N of Kalgoorlie	P26/02884	1.46	G	100%
Kurramia	10km N of Kalgoorlie	P26/02885	1.33	G	100%
Kurramia	10km N of Kalgoorlie	P26/02886	1.27	G	100%
Kurramia	10km N of Kalgoorlie	P26/02887	1.11	G	100%
Kurramia	10km N of Kalgoorlie	P26/02898	1.60	G	100%
Kurramia South	10km N of Kalgoorlie	P26/02977	0.89	A	100%
Kurramia	10km N of Kalgoorlie	P26/02984	0.94	A	100%
Kurramia	10km N of Kalgoorlie	P26/02985	1.93	A	100%
9			11.70		
KAMBALDA DOMAIN Mount Martin Project: Au-Ni					
Cutters Luck	50km SSE of Kalgoorlie	E26/00072	2.80	G	100%
Cutters Luck	50km SSE of Kalgoorlie	E26/00080	53.20	A	100%
Cutters Luck	50km SSE of Kalgoorlie	M26/00667	2.27	A	100%
Mount Martin	40km SE of Kalgoorlie	P26/02907	1.60	A	100%
Mount Martin	40km SE of Kalgoorlie	P26/02908	2.00	A	100%
Mount Martin	40km SE of Kalgoorlie	P26/02909	1.66	A	100%
6			63.53		
SOUTHERN CROSS PROVINCE Bungalbin Project: Fe-Au-Ni					
Bungalbin	100km NNE of Southern Cross	E77/00860	2.96	A	100%
Mt Dimer	120km NNE of Southern Cross	E77/00946	196.00	A	100%
Timberfield	130km NNE of Southern Cross	E77/00947	89.60	A	100%
Yeeding Hill South	100km NNE of Southern Cross	E77/00975	196.00	A	100%
Yendilberin Hills	100km N of Southern Cross	E77/00976	109.20	A	100%
Yeeding Hill	110km N of Southern Cross	E77/00978	5.60	A	100%
6			599.36		
SOUTHERN CROSS PROVINCE Bungalbin Iron Project: Fe					
Bungalbin	100km NNE of Southern Cross	E77/00842	112.58	A	100% ¹⁰
Mount Jackson	105km N of Southern Cross	E77/00896	36.40	A	100% ¹⁰
Mount Jackson	105km N of Southern Cross	E77/00919	56.00	A	100% ¹⁰
3			204.98		
¹⁰ Portman Mining Ltd right to earn 100% equity in iron ore only, with Heron retaining an iron ore royalty. Heron holds all other mineral rights.					
SOUTHERN CROSS PROVINCE Maggie Hays Hill Project: Ni-Au					
Maggie Hays Hill	140km SE of Southern Cross	E63/00625	81.20	A	100%
1			81.20		



Interest in Mining Tenements 8.0 Continued

Prospect	Geographic Location	Tenement Identifier	Area km ²	Status	Interest Held
NORSEMAN PROVINCE Dundas Project: Au					
Mount Deans	10km S of Norseman	M63/00417	9.87	A	100%
Mount Deans	10km S of Norseman	M63/00418	9.26	A	100%
2			19.13		
BREMER-EUCLA PALAEO DRAINAGE PROVINCE Balladonia Project: Oil Shale-Sulphur-Lst					
Heartbreak 7 North	22km NE of Norseman	E15/00655	196.00	A	100%
Heartbreak 9	20km NE of Norseman	E15/00656	61.60	A	100%
Heartbreak 1	70km E of Norseman	E63/00707	196.00	A	100%
Heartbreak 2	73km E of Norseman	E63/00708	196.00	A	100%
Heartbreak 7	65km E of Norseman	E63/00709	196.00	A	100%
Heartbreak	70km E of Norseman	E63/00711	196.00	A	100%
Heartbreak	10km E of Norseman	E63/00712	196.00	A	100%
Heartbreak	10km E of Norseman	E63/00713	103.60	A	100%
Charlina Rocks	154km ESE of Norseman	E69/01473	196.00	A	100%
Balladonia	161km E of Norseman	E69/01474	196.00	A	100%
Boingaring Rocks	156km E of Norseman	E69/01475	196.00	A	100%
Afghan Rock	184km E of Norseman	E69/01476	196.00	A	100%
Balladonia West	156km E of Norseman	E69/01477	196.00	A	100%
Charlina South	150km ESE of Norseman	E69/01478	196.00	A	100%
Charlina West	142km ESE of Norseman	E69/01479	196.00	A	100%
Cumadinia Rock	162km ESE of Norseman	E69/01480	196.00	A	100%
Yalodinya Rock	157km ESE of Norseman	E69/01481	134.40	A	100%
Charlina East	164km ESE of Norseman	E69/01482	81.20	A	100%
Balladonia Central	170km E of Norseman	E69/01483	39.20	A	100%
Chidalinya Rock	185km E of Norseman	E69/01492	106.40	A	100%
Jerandilla	185km E of Norseman	E69/01493	196.00	A	100%
21			3,466.40		
BREMER-EUCLA PALAEO DRAINAGE PROVINCE Ravensthorpe Project: Oil Shale-Sulphur-Lst					
Native Dog Swamp	140km S of Norseman	E63/00717	61.60	A	100%
Geordie Rock	93km SSW of Norseman	E63/00720	112.00	A	100%
Lort River	110km SSW of Norseman	E74/00278	151.20	A	100%
Flower	170km SW of Norseman	E74/00279	193.20	A	100%
Lake Three Star	155km SW of Norseman	E74/00280	193.20	A	100%
Lake Sharpe	130km SW of Norseman	E74/00281	196.00	A	100%
Recruit Hill	93km SW of Norseman	E74/00282	196.00	A	100%
Lake Fitzgerald	92km SW of Norseman	E74/00283	196.00	A	100%
8			1,299.20		
GAWLER CRATON PROVINCE G2 Project: Au-Cu-U-diamonds					
Crystal Brook	180km NNW of Adelaide	E 2159	1,125.00	G	100%
Port Pirie	180km NNW of Adelaide	E 2160	300.00	G	100%
2			1,425.00		

