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MEDIA RELEASE

Heron have completed their Pre-feasibility Study for the Kalpini Nickel Project using independent data from Consultant groups Oretest and Bateman Kinhill. The study indicates an **after tax cash surplus of $1.123 billion**. Due to the high grade and good metallurgy, the Kalpini Nickel Project is very robust and would continue to be profitable even if negative market influences came into play.

Drilling during the March 1999 Quarter has seen Heron lift its Inferred Mineral Resource inventory to **81.9 million tonne at 1.08% Ni and 0.07% Co.** Heron have also acquired additional project areas at Goongarrie and Ghost Rocks providing the Company with tenure to an additional 27 kilometres of ultramafic with known high grade nickel intercepts. This is the precise stratigraphic equivalent of the Cawse Deposit.

The Quarter also saw the Bulong and Cawse Nickel Projects come on line, having overcome initial teething problems. This is seen as an excellent result for Heron, and reinforces the merit of Heron's lateritic nickel thrust

Heron completed drill programs at their recently acquired Aubils and Goongarrie Nickel Projects. High grade and wide intercepts were recorded at both including:

- Aubils: 11m at 1.04% Ni and 0.32% Co from 23m, 12m at 1.02% Ni and 0.12% Co from 30m.
- Goongarrie: 16m at 1.31% Ni and 0.05% Co from 7m, 15m at 1.13% Ni and 0.10% Co from 17m.

Heron will continue to joint venture their large gold and base metal tenement portfolio while continuing to develop their nickel laterite projects.

The Quarter saw:

- Completion of agreements in principal for a further two major Gold Joint Ventures. Heron now have 116 tenements in nine joint ventures with incoming parties spending $1.96 million annually and up to $8.225 million to earn equity.
- Agreement in principle that will see Heron's Bungalbin Iron Ore deposit developed.

We are more than happy to further discuss any aspects of our performance. Please contact our Kalgoorlie office, either Ian Buchhorn or David Crook, if you wish to discuss the Company's objectives, strategies and results

IAN BUCHHORN
Managing Director

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30 April 1999

The Company Announcement Officer
Australian Stock Exchange Limited
Post Office Box H224 - Australia Square
SYDNEY NSW 2000

Dear Sir / Madam

RE: HERON RESOURCES NL, QUARTERLY REPORT, PERIOD ENDING 31 MARCH 1999

SUMMARY

- As at 31 March 1999, the **Inferred Mineral Resource** above a 0.75% Ni cut-off for Kalpini and satellite nickel projects is **81.9 million tonne at 1.08% Ni and 0.07% Co**. The resource increase has resulted from new ore discoveries at Aubils and Goongarrie Hill during the March 1999 Quarter.

- The **Inferred Mineral Resource** above a 0.50% Ni cut-off for Kalpini and satellite nickel projects is now **166 million tonne at 0.82% Ni and 0.05% Co,** representing an **in-ground metal value of $12 billion**.

- A **Pre-Feasibility Study** for Kalpini was completed using cost parameters estimated by Bateman Kinhill. The operating parameters assume a 20 year project life with 2.8 million tonne per annum plant feed. The predicted **after tax surplus following interest and capital repayment is $1,123 million without discounting**, or **$374 million at a 7.5% discount rate**. Estimated capital expenditure is $860 million.

- Although industry-wide rationalisation of nickel laterite resources and infrastructure in the Kalpini-Bulong-Goongarrie-Cawse belt would appear to be a logical progression, Heron's cash flow modelling suggests a stand-alone Heron processing operation warrants careful analysis. A plant location at Goongarrie near Heron's recent Goongarrie Hill ore discoveries that would take advantage of existing rail and gas pipeline infrastructure is worthy of analysis.

- The exploration focus for the current Quarter has been the delineation of high grade nickel-cobalt ore on prospects peripheral to Kalpini. Significant intersections include:

    - From the **Edjudina Nickel Project**, at Aubils:
        - 11m at 1.04% Ni and 0.32% Co from 23m
        - 7m at 1.14% Ni and 0.19% Co from 38m
        - 12m at 1.02% Ni and 0.12% Co from 30m

    - From the **Goongarrie Nickel Project**, at Goongarrie Hill:
        - 16m at 1.31% Ni and 0.05% Co from 7m
        - 15m at 1.13%Ni and 0.10% Co from 17m

- Heron has acquired an additional 27 kilometres of lateritic ultramafics which are the precise stratigraphic equivalent of the Cawse nickel laterite deposit, between Bardoc and Lake Ballard. Heron's drilling at Goongarrie West combined with previous holder's drilling demonstrates the presence of lateritic nickel-cobalt ore throughout the newly acquired ground. The new acquisitions are:

    - Goongarrie South Project, from Pacmin Mining Corporation, 1.54% Ni in previous drilling.

