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If you do not understand it or are in doubt as to how to act,
you should consult your stockbroker, solicitor or financial adviser immediately.

HERON RESOURCES NL

(ACN 068 263 098)

PART D STATEMENT

In response to the Part C Statement
by Centaur Nickel Investments Pty Ltd (ACN 089 129 537)
(a wholly owned subsidiary of Centaur Mining & Exploration Limited ACN 004 805 145)
relating to its offer to acquire all the ordinary Shares
in Heron Resources NL

The Independent Directors of Heron Resources NL advise:

**REJECT
AND SIMPLY IGNORE
THE CENTAUR 30 CENTS OFFER.

THE PREFERRED VALUATION
OF HERON IS 86 CENTS.**

**Corporate Adviser
Carmichael First Capital Pty Ltd**

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14 March 2000

Dear Heron Shareholder

This document contains your Independent Directors' recommendation and comprises the formal Part D Statement in response to the Offer by Centaur Nickel Investments Pty Ltd ("Centaur"), a wholly-owned subsidiary of Centaur Mining & Exploration Limited, to acquire all your Shares in Heron Resources NL ("Heron"). It replaces and supersedes the Part D Statement (Interim) dated 22 February 2000.

Your Independent Directors unanimously recommend that you:

- 1. REJECT THE OPPORTUNISTIC AND TOTALLY INADEQUATE CENTAUR OFFER.**
- 2. SIMPLY IGNORE THE CENTAUR PART C OFFER DOCUMENT THAT CENTAUR SENT TO YOU IN LATE FEBRUARY 2000.**

Centaur has failed to acquire any Shares in Heron pursuant to its 8 February 2000 Offer, and on 10 March 2000 extended its Offer until the close of trading on 26 April 2000.

In making their recommendation, the Independent Directors have relied on the considered opinion of **PricewaterhouseCoopers Securities Limited ("PwCS")**, the Independent Expert, who concludes (among other things) that :

- 1. THE CENTAUR OFFER IS NEITHER FAIR NOR REASONABLE TO HERON SHAREHOLDERS.**
- 2. THE ASSESSED PREFERRED VALUE FOR HERON SHARES IS 86 CENTS, WHICH IS 187% ABOVE THE CENTAUR OFFER PRICE.**
- 3. THE OFFER DOES NOT PROVIDE A SIGNIFICANT PREMIUM (IF ANY) OVER THE PRICES AT WHICH HERON SHARES WOULD OTHERWISE TRADE AND DOES NOT INCORPORATE ANY SIGNIFICANT PREMIUM TO OBTAIN 100% CONTROL OF HERON.**
- 4. IT IS UNLIKELY THAT HERON'S SHARES WOULD TRADE CONSISTENTLY BELOW 30 CENTS IN THE ABSENCE OF THE OFFER.**



The Independent Directors note also that the Heron closing Share price on 13 March 2000 of 37 cents is more than 23% above the Centaur Offer price.

Your Independent Directors intend to **reject the Centaur Offer** for their own Shareholdings. **Heron's Managing Director and associated entities are the largest Heron Shareholders (33.9% fully diluted), and have rejected the Centaur Offer on the basis that it is opportunistic and grossly inadequate.**

The value of Heron's mineral assets is not reflected in the market price of its ordinary shares. PwCS's explanation for the difference includes:

- the difference represents "the premium above market price attributable to obtaining 100% control of Heron"; and
- "market perceptions regarding the uncertain implications of the Strategic Alliance with Centaur and the related risks and opportunities to Heron of Cawse Stage II not proceeding".

The Directors consider also that the market does not yet fully appreciate the significance of Heron's laterite resource holding, in that these resources are amongst the highest grade nickel laterite deposits in Western Australia, being favourably located in terms of existing operations. There may also be a market reluctance to accept the technical viability and operating and capital cost structures of nickel laterite processing in general. This technology is however expected to facilitate Heron converting its mineral resources into future revenue through either a Heron stand-alone operation, or from the Cawse Stage II Strategic Alliance.

The Independent Expert's Report by PwCS as to the Fairness and Reasonableness of the Centaur Offer, which includes an independent report by **Resource Equity Consultants ("REC")**, the Independent Valuer, on the technical assessment and fair market valuation of Heron's mineral assets, is included as Appendices to this Part D Statement.