TOTAL 420 tenements with total area

14,708.56

- A = Application
 G = Granted
 B = Exploration Licence Application in Ballot

Interest in Mining Tenements 8.0 Continued



Heron Resources NL

Glossary of Terms

"Aeromagnetic Survey" means a survey made from the air, recording variations in the earth's magnetic field.

"Alteration" means rock-forming minerals which have been chemically changed.

"Anomaly" means a value higher or lower than expected, which outlines a zone of potential exploration interest but not necessarily of commercial significance.

"Aircore drilling" means a rotary drilling technique which uses compressed air to cut a core sample and return core fragments to surface inside the drill rods.

"Au" means gold.

"Autoclave" means a reaction vessel in which ore is mixed with high temperature and pressure solutions to enable metals to enter into solution as a precursor to extraction in metallic form.

"Cu" means copper.

"Electrowinning" is a metallurgical process whereby metal is recovered from a metal bearing electrolyte solution through deposition onto a metal cathode.

"Geochemical Survey" means the systematic study of the variation of chemical elements in rocks or soils.

"g/t" means grams per tonne.

"Granitoid" means a family of coarse-grained igneous rocks that contain abundant quartz and feldspar.

"km" means kilometres.

"km²" means square kilometres.

"Komatiite" means an ultramafic rock with high magnesium content extruded from a volcano. Textural variations include:

"Orthocumulate" means a rock which exhibits a high proportion of crystallised trapped interstitial ("intercumulus") liquid. The surrounded ("cumulus") olivine crystals are subhedral to euhedral in form. This komatiite type is regarded as very prospective for nickel sulphide mineralisation (e.g. Kambalda nickel mine).

"Mesocumulate" means a rock with cumulus crystals exhibiting extensive mutual boundary contact, but retaining some recognisable interstitial material. This komatiite type is regarded as prospective for nickel laterite mineralisation.

"Adcumulate" means a rock with little or no intercumulus material and characterised dominantly by anhedral crystals. This komatiite type is regarded as prospective for nickel laterite mineralisation.

"Lateritic nickel" is a weathered clay-rich nickel occurrence derived from the weathering of ultramafic rocks.

"m" means metres.

"Mineralisation" means, in economic geology, the introduction of valuable elements into a rock body.

"Ni" means nickel.

"NiCo" means %Ni plus four times %Co, and reflects long term relative Ni and Co metal prices.

"Oil Shale" is a sedimentary rock which contains hydrocarbon material termed kerogen, which may be converted to petroleum products, through various high temperature processing operations.

"Olivine" means a magnesium-iron silicate mineral, often occurring in rocks prospective for nickel.

"Option" means a share option to subscribe for fully paid ordinary \$0.25 Shares in Heron exercisable by payment of \$0.25 prior to the expiry date of the option.

"Prospect" means a target upon which exploration programs are planned or have commenced.

"Project" means a grouping of prospects within a specific geographic location, often with a common geological setting.

"Province" means a grouping of projects within a geological district defined by a major mineralised crustal structure.

"ppb" means parts per billion.

"ppm" means parts per million.

"RAB drilling" means the drilling technique in which a sample is returned to surface outside the rod string by compressed air.

"RC drilling" means the drilling method employing a rotating or hammering action on a drill bit which returns a sample to the surface inside the rod string by compressed air.

"SG" means specific gravity, being the insitu mass of the rock per volume.

"Shear Zone" means a zone in which crushed rock has been produced by the action of a shearing stress as on a fault.

"Tectonic Zone" means a major structural feature characterised by deformation of several kilometres in width.

"Ultramafic" means rocks composed almost entirely of mafic minerals which are prospective for nickel mineralisation.

"VMS" means volcanogenic massive sulphide, which relates to base metal sulphide mineralisation.