    - Ghost Rocks Project, from Delta Gold NL, 1.24% Ni in "Nickel Boom" drilling.

- A major new project to complement the nickel laterite development was acquired 200km SE of Kalpini in the western Eucla Basin at Balladonia. The project area covers an interpreted eastern Eocene shoreline of the Yilgarn Craton.

  The project area has known lignite and heavy mineral sand occurrences with limestone overburden, and is analogous in setting to western craton-margin deposits at Capel and Collie through to Eneabba. This represents a strategic potential energy, acid and neutraliser source for Kalpini, as well as a potential titanium resource for future tool steel production.

- Tenements with nickel laterite mineralisation will continue to be pegged or acquired, with Heron continuing to manage its own nickel laterite exploration. An offshoot of this activity is Heron's multi commodity strategy. This has seen Heron maintain a strong gold presence through strategic tenement pegging and target generation, followed by joint venturing. This strategy commonly results in Heron being free carried to the commencement of mining.

  Heron now has nine Joint Ventures covering 116 tenements that will see a minimum of $1.96 million spent by partners annually. In addition a minimum total expenditure of $8.23 million can be spent on Heron tenements before equity is transferred. By this process Heron is entirely free-carried, and in terms of risk-minimisation and success optimisation, the Heron gold portfolio provides a very low risk and low cost means of asset creation.

  During the March 1999 Quarter, the following transactions were finalised:

  - Southern Laverton Tectonic Zone Joint Venture, Mount Kersey Mining NL must spend $1.2 million on a 31 tenement package to earn 80%, with Heron free-carried to Decision to Mine.

  - Laverton Tectonic Zone Joint Venture, Croesus Mining NL must spend $0.75 million on a 22 tenement package to earn 80%, with Heron free-carried to mining.

  - Mulgabbie Project, Pacmin Mining Corporation Limited has reached preliminary agreement to purchase a 39 tenement gold package from Heron. As part of this transaction, Heron has agreed to purchase two key areas south of Goongarrie South consisting of one Exploration Licence and eight Prospecting Licences covering nickel laterite mineralisation. Significant RAB intersections include 16m at 1.54% Ni and 0.13% Co.

  - Heron has completed a Letter Agreement that will lead to Portman Mining Ltd delineating and mining Iron Ore from Heron's Bungalbin and Mt Jackson tenements. Heron will receive a royalty based on the FOB sale price of the ore.

  The divestment of full ownership of these gold projects has allowed expansion of the key nickel projects.

- Drilling activity by Joint Venture partners has identified several high priority gold exploration targets:

  - Drilling at the Mungari Northwest Joint Venture saw 30 RAB drill holes completed for a 1,776 metre advance. Anomalous values include 12m at 0.46g/t Au from 36m, 4m at 0.36g/t Au from 52m, and 4m at 0.35g/t Au from 56m, confirming a mineralised system is present.

  - Vacuum drilling on a 200x50m pattern at the Hawks Nest Joint Venture was completed for a 187m advance. Results included 60.8ppb Au with several supporting values above 25ppb. One soil anomaly was tested with five RAB drill holes. No results have been received.

  - Vacuum drilling, aircore drilling and five RCP drill holes at the Blister Dam Joint Venture were completed. Aircore holes returned 1m at 2.33g/t Au from surface and 5m at 0.50g/t Au from 30m. RCP drilling returned 47m at 0.36g/t Au within a zone of intense alteration. All anomalism is associated with the Zuleika Shear Zone.

Heron has continued to position itself in the forefront of the Eastern Goldfields nickel laterite industry. However, the quality of its non-nickel asset base, acquired at minimal cost through pegging and advanced through joint venturing, should not be underestimated.

2.0 EXPLORATION REVIEW

2.1 Emu Fault Province

2.1.1 Kalpini Nickel Project

Heron 100%
Nickel (- gold)

On the basis of Heron reconnaissance drilling, surface and old drill-hole sampling, and aeromagnetic interpretation, the total Heron Inferred Mineral Resource at a 0.75% Ni cut-off is:

Table 1
KALPINI NICKEL PROJECT
Inferred Mineral Resource Inventory, 0.75% Ni Cut-off