Shareholders are encouraged to read and understand these documents. The strong and clear conclusion to be drawn is that you should without doubt:

REJECT the OPPORTUNISTIC and totally INADEQUATE Centaur Offer.

Yours sincerely
Heron Resources NL



Ian Buchhorn
Managing Director



Robert Colville
Director

If you have any queries regarding the Centaur Offer, please contact:

*Ian Buchhorn
Doug Young*

*Heron Resources NL, Managing Director
Carmichael First Capital Pty Ltd, Director*

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- Appendix 1 "Independent Report as to Fairness and Reasonableness of the Centaur Offer for Heron Resources NL".
by A J Edwards of Pricewaterhouse Coopers Securities Limited,
which incorporates:
- Appendix 2 "Independent Technical Assessment and Fair Market Valuation of the Mining and Exploration Assets of Heron Resources NL".
by R H Duffin of Resource Equity Consultants Pty Ltd.

PART D STATEMENT

Heron Resources NL

Heron Resources NL (“**Heron**”) as required under section 683 of the *Corporations Law* provides this Part D Statement. The Statement has been prepared in accordance with the requirements of Part D in section 750 of the *Corporations Law* in response to the Part C Statement (“Offer”) dated 8 February 2000 and served on Heron on 8 February 2000 by Centaur Nickel Investments Pty Ltd (“**Centaur**”), a wholly-owned subsidiary of Centaur Mining & Exploration Limited. This Part D Statement replaces and supersedes the Part D Statement (Interim) dated 22 February 2000 sent previously to Shareholders.

Centaur has failed to acquire any Shares in Heron pursuant to its 8 February 2000 Offer, and on 10 March 2000 extended its Offer until the close of trading on 26 April 2000.

1 RECOMMENDATION IN RELATION TO THE OFFER

The Directors of Heron are:

- | | |
|--------------------------|--------------------------|
| • Rodney Michael Evans | Chairman - Non-executive |
| • Ian James Buchhorn | Managing Director |
| • Robert George Colville | Non-executive Director |
| • Kenneth John Hellsten | Non-executive Director |

Each of the Directors, other than Mr Hellsten, wishes to make and considers himself justified in making a recommendation to the Heron Shareholders in relation to the Centaur Offer. Mr Evans and Mr Buchhorn have no relationship with Centaur and do not stand to benefit from the Centaur Offer other than as ordinary Shareholders and Optionholders in Heron. Mr Colville, appointed a Director of Heron on 9 December 1997, holds 3,000 shares in Centaur Mining & Exploration Limited which were acquired prior to his appointment to the Heron Board. Messrs Evans, Colville and Buchhorn are referred to elsewhere in this document as the “Independent Directors”.

Mr Hellsten does not desire to make, and does not consider himself justified to make a recommendation in relation to the Centaur Offer as he is General Manager Operations for Centaur Mining & Exploration Limited.

The Independent Directors appointed PricewaterhouseCoopers Securities Limited (“**PwCS**”) to prepare the Independent Expert’s Report presented in Appendix 1 of this document, to value Heron and provide the opinion on the fairness and reasonableness of the Centaur Offer.

2 INDEPENDENT DIRECTORS’ RECOMMENDATION

The Independent Directors advise Heron Shareholders to:

REJECT the OPPORTUNISTIC and totally INADEQUATE Centaur Offer.

Heron is a well managed company with outstanding growth potential based on the development of its nickel laterite resources, either on a “stand-alone” basis in conjunction with a high quality equity partner, or under the terms of its Strategic Alliance with Centaur. The current management has demonstrated its ability to acquire and add value to assets on behalf of Heron Shareholders.

With the recent surge in the nickel price to a five year high, the true value of Heron is beginning to be recognised by the market. Shareholders who have seen the Company’s steady growth in asset values should be made fully aware that the strategy that has been responsible for this growth is still only in its earliest stages. The future for Heron, as an independent operator controlling the world class Goongarrie resource, is excellent.

Resource Equity Consultants Pty Ltd (“**REC**”), the Independent Valuer, has noted (Appendix 2, page 2) that Anaconda Nickel Limited may be seeking to rationalise the ownership of the nickel laterite industry in Western Australia, “so Heron’s lateritic nickel tenement assets may take on strategic value beyond their immediate value under Heron’s Strategic Alliance agreement with Centaur”.

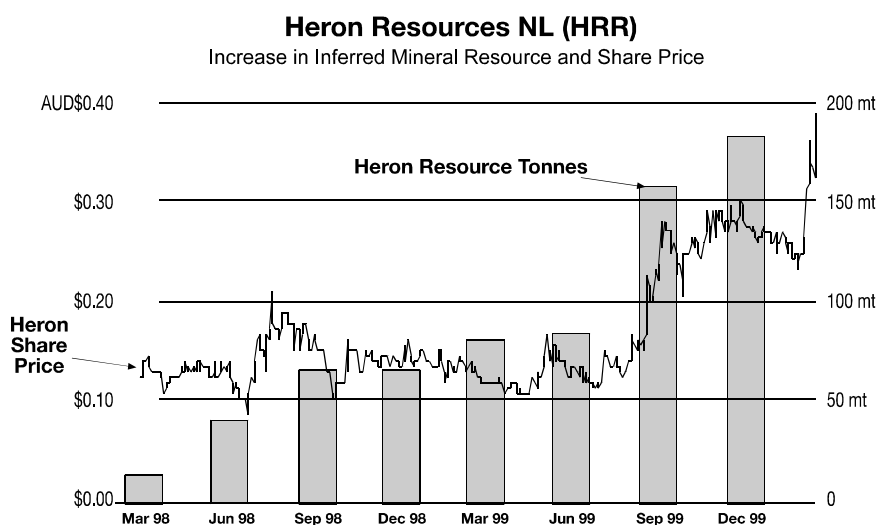
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2.1 The Offer Grossly Undervalues Heron

2.1.1 Market Considerations

For exploration companies like Heron, their value, and indirectly their share price, generally relates to the size and quality of their resources. The value of these resources can be estimated using the consideration received by other companies for similar resources sold in arms length transactions. This valuation concept is termed the “yardstick” valuation method.

In Heron’s case, the Company is an aggressive acquirer and more importantly, evaluates through drilling the tenements so acquired. Its reputation in a demanding industry is one of total commitment and focus, with a natural expectation of success and increase of the resource base. By the yardstick valuation method, Heron’s continuing exploration success, in the normal course of events, should lead to an increasing market capitalisation, as demonstrated historically by the graph below (see also Appendix 1, page 32).



*Inferred Mineral Resource Tonnes at a 0.75% Ni cut-off grade. Prices are closing price on ASX.
Note: Elsewhere in this report, resources generally refer to a 0.5% Ni cut-off grade.*

When Heron listed in August 1996, its market capitalisation and valuation was around \$13.5 million. In the three and a half years since listing, through an intense and productive work effort, the market capitalisation has steadily risen to around \$30 million, and the valuation of the mineral assets has increased to \$73.5 million (refer to Independent Valuer, Appendix 2, sections 10-15). This \$60 million growth in assets has been achieved in three and a half years. The exploration success has been achieved with a total capital raising of \$12.4 million, of which \$2.7 million is still held at bank.

The Independent Valuation on page 2 of Appendix 2 records the following tenement valuations:

Project Assessed	Low Value A\$ million	Preferred Value A\$ million	High Value A\$ million	Comments
Goongarrie	40.0	47.0	54.0	Strategic value to Cawse
Kalpini	12.5	16.5	20.5	Various options for project
Ghost Rocks	4.0	5.0	6.0	Remote
Other Projects	4.5	5.0	5.4	Very large package
TOTAL	61.0	73.5	85.9	

The current Centaur Offer values the acquisition of Heron via a company takeover bid at \$27.5 million, diluted for “in-the-money” options. It is apparent that the value of the Goongarrie tenements alone exceeds the total value of the Centaur Offer.

2.1.2 Development Options Available to Heron to Add Value to the Company.

Stand-alone Nickel Laterite Processing Operation

The Independent Valuer (Appendix 2, page 22) notes that Heron's nickel laterite "deposits are amongst the highest grade lateritic nickel deposits in Western Australia, and, with the caveat that they are still at the inferred resource estimate category, **would appear to have sufficient tonnage to support one or more stand-alone operations**".

The Centaur Strategic Alliance Agreement specifically recognises that Heron has the right to mine and treat nickel laterite as a stand-alone operation, subject only to Heron meeting its contractual obligations to supply ore of a specified tonnage and grade to Cawse Stage II pursuant to a Feasibility Study to be completed in mid 2001.