Project	Pit	Strike km	Width km	Tonne Million	Ni %	Co %	Ni4Co %
Acra North	K1a	1.60	0.12	1.85	1.02	0.087	1.37
Acra North	K1b	0.40	0.20	0.73	1.06	0.096	1.44
Acra North	K1c	0.40	0.12	0.72	1.00	0.092	1.37
Acra North	K1d	1.90	0.20	3.58	1.00	0.064	1.26
Acra North	K2a	1.70	0.16	4.92	1.33	0.067	1.60
Acra North	K2b	0.50	0.08	0.08	1.08	0.012	1.13
Acra North	K2c	0.50	0.08	0.38	1.13	0.056	1.35
Wellington East	K3	2.50	0.20	3.07	1.04	0.079	1.36
Wellington East	K4	3.60	0.16	7.05	1.18	0.068	1.45
Wellington East	K5	1.20	0.24	1.60	1.21	0.098	1.60
Wellington East	K6a	1.00	0.16	2.64	1.04	0.097	1.43
Wellington East	K6b	0.40	0.16	0.21	0.92	0.092	1.29
Wellington East	K6c	3.00	0.20	6.51	1.04	0.060	1.28
Wellington East	K8	2.30	0.30	4.92	0.97	0.087	1.32
Wellington Fold	K9	1.10	0.20	2.10	0.88	0.067	1.15
Wellington North	K10	0.80	0.20	1.51	1.04	0.059	1.28
Total Kalpini				**41.85**	**1.08**	**0.074**	**1.38**
Boyce Creek	Y1	1.00	0.20	6.02	0.95	0.092	1.32
Lady Byron	Y2	0.60	0.20	2.82	1.06	0.049	1.26
Aubils	Y3	0.80	0.20	1.98	1.03	0.120	1.51
Total Yerilla				**10.82**	**0.99**	**0.086**	**1.33**
Lake Rebecca	R1	2.20	0.30	11.00	1.16	0.076	1.46
Lake Rebecca	R2	1.10	0.15	2.77	0.99	0.027	1.10
Total Rebecca				**13.76**	**1.12**	**0.066**	**1.38**
Goongarrie Hill	G1	5.00	0.20	12.29	1.06	0.060	1.31
Sylvia Virginia	G2	2.50	0.16	3.20	1.00	0.060	1.24
Total Goongarrie				**15.49**	**1.06**	**0.060**	**1.30**
TOTAL				**81.94**	**1.08**	**0.072**	**1.37**

The resource estimate uses intercepts above 0.75% Ni over a minimum 2 metre vertical thickness, with a maximum 2 metre of internal waste grading less than 0.75% Ni within the calculated intercept. An SG of 1.6 is assumed, based on an range of 1.3 to 2.25 as inferred from Heron drill chip logging.

Detailed financial models were completed for the Kalpini Nickel Project. The base case is:

- 56,000,000 tonnes at 1.2% Ni and 0.1% Co. These parameters are used in the Bateman Kinhill Pre-feasibility Study. The grade estimates are qualitative, and inferred using a 0.9% Ni mining cut-off, rather than the 0.75% Ni cut-off from which the current resource of 81.9mt at 1.08% Ni, 0.07% Co is derived.
- Nickel price US$2.20/lb, cobalt price US$14.00/lb, exchange rate A$=US$0.63
- Mining cost $10.48/t, processing + maintenance cost $65.00/t, administration $1.67/t.
- Capital expenditure $860 million, 70% debt funded, 10% interest rate.

This base case orebody has an **after tax non-discounted surplus of $1,123 million**, and an **IRR of 15%**. The orebody has an **after tax surplus at a current market discount rate of 7.5% of $374 million**. Most significantly, this return is in a low metal price environment. If a nickel price of $3.50 corresponding to a 12 year typical price is used with a "strong commodity price" exchange rate of 0.70, the result is an **after tax non-discounted surplus of $2,079 million**, and an **IRR of 21%**.

Operational Parameter	Parameter Break-even	Parameter Optimistic Value	Optimistic Surplus Discount Rate 7.5%	Cashflow Sensitivity
nickel grade	0.9% Ni	1.3% Ni	$478 m	strong
cobalt grade	0.02% Co	0.1% Co	$374 m	moderate
nickel price	$1.60/lb	$3.00/lb	$827 m	very strong
cobalt price	$8.00/lb	$20.00/lb	$678 m	strong
tonnage	36 million tonne	68 million tonne	$576 m	strong
plant opcost	$105/t	$50/t	$560 m	moderate
exchange rate	0.80	0.60	$472 m	low
recovery	75%	95%	$416 m	low
screening	always positive	always positive	not applicable	none
debt:equity	always positive	50% debt	$536 m	very strong
capex	always positive	$700 million	$480 m	low

Global Mining Services, mining consultants of Perth, have commenced an independent ore reserve validation for Kalpini. The exercise should quantify in-fill drilling requirements as part of the next stage of feasibility.

Detailed evaluations in respect of the nickel sulphide potential at Kalpini were completed, with high priority targets identified. Discussions have commenced regarding farm-out of the nickel sulphide rights only.

Pineapple Dam Prospect

Rockchip sampling has returned significant results of up to 1.78% Ni and 0.284% Co in laterite.

Acra Prospect

The sale offer by MPI was withdrawn, with the agreement of both parties.

2.1.2 Transline Project

Heron 100%
Nickel (- gold)

Exploration Licence applications await grant. Additional ground was acquired covering highly anomalous soil gold targets associated with the major ore-hosting GMQ Shear Zone.