The Independent Valuer further notes that as well as being high grade "particularly when the cobalt grade is taken into consideration", the Goongarrie deposits have "low magnesia and alumina levels which impacts favourably on acid consumption during processing" (Appendix 2, page 1 and 21). Heron believes that with this style of mineralisation, its resources have the potential to support low cost metal production. In an industry where a single project may have the capacity to produce 10% of world metal supply, the strategic value of Goongarrie as a source of low cost metal is most significant.

The Goongarrie deposit, on the basis of a 400x80m pattern drilling and aeromagnetics, has good continuity. The Independent Valuer (Appendix 2, page 21) notes that "tests of inferred resource estimates made at Goongarrie using data from every second line of holes produced results consistent with those obtained from more detailed drilling, giving some comfort that the widely spaced drilling pattern used has not under-sampled the deposit". Heron's exploration results to date indicate good mineralised continuity and significant tonnage potential.

Heron's financial modelling indicates that its resource base is capable of supporting a stand-alone nickel laterite processing operation. The Heron stand-alone option would be based on ore which is surplus to the Strategic Alliance, assuming the Strategic Alliance proceeds.

Satellite resources owned by Heron such as Lake Rebecca would be a back-up facility to Goongarrie for maintaining grades in later years, or high grading at times of low metal price (to avoid disrupting Goongarrie pit scheduling). At times of high cobalt price, bonanza cobalt grades at Edjudina (with a high grade Inferred Mineral Resource of 0.5 million tonne at 1.3% Ni and 0.27% Co) could be a preferred supplementary ore feed.

The location of a stand-alone plant site would be at Goongarrie, reflecting access to power, water, gas, rail and hardtop road, and ethnographic and archaeological clearance. All Heron satellite ore-bodies are within economic hauling distance of Goongarrie, using the existing gazetted road network.

The current Cawse stand-alone operation was commissioned with 213 million tonne at 0.7% Ni, with initial production target of 8,000 tonnes per annum nickel metal, increasing to 27,000 tonnes per annum. By comparison, Heron's current Inferred Mineral Resource is 392 million tonne at 0.8% Ni.

Stand-alone Nickel Laterite Processing in Parallel with the Strategic Alliance Toll Milling

The immediate objective for Heron is a cash flow from the Strategic Alliance. On current indications of ore requirements for Cawse Stage II, the Independent Valuer's model (Appendix 2, section 10) assumes some 26 million tonne will be committed to Centaur under the Cawse Stage II Feasibility Study to be completed in mid 2001. As stated above, Heron's total Inferred Mineral Resource base is 392 million tonne, providing great flexibility to assess additional development options for ore not required for Cawse Stage II.

The Strategic Alliance provides Heron with a consistent long term cash flow, full operating scale metallurgical data, and "hands on" experience in the nickel laterite industry, including mining and metal marketing. This would greatly assist any future stand-alone nickel laterite processing operation undertaken by Heron.

2.1.3 Nickel Production Solely from the Centaur Strategic Alliance

Under the Strategic Alliance, Heron commits to supply a minimum of 20% of the ore feed to the Cawse Stage II expansion sourced from the Goongarrie, Ghost Rocks and Kalpini tenements, and reciprocating, Centaur Nickel Pty Ltd provides a toll milling facility to Heron. Centaur Nickel Pty Ltd paid \$3.132 million to Heron for these and other rights, and received a free option over 10.44 million Shares in Heron. This option was exercised in September 1999 at a deemed issue price of 30 cents per Share.

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In the short term, subject to certain metallurgical considerations, Heron has the right to toll treat 10,000 tonnes per quarter through Cawse Stage I. The Independent Valuer noted that this right may “generate after tax cash flows at the rate of about \$5 million per annum to Heron” (Appendix 2, page 29). Also of value to Heron is the quality of operating scale metallurgical data this may generate.

The long term value of the Strategic Alliance to Heron is more significant. The Independent Valuer notes that the Strategic Alliance “provides very attractive benefits to Heron. Heron’s obligations to fund the capital expenditure required for construction of its own plant is eliminated, it is able to generate modest cash flows at an early stage from processing limited parcels of ore through the existing Cawse Stage I plant, and it retains the right, subject to certain constraints, of being able to construct its own plant elsewhere if it so chooses” (Appendix 2, page 16).

Subject to a positive Feasibility Study and Centaur securing the necessary project finance for development of Cawse Stage II, the Strategic Alliance provides Heron with a 30 year cashflow, with no responsibility for financing a several hundred million dollar processing plant. The Independent Valuer (Appendix 2, page 28) estimates a project after tax **Internal Rate of Return of 59.7%**.

Using a discount rate of 15%, the Independent Valuer (Appendix 2, page 28) estimated the **Net Present Value (“NPV”)** of a 26.2 million tonne at 1.17% Ni and 0.12% Co pit at Goongarrie to be \$61.2 million as a base case. Assuming a 75% probability of the Cawse Stage II expansion proceeding (Appendix 2, page 28), the expected value of the **base case NPV is \$45.9 million**. The 25% discount to NPV “takes into consideration all likely uncertainties and areas of risk” (Appendix 2, page 28).

This value of a small portion Heron’s resources significantly exceeds the \$27.5 million value of the Centaur Offer.

The Independent Valuer notes that “Anaconda may direct Centaur to take more than the minimum 20 per cent of the expanded plant’s feed from Heron’s Strategic Alliance tenements, with the view to increasing the plant’s capacity to between 40,000 tonnes and 50,000 tonnes of nickel per annum, thus increasing its stake in the Cawse operation to between 50 and 60 percent” (Appendix 2, page 28). Should an increase beyond a 20% minimum ore feed occur, this would require the Independent Valuer’s base case scenario of 26.2 million tonne at 1.17% Ni and 0.12% Co to be significantly expanded.

The Independent Valuer (Appendix 2, page 2) also notes that “**there is insufficient reserve tonnages on Centaur’s own tenements to support the expansion of the (Cawse Stage II) project to the levels now suggested, and Goongarrie is well placed to supply the extra ore required**”. More specifically, the Independent Expert states that “**it appears unlikely that Cawse Stage II would proceed without Centaur having access to Heron’s ore in one manner or another**” (Appendix 1, page 20).

2.1.4 Outright Sale of Nickel Laterite Resources

All Heron tenements are 100% owned by Heron, including the Strategic Alliance tenements. Subject to the non-exercise of various pre-emptive rights, Heron is able to do whatever it wishes with its tenements. If it so chooses, **Heron has the ability to sell its nickel assets, if that maximises the return to Shareholders.**

The **nickel price is now materially higher** and the **confidence in Pressure Acid Leach extractive technology is now materially stronger** than when the transactions used in the following yardstick valuations occurred.

The Independent Valuer (Appendix 2, section 11) ascribed the following yardstick valuations to Heron’s tenement assets:

Project Assessed	Value A\$ per tonne	Inferred Resource (mt)	Value A\$ million	Comments
Goongarrie	0.24	202.3	48.5	Based on Cawse Extended
Kalpini	0.18	92.3	16.5	Based on Mount Margaret
Ghost Rocks	0.10	49.6	5.0	Based on Mount Margaret
Other Projects	nil	48.4	n/a	Valued on past exploration
TOTAL		392.6	70.0	

As previously stated, **the current Centaur Offer values the acquisition of Heron at \$27.5 million. This is less than half of the yardstick valuation of Heron’s tenement holding.**

2.2 The Offer Does Not Provide any Premium for Control

The closing price for Heron Shares on 7 February 2000, the day before the announcement of the Centaur Offer, was 31 cents, or one cent above the Offer price. It is generally acknowledged that in order to acquire a controlling interest in a listed company, the acquirer is usually expected to pay a 20-40% premium over and above the price at which the shares in the target are trading on the stock exchange prior to the announcement of the bid. This premium reflects the benefits the acquirer achieves through holding a controlling interest as opposed to a minority interest.

The Independent Expert notes that the **“Offer represents no premium** to the highest traded price of Heron shares during the last full week prior to the announcement of the bid. Consequently, the **Offer does not incorporate a premium for control to reflect the benefits to Centaur of acquiring 100% of Heron”** (Appendix 1, page 35).

The Independent Expert notes that Heron has strategic value to Centaur, in particular, due to the existence of the Strategic Alliance and the benefits to Centaur **“for the Cawse Stage II expansion”** (Appendix 1, page 2).