2.2 SCOTIA KANOWNA DOME PROVINCE

During the Quarter, high priority lateritic nickel-cobalt targets were acquired from south to north at Goongarrie South, Goongarrie Hill and Ghost Rocks, as potential ore feed for a Kalpini area processing operation. Heron now controls a 27km strike length of komatiite stratigraphy within the Scotia-Menzies belt, with ore resource potential comparable to that of Kalpini.

The recently acquired Heron tenements have excellent infrastructure potential, adjoining the Pilbara-Goldfields gas transmission line and Kalgoorlie-Leonora railway line. Consideration could even be given to a processing plant location at Goongarrie rather than Kalpini, due to lower cost rail haulage of processing feedstock.

2.2.1 Goongarrie South Project

Heron 100%
Nickel

Heron has reached preliminary agreement with PacMin Mining Corporation Limited ("Pacmin") for the purchase of Pacmin's tenement holding in the area between Scotia and Goongarrie South.

The purchased tenement package covers one Exploration Licence and eight Prospecting Licences providing tenure over lateritised ultramafic of the Walter Williams Formation between Goongarrie and Bardoc. Adjacent Heron tenements have demonstrated nickeliferous laterite, occasionally with outstanding cobalt credits. The Cawse nickel laterite project is in precisely the same stratigraphic position. Significant RAB intersections include 16m at 1.54% Ni and 0.13% Co.

2.2.2 Goongarrie Hill Project

Heron 100%
Nickel

Reconnaissance RC drilling (22 holes, 1,174 metres) was completed in the Goongarrie Hill area, south of the Sylvia North Prospect trenches. Previous Heron rock chip sampling of these trenches returned intercepts of up to 10m at 1.68% Ni, 0.690% Co, including a peak of 3.32% Ni and 2.14% Co within "ferruginous-pyrolusitic" ore. Significant drill intersections include:

Table 2
GOONGARRIE HILL NICKEL PROJECT
RCP Drilling, Significant Intersections, 1 Metre Sample Interval, 0.75% Ni Cut-off

Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %
GWRC001	76800	1280	11	14	3	1.46	0.07	1.73
			46	48	2	0.83	0.02	0.90
GWRC004	76800	1440	2	9	7	1.24	0.06	1.48
			17	21	4	1.01	0.02	1.07
			23	25	2	0.83	0.02	0.89
GWRC005	76800	1440	7	9	2	0.79	0.07	1.05
			14	16	2	0.89	0.02	0.97
GWRC009	76620	1360	67	70	3	1.01	0.03	1.12
GWRC010	76600	1440	16	19	3	0.78	0.02	0.85
GWRC011	77570	1520	4	10	6	1.12	0.08	1.45
GWRC013	78400	1200	13	21	8	1.25	0.07	1.52
			34	40	6	0.92	0.02	1.00
GWRC014	78400	1280	11	16	5	1.05	0.04	1.19
GWRC015	78400	1360	6	12	6	0.88	0.06	1.11
GWRC016	78400	1440	32	38	6	0.90	0.04	1.07
GWRC017	78400	1520	7	23	16	1.31	0.05	1.52
GWRC019	79200	1280	17	32	15	1.13	0.10	1.51
			48	52	4	0.82	0.03	0.96
GWRC021	79200	1440	3	8	5	0.83	0.07	1.09
GWRC022	79200	1200	6	8	2	0.83	0.28	1.94

2.2.3 Ghost Rocks Project

Heron 100%
Nickel

Heron has completed outright purchase from Delta Gold of highly prospective nickel laterite-hosting Walter Williams Formation at Ghost Rocks west of Menzies. Delta retains gold rights.

An open file literature review has commenced. In 1974, Falconbridge completed two lines of shallow RC drilling within the southern extremity of a 4.0x1.2km area of lateritised silica cap overlying komatiite. Drillholes returned composite values of up to 1.24% Ni (EOH). No analysis was carried out for cobalt.

The ultramafic sequence is prospective for disseminated nickel sulphide mineralisation, occurring in the stratigraphically lower part of the olivine adcumulates to mesocumulate ultramafic sequence (Mount Keith ore model). Several significant copper-nickel anomalies have been identified by previous explorers.

Based on field observations and the aeromagnetic interpretation, Ghost Rocks has significant nickel laterite resource potential.

2.2.4 Ringlock Dam Prospect

The sale offer by MPI was withdrawn, with the agreement of both parties.

2.2.5 Menzies East Joint Venture Project

Heron 100%. Golden State Resources right to earn 60%
Gold - nickel

Golden State is attempting to assign their Menzies joint ventures (including Heron's tenements) to a major company. Heron is in principle accepting the proposal.

2.2.6 Menzies South Prospect

Heron 100%
Gold

An excellent historical gold mine was acquired at Menzies South. Swapping this prospect for adjoining lateritic nickel targets is being considered.