Further, the Independent Expert notes that **“a significant premium can be justified, particularly by Centaur, to obtain 100% control of Heron due to:**

- (a) the benefit of securing ownership of the high grade Goongarrie deposits for Cawse Stage II; and
 - (b) the quality and geographic location of Heron’s resources which makes it attractive to existing industry participants in the Eastern Goldfields or another party seeking to align itself in the nickel laterite industry in that region”
- (Appendix 1, page 34).

Heron, because of the quality of its resource holding, is a key link in the future rationalisation of the Eastern Goldfields nickel laterite industry. Therefore, **control of Heron should attract a substantial premium.**

2.3 The Offer is Opportunistic in its Timing

Heron and Centaur Nickel Pty Ltd entered into their Strategic Alliance in August 1999. Since then, Heron’s Inferred Mineral Resource estimate has increased by 125%, from 174 million tonne (June 1999 Quarterly Report) to 392 million tonne (December 1999 Quarterly Report), and the nickel price has risen to a five year high. The price was US\$2.96 per pound when the Strategic Alliance commenced, and US\$4.56 per pound on 21 February 2000.

The unsolicited Centaur Offer comes at a time when Heron is commencing ore reserve definition drilling with a view to commencement of nickel laterite mining from a granted Mining Lease later in the year, and subject to meeting certain metallurgical specifications, supplying ore to the existing Cawse processing plant to create a cashflow for the Company.

A pre-feasibility study for Cawse Stage II has commenced, and is due to be completed in June 2000. At that time, an indication of the project’s viability will be available. Centaur has announced that the bankable feasibility study is planned for completion by June 2001.

The current Heron Goongarrie drilling program is on an 80x80m in-fill pattern, and combined with metallurgical sampling completed by Heron and the above pre-feasibility study, will elevate the Goongarrie resource status to **“Indicated Mineral Resource”**. This event would have major implications for the **“yardstick”** valuations of the Company’s mineral assets. At the current *Inferred* Mineral Resource status, the Independent Valuer (Appendix 2, page 32) values Goongarrie at a multiplier of \$0.24 per tonne of resource. In contrast, for Indicated Mineral Resource, the Independent Valuer suggests a multiplier of \$0.45 per tonne of resource is more appropriate (Appendix 2, Table 7, Abednego yardstick). The implication for Heron of upgrading the resource status of a given project is a potential 87% increase in that project’s yardstick valuation.

The current Centaur bid is an opportunistic attempt to capture your Shares just prior to Heron commencing the drilling program which can unlock further value in your Shares.

2.4 The Offer Ignores the Potential of Heron’s other Mineral Assets

The Independent Valuer (Appendix 2, page 2) notes that **“Heron has one of the largest tenement portfolios of any Australian mining or exploration company”**. In addition to nickel laterite resources, Heron has extensive gold joint ventures, nickel sulphide targets, iron ore, oil shale and other strategic mineral assets within its 13,000 km² Eastern Goldfields tenement holding. A **preferred value of \$5.0 million** is ascribed to these exploration assets (Appendix 2, page 39).

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3 DIRECTORS' ENTITLEMENT IN HERON

3.1 Shares

The number, description and amount of marketable securities of Heron to which each Director is entitled was set out in the Part D Statement (Interim), and are unchanged as follows:

Ordinary Shares in Heron held by Directors:

<i>Director</i>	<i>Direct</i>	<i>Indirect</i>
R M Evans		800,000
I J Buchhorn	1,947,847	19,289,998
R G Colville		140,000
K J Hellsten		*15,890,310

* Shares held by Centaur Nickel Investments Pty Ltd, with which Mr Hellsten is associated.

3.2 Options

Options in Heron held by Directors:

<i>Director</i>	<i>Direct</i>	<i>Indirect</i>
R M Evans		200,000
I J Buchhorn	1,250,000	8,900,000
R G Colville		150,000
K J Hellsten		

3.3 Other Marketable Securities

Except as disclosed above no Director is entitled to any marketable securities in Heron.

4 DIRECTORS' INTENTIONS

Each Independent Director:

REJECTS the OPPORTUNISTIC and totally INADEQUATE Centaur Offer

in respect of the Heron Shares held by him, or which are held on his behalf.

5 AUTHORISATION OF PART D STATEMENT

No Independent Director voted against the resolution of the Heron Board authorising this Part D Statement.