2.2.7 Kanowna East Project

Heron 100%
Gold

Kalgoorlie Consolidated Gold Mines (KCGM) have notified the Company that they will not exercise their Option to Purchase. KCGM have met expenditure commitments during their Option Period.

2.3 KEITH KILKENNY PROVINCE

2.3.1 Edjudina Project

Heron 100%
Nickel - gold

Regional assessments and tenement acquisitions continue.

2.3.2 Edjudina Nickel Project

Heron 100%
Nickel (- gold)

Aubils Prospect

Drilling comprising 37 holes for 1,948 metres has been completed at Aubils**.**

Best results were attained towards the northern end of the tenement in areas of thin alluvial cover. The ore category is "ferruginous-pyrolusitic" which is expected to show very good extractive characteristics when tested. This project area is 40km south of Murrin Murrin, and 20km south east of a recent nickel laterite discovery announced at Mount Kilkenny.

Results of the Aubils drilling program include:

Table 3
AUBILS NICKEL PROJECT
RCP Drilling, Significant Intersections, 1 Metre Sample Interval, 0.75% Ni Cut-off

Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %
AURC003	63600	90020	3	8	5	1.17	0.03	1.28
AURC010	63200	90340	23	30	7	1.03	0.09	1.37
			37	39	2	0.79	0.06	1.02
AURC015	63200	90420	23	34	11	1.04	0.32	2.33
AURC016	63200	90500	38	45	7	1.14	0.19	1.92
AURC028	60000	92640	46	49	3	0.87	0.03	0.99
			18	22	4	0.85	0.03	0.98
			38	42	4	1.06	0.16	1.70
AURC036	63200	90460	30	42	12	1.02	0.12	1.51
AURC037	63200	90880	20	22	2	0.88	0.01	0.93
			25	38	13	0.94	0.07	1.22
			44	49	5	0.91	0.04	1.08

2.3.3 Raeside Joint Venture Project

Heron right to earn 70% from Rio Tinto Exploration
Nickel (- gold)

The Raeside Joint Venture Prospect is located at Lake Raeside 150km NNE of Kalgoorlie and 90km N of the Kalpini Nickel Project.

Ground reconnaissance and rock chip sampling on the Joint Venture tenements, complemented by drilling completed by Heron on adjoining tenements, has downgraded the overall nickel laterite prospectivity of the Raeside Joint Venture tenements.

2.3.4 Southern Laverton Tectonic Zone Joint Venture Project

Heron 100%. Mount Kersey Mining NL right to earn 80% in gold projects only.
Heron retains 100% of all nickel rights.

Mount Kersey Mining NL and Heron have reached agreement in principle and formal documentation nears completion which will see Mount Kersey farm-in to 31 tenements in the Edjudina - Pinjin portion of the Southern Laverton Tectonic Zone. These 31 tenements have an annual expenditure commitment, including rents of $359,295, which Mount Kersey will meet.

Under the agreement, Mount Kersey may spend $1.2 million within four years to earn an 80% interest in the tenements, and will then continue to fully fund exploration to the point where a Decision to Mine is made. Mount Kersey has commenced a comprehensive GIS data evaluation, to identify areas for further exploration and drill targeting.

2.3.5 Laverton Tectonic Zone Joint Venture Project

Heron 100%. Croesus Mining right to earn 80% in gold projects only.
Heron retains 100% of all nickel rights.

Agreement has been reached with Croesus Mining NL by which they will earn an 80% interest in a group of 22 tenements in the Edjudina and Laverton areas.

Croesus will spend $750,000 within 3 years to earn their equity however will continue to fund all exploration to the commencement of mining. These tenements have an annual expenditure commitment, including rents, of $374,148, which Croesus will meet.

2.3.6 Mulgabbie Project
Heron 100%
Nickel (- gold)

Lake Rebecca Lateritic Nickel Prospect

Pre-feasibility studies are current, including appraisal of ore hauling options. An ethnographic survey was commissioned for the Lake Rebecca area.

Mulgabbie West Prospect

Heron has reached preliminary agreement with PacMin Mining Corporation Limited ("Pacmin") for the sale of its tenement holding in the Old Plough Dam-Khartoum-Carasue Dam area. The 39 tenements being sold have an annual expenditure commitment, including rents, of $581,963. As part of this sale, Heron gains tenure over nickel laterite tenements at Goongarrie South.

2.3.5 Karonie South Project
Heron 100%
Gold (- nickel - base metals)

Tenements are grouped into two stratigraphic regimes. Those to the northwest contain extensive Proterozoic Woodline Beds, interpreted as the stratigraphic equivalent of the Trilogy-hosting Mount Barren Beds, and are thus prospective for polymetallic base metal sulphides.

The eastern and southern tenement areas that are prospective for Archaean shear-hosted gold mineralisation similar to the Border Gold/WMC Karonie gold project to the immediate north.

Expressions of joint venture interest are being assessed.

2.4 MUNGARI PROVINCE

2.4.1 Mungari Northwest Joint Venture Project
Heron 100% Kundana Gold right to earn 50%
Gold

Two passes of RAB drilling were completed at the Zuleika Prospect during the Quarter. In total 30 holes were drilled for 1,776 metres on a 200x50m grid. Further drilling is planned.

Table 4
MUNGARI NORTHWEST JOINT VENTURE PROJECT
RAB Drilling, Significant Intersections, 4 Metre Sample Interval, 0.25 g/t Au Cut-off

Hole	North	East	From	To	Interval	Au
	m	m	m	m	m	g/t
ZURB107	6620800	316400	36	48	12	0.46
ZURB130	6620600	316350	52	56	4	0.36
ZURB168	6620600	316150	56	60	4	0.35

2.5 LEONORA LAVERTON PROVINCE

2.5.1 Laverton Nickel Project
Heron 100%. Croesus Mining NL right to earn 80% in gold projects only.
Heron retains 100% of all nickel rights.

The project area is the northern extension of the highly prospective Laverton Tectonic Zone (hosts the Granny Smith, Sunrise Dam and Wallaby multi-million ounce gold mines 20-60km to the south). A Joint Venture for gold only has commenced with Croesus Mining. Heron will retain all nickel rights.

Merolia Prospect

The tenements cover a northern extension to the Coglia Well nickel laterite-hosting ultramafic unit. Open file records show the presence of nickeliferous laterite. Tenement grant is awaited, however an expression of interest regarding a gold joint venture is being considered.

2.5.2 Laverton Joint Venture (Hawks Nest) Project
Heron 100% Metex right to earn 70%
Gold (-nickel)

Vacuum drilling at the end of 1997 encountered weak anomalism on the western side of E31/831. Five RAB holes have been completed for 80 metres to investigate this anomalism. Further vacuum drilling has been completed with holes drilled on a 200x25m pattern. No assays have been received.

Mapping at a 1:10,000 scale has been completed covering E31/831 and 832. A regolith study combining elements of satellite imagery, radiometrics and field checking was completed. This will be used as a means of controlling and validating soil geochemistry.

2.5.3 Mount Morgans Joint Venture Project
Heron 100% Metex right to earn 70%
Gold (-nickel)

A 1:10,000 aeromagnetic data interpretation has been completed for the tenements. A regional target overlay map is in preparation which will provide a focus for future exploration within the tenements.

2.5.4 Malcolm Project
Heron 100%
Gold (- nickel)

Heron has sold its Mt Melita and Horan Lake tenements to Mount Kersey Mining NL.

2.5.5 Victory Project
Heron 100%
Nickel (- gold)

Negotiations continue in respect of gold and nickel sulphide joint ventures.

Doyle Well

Agreement in principle was reached to sell this tenement, subject to the purchaser selling a comparable tenement in the Kalpini area to Heron.

Bellevue East Prospect

Nickel prospectivity targets were generated, with the exploration model being the Cosmos nickel sulphide discovery, located 30km N along strike of Bellevue East. Negotiations continue in respect of gold and nickel sulphide joint ventures.

2.6 MENZIES LEONORA PROVINCE

2.6.1 Lawrence Find Project (Menzies – Leonora)

Heron 100%
Nickel-gold-diamonds

A review of all available prior exploration within the area covered by Heron's tenements identified three target areas warranting further investigation:

- Day Rock Prospect. — Volcanogenic massive sulphide Cu-Zn-Au
- Regional As-Sb-Bi-Se anomalies. — Epithermal Au
- Central Felsic Volcanic Complex. — Volcanogenic massive sulphide Cu-Zn-Au

The Day Rock Prospect appears to have many of the characteristics of a classic volcanogenic massive sulphide (VMS) setting, including pyrite altered calc-alkaline acid volcanics, laminated massive sulphides, black-shale ore-equivalent horizon, and possible proximal epiclastic lenses. The target sulphide horizon is up to 100m thick. A gossan is mapped over 1,000m strike length, with every possibility of further continuity under cover. There has been no drilling or geophysics carried out on the Prospect since 1972.

Regional As-Sb-Bi-Se anomalies detected in competitor and government geochemical surveys display a chemical association indicative of epithermal gold mineralisation. Spatially, this anomalism appears to be sourced from the central felsic to intermediate volcanic complexes. The well-developed linearity of the anomalies would indicate a stratigraphic control, and therefore a VMS association. A gold and pathfinder element anomaly over a 30km strike length is indicated by soil sampling. This target is largely untested by any form of drilling.