6 DIRECTORS' ENTITLEMENT IN CENTAUR

As set out in the Part D Statement (Interim), Mr Evans and Mr Buchhorn are not entitled to any marketable securities in Centaur, or its listed parent company, Centaur Mining & Exploration Limited. Mr Colville is entitled to 3,000 Centaur Mining & Exploration Limited shares acquired before becoming a Director of Heron. Mr Hellsten is entitled to the following Centaur Mining & Exploration Limited shares:

- i) Mr Hellsten has 2,000 ordinary shares in Centaur Mining & Exploration Limited; and
- ii) A further 11,500 ordinary shares in Centaur Mining & Exploration Limited are held by Mr Hellsten's superannuation fund.

7 TRANSACTIONS IN CENTAUR OR ITS PARENT COMPANY, CENTAUR MINING & EXPLORATION LIMITED, BY HERON OR ITS ASSOCIATES DURING THE PREVIOUS FOUR MONTHS

To the knowledge of the Independent Directors there have been no acquisitions or disposals of shares in Centaur or Centaur Mining & Exploration Limited by Heron or any associate of Heron in the four months ending on the day immediately before the date of the Takeover Announcement except as described below:

- i) Subject to compliance with regulatory requirements, Mr Hellsten is entitled to 600,000 options to acquire ordinary shares in Centaur Mining & Exploration Limited under an executive option plan.

8 TRANSACTIONS IN HERON BY ASSOCIATES DURING THE PREVIOUS FOUR MONTHS

To the knowledge of the Independent Directors, there have been no acquisitions or disposals of shares in Heron by any associate of Heron in the four months ending on the day immediately before the date of the Takeover Announcement.

9 PRESCRIBED BENEFITS TO OFFICERS OF HERON

No prescribed benefits (other than an excluded benefit) will or may be given to a person in connection with the retirement of a person from a prescribed office in relation to Heron.

No prescribed benefit will or may be given to a prescribed person in relation to Heron in connection with the transfer of the whole or any part of the undertaking or property of Heron.

10 OTHER AGREEMENTS BY DIRECTORS OF HERON

There is no agreement made between any Independent Director and any person in connection with or conditional upon the outcome of the Centaur Offer.

11 DIRECTORS' INTERESTS IN CONTRACTS

As set out in the Part D Statement (Interim), no Independent Director has any direct or indirect interest in any contract entered into by Centaur, or associated companies, other than Mr Colville. He is an executive director of a privately owned mining contractor which includes among its current clients a company with directors in common with Centaur Mining & Exploration Limited, and which may at a future date seek mining contracts with Centaur Mining & Exploration Limited or its associated entities.

12 CHANGES IN FINANCIAL POSITION OF HERON

So far as it is known to the Directors, the only material change in the financial position of Heron since 30 June 1999, being the date of the last financial statements of Heron as presented at the Annual General Meeting of Heron held on 30 November 1999, has been the entering into the Strategic Alliance and consequences of so doing.

Centaur Nickel Pty Ltd paid \$3.132 million to Heron to partly fund Strategic Alliance exploration and secure rights to ore. In consideration, Heron issued 10.44 million Shares in Heron to Centaur at a deemed issue price of 30 cents per Share, and secured toll milling access to the Cawse processing plant.

Summaries of relevant announcements that have been made by the Directors since 30 June 1999 that must be considered by Shareholders in deciding upon the Centaur Offer are as follows:

- Heron and Centaur Mining & Exploration Limited's respective ASX announcements of their entry into the Strategic Alliance dated 19 August 1999.
- Advice from Centaur of its intentions to exercise its call option to receive 10.44 million Heron shares at no additional cost at the deemed issue price of 30 cents per share dated 28 September 1999. This option had been granted to Centaur after the payment of \$3.132 million to Heron to be applied to the further exploration of its Goongarrie, Ghost Rocks and Kalpini tenements.

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- Heron's ASX announcement of an increase in Inferred Mineral Resources dated 13 October 1999.
- Heron's "Quarterly Report on Activities for the Quarter ending 30 September 1999", dated 31 October 1999.
- Heron's ASX announcement dated 19 November 1999 on the likely impact of the Centaur Mining & Exploration Limited and Anaconda Nickel Limited alliance to undertake the Feasibility Study for the Cawse Stage II expansion.
- Heron's "Quarterly Report on Activities for the Quarter ending 31 December 1999", dated 31 January 2000.
- Heron's advice to Shareholders on 10 February 2000 in relation to Centaur's Takeover Announcement dated 8 February 2000.
- Heron's advice to Shareholders on 24 February 2000 in relation to Centaur's Part C Offer document notifying Heron Shareholders of errors of fact and misleading statements contained in a covering letter to the Part C Offer document sent to them on 23 February 2000 by Centaur.