The central felsic to intermediate volcanic complexes of the Ilaara Greenstone Belt are conceptually favourable for VMS mineralisation. Regional mapping indicates the lower felsic sequence appears to be the most prospective, due to mapped occurrences of sulphides. Fragmental units are noted to coarsen northwards, which would suggest a highly prospective volcanic vent complex in this direction. The polymetallic association of the Reindler Prospect within the central felsic to intermediate volcanic complex, in particular anomalous barium, is further encouragement for VMS mineralisation within the belt.

A joint venture proposal is being sought to further develop this project.

2.7 IDA FAULT PROVINCE

2.7.1 Snake Hill Joint Venture Project

Heron 100% Connemara right to earn 70%
Gold (- nickel)

Connemara have completed a drill target definition study.

2.7.2 Blister Dam Joint Venture Project

Heron 100% Delta Gold NL right to earn 75%
Gold (- nickel)

Reverse circulation drilling was designed to test the potential for unoxidised bedrock mineralisation beneath low order aircore-defined supergene mineralisation associated with the Zuleika Shear Zone.

Of the five holes drilled, two returned significant intercepts:

Table 5
BLISTER DAM JOINT VENTURE PROJECT
RAB Drilling, Significant Intersections, 1 Metre Sample Interval, 0.25 g/t Au Cut-off

Hole	North m	East m	Declination	Azimuth	From m	To m	Interval m	Au g/t
BSC001	18010	11700	-60°	030°	67	114	47	0.36
BSC005	10135	I0735	-60°	030°	125	126	1	2.00

The intercept in BSC001 is associated with strongly altered silica-carbonate-pyrite(-chalcopyrite-pyrrhotite-arsenopyrite) and sheared feldspar-phyric basalt ("cat-rock"), which is interpreted as a favourable brittle host within more ductile ultramafic rocks.

Aircore drilling was designed to test an area of anomalous soil results to the north-east of the Zuleika Shear Zone. Several narrow, low order intercepts were returned:

Table 6
BLISTER DAM JOINT VENTURE PROJECT
Aircore Drilling, Significant Intersections, 1 Metre Sample Interval, 0.25 g/t Au Cut-off

Hole	North m	East m	Declination	Azimuth	From m	To m	Interval m	Au g/t
BDA119	6638050	296000	-90°	n/a	0	1	1	2.33
BDA121	6638050	296200	-90°	n/a	24	25	1	0.59
BDA123	6637950	296200	-90°	n/a	30	35	5	0.50
BDA129	6637700	296400	-90°	n/a	52	55	3	0.23

Mineralisation would appear to be associated with a biotite-silica altered shear zone within a komatiitic sequence, with local dispersion along the redox front.

Vacuum drilling has been completed over all areas which contain a suitable sampling medium. This sampling has confined the target and hence upgraded the potential of the project.

2.7.3 Frances Lesley Project

Heron 100%
Gold (- nickel)

The project area is immediately NW along strike from nickel sulphide drill intercepts previously reported by Roper River Gold NL. An expression of joint venture interest has been received, which will be evaluated once key tenements have been granted.

2.7.4 Bullabulling Project

Heron 100%
Gold-nickel

Native Title negotiations have commenced to expedite grant of Exploration Licences.

2.7.5 Yilmia Hill Project

Heron 100%
Nickel (- gold)

Native Title negotiations have commenced to expedite grant of Exploration Licences. An open file research summary of the project area was completed, following which a strong expression of joint venture interest was received.

Larkinville-Logans Prospect

Field reconnaissance and digital data base compilation has commenced. Potential exists for both gold and nickel sulphide mineralisation.

2.7.6 Cowan Project

Heron 100%
Nickel (- gold)

Ballot and grant of tenement applications is awaited. The project area is along strike of the Mount Thirsty lateritic cobalt-nickel deposit.

Field reconnaissance and digital data base compilation has commenced, with initial interpretation indicating a Zuleika Shear Zone structural setting. More specifically, a "Ghost Crab granitoid pressure shadow" target zone is indicated.

2.7.7 Siberia Project
Heron 100%
Nickel (- gold)

The tenement provides tenure to the northern part of the ultramafic succession that hosts nickel laterite mineralisation to the south at Centaur's Cawse Extended deposit (85.6 million tonne at 0.7% Ni).

A NNW trending 2,300 x 250m soil anomaly with values of 700-1532ppm Ni is present. This level of anomalism elsewhere on Heron projects is indicative of lateritic nickel mineralisation.

2.8 DUNDAS PROVINCE

2.8.1 Dundas Project
Heron 100%
Gold

Heron's Mining Lease applications have been recommended for grant.

2.9 KAMBALDA DOMAIN PROVINCE

2.9.1 Binduli East Joint Venture Project
Heron 100% MPI Gold right to earn 70%
Gold

Four soil geochemical anomalies of up to 42ppb Au are present, three of which are co-incident with the intersection of NE cross structures and dolerite units.