13 OTHER MATERIAL INFORMATION RELEVANT TO THE MAKING OF A DECISION BY A SHAREHOLDER OF HERON

Except as disclosed in this Part D Statement, there is no other information that is known to any of the Independent Directors, and has not previously been disclosed to the Shareholders of Heron, which would be material to the making of a decision by a Heron Shareholder as to whether or not to accept the Centaur Offer.

14 INTERPRETATION

In this Part D Statement, unless the context otherwise requires:

"ASX" means Australian Stock Exchange Limited.

"Centaur" means Centaur Nickel Investments Pty Ltd (ACN 089 129 537).

"Centaur Offer" or the "Offer" means the offer subject of the Takeover Announcement dated 8 February 2000.

"Co" means cobalt.

"Heron" or "the Company" means Heron Resources NL (ACN 068 263 098).

"Independent Directors" means the Directors of Heron, other than Kenneth John Hellsten.

"Independent Expert's Report" means the report of PwCS set out in Appendix 1 and commissioned by the Independent Directors of Heron, notwithstanding the absence of a statutory requirement for such a report, to assess the fairness and reasonableness of the Offer received pursuant to the Part C Statement of Centaur, in order to assist Heron Shareholders, and the Independent Directors as to their recommendation to Shareholders, in considering whether or not to accept the Offer.

"Independent Valuation" means an amount of money or the cash equivalence of some other form of consideration estimated by the Independent Valuer, for which an asset should change hands on the date of the valuation, between a willing buyer and a willing seller in an arms length transaction, where the parties act with equal knowledge, prudence and without compulsion.

"Independent Valuer" means Resource Equity Consultants Pty Ltd (ACN 003 435 523), an appropriately qualified independent person holding a current Investment Advisers Licence and commissioned by the Independent Expert PwCS to prepare a technical specialist's report on the fair market valuation of Heron's mining and exploration assets, said report being set out in Appendix 2.

"Indicated Mineral Resource" means that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and / or grade continuity but are spaced closely enough for continuity to be assumed.

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“Inferred Mineral Resource” means that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and / or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

“Ni” means nickel.

“Part C Statement” means the Part C Statement of Centaur dated 8 February 2000 that was served on Heron on 8 February 2000 and including all annexures to that statement.

“Part D Statement (Interim)” means the Part D Statement of Heron dated 22 February 2000.

“Part D Statement” means this Part D Statement of Heron dated 14 March 2000.

“Strategic Alliance” means the Agreement entered into between Heron Resources NL and Centaur Nickel Pty Ltd and Centaur Mining & Exploration Limited in August 1999.

“Takeover Announcement” means the takeover announcement which Centaur caused to be made on its behalf by J B Were & Son, a member corporation of the Australian Stock Exchange Limited, at an official meeting of ASX on 8 February 2000.

Each word and phrase in this Part D Statement, other than words defined above, has the meaning, if any, given to them in the Corporations Law unless the meaning is inconsistent with the context in which it is used. Headings are for convenience only and do not affect the meaning of this Part D Statement. The singular includes the plural and vice versa, words importing any gender include other genders and references to persons include corporations. All references to money amounts are in Australian dollars unless otherwise indicated.

Dated: 14 March 2000.

Signed for and on behalf of Heron Resources NL ACN 068 263 098, by Robert George Colville and Ian James Buchhorn, two Directors of the Company authorised to do so on behalf of Heron Resources NL pursuant to a resolution of Directors passed at a meeting of Directors held on 13 March 2000.



R G Colville – Non-executive Director



I J Buchhorn – Managing Director

APPENDIX 1

**INDEPENDENT REPORT
AS TO THE FAIRNESS AND
REASONABLENESS
OF THE CENTAUR OFFER
FOR HERON RESOURCES NL**

by

A J Edwards

PricewaterhouseCoopers Securities Limited

APPENDIX 2

**INDEPENDENT TECHNICAL ASSESSMENT
AND FAIR MARKET VALUATION
OF THE MINING AND EXPLORATION ASSETS
OF HERON RESOURCES NL**

by

R H Duffin

Resource Equity Consultants Pty Ltd