Mapping highlighted an area where a differentiated dolerite unit is structurally thickened and intruded by porphyry. Selective sampling of sulphidic quartz vein material from small prospecting pits in granophyric dolerite returned gold values to 2.17g/t.

RAB drilling of structural targets and auger anomalism is scheduled for mid 1999.

2.9.2 Kurramia Project and Mount Martin Project
Heron 100%
Nickel (- gold)

Tenements have been granted. The intensely gold mineralised Boorara Shear Zone underlies the project area. In addition, ultramafic units in the area have documented lateritic nickel-cobalt. Target generation data research has commenced.

2.10 SOUTHERN CROSS PROVINCE

2.10.1 Bungalbin Project
Heron 100%
Iron ore - nickel (- gold)

An **Inferred Mineral Resource of 65.7 million tonne at 57.9% Fe** was estimated from Heron's open file study, with a calcined grade of 64.1% Fe. Within this global resource, it is felt that good potential exists for smaller high grade iron-low phosphorus ore positions.

Heron have reached agreement in principle to sell the rights to Iron Ore reserves identified within the Bungalbin and Mount Jackson tenements to Portman Mining Limited.

Portman is proposing to spend $250,000 on exploration, after which Heron will receive a Royalty based on the FOB revenue for Iron Ore sold from the tenements. It is projected that a mining operation is likely to commence within five years. Heron will retain the rights to all other minerals on the tenements, as lateritic nickel and gold targets have been identified.

2.10.2 Maggie Hayes Hill Project
Heron 100%
Nickel (- gold)

Two substantial explorers have expressed strong interest in the project, subject to the results of their initial exploration on adjoining tenements. A tenement swap or farm-out is being considered.

2.11 WEST EUCLA BASIN PROVINCE

2.11.1 Balladonia Project
Heron 100%
Lignite-heavy mineral sands-limestone

The Balladonia Project covering 1,823km^2 provides Heron with a large exposure to the Eocene paleo-shoreline along the eastern margin of the Archaean aged Yilgarn Craton. The "mirror-image" western margin is well mineralised with world class heavy mineral mines at Beenup, Capel, Cooljarloo, Jangardup and Eneabba producing ilmenite, rutile and zircon. Coal measures occur at Esperance, Collie, Eneabba and other basin margin environments that drain the Yilgarn Craton.

The eastern margin has been successfully evaluated for strand lines and basins historically, with several occurrences of mineral sands recorded as well as several significant intersections of coal or lignite.

This acquisition provides Heron with a long term alternative energy source, with electricity for the Kalpini Nickel Project potentially derived from coal fired power generation. This is also likely to result in sulphuric acid produced as a by-product. Sulphuric acid is the greatest consumable in nickel laterite processing. Coal measures are overlain by limestone in the Eucla Basin. It is anticipated that Heron's Kalpini Nickel Project will consume up to 1 million tonnes of limestone per annum to neutralise tailings, and as a reagent in its precipitation circuit.

Ilmenite recovery, while a valuable product in its own right, is a constituent of tool steel, and thus a product that would be used in future downstream processing of nickel and steel.

2.12 GAWLER CRATON PROVINCE

2.12.1 G2 Project
Heron 100%
Gold - copper - uranium - diamonds

A new joint venture partner is being sought to sole fund. Digital data bases have been prepared for evaluation by the prospective partners.

I J BUCHHORN
MANAGING DIRECTOR
The information is based on, and accurately reflects, information compiled by Ian James Buchhorn, who is a Member of the Australasian Institute of Mining and Metallurgy.

Glossary of Terms

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

"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. The drill sample quality is generally good.

"Au" means gold.

"BCM" means Bank Cubic Metre, which is a unit of volumetric measurement of the undisturbed material in a mine.

"Co" means cobalt

"Cu" means copper.

"FOB" means the free on board price which is payable less all charges and taxes paid after the departure of the ship.

"g/t" means grams per tonne.

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

"km" means kilometres.

"km^2" 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 prospective for nickel sulphide mineralisation (e.g. Kambalda nickel)
- "Mesocumulate" means a rock with cumulus crystals exhibiting extensive mutual boundary contact, but retaining some recognisable interstitial material. This rock type is prospective for lateritic nickel.
- "Adcumulate" means a rock with little or no intercumulus material and characterised dominantly by anhedral crystals. This rock type is regarded as prospective for nickel laterite mineralisation.

"m" means metres.

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

"Ni" means nickel.

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

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

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

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

"ppb" means parts per billion.

"ppm" means parts per million (1g/t equals 1ppm, and 1000ppb equals 1ppm).

"RAB drilling" means the drilling technique in which a sample is returned to surface outside the rod string by compressed air. The drill sample may be subject to some degree of contamination.

"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.

"ROM" means run of mine, referring to the grade and type of ore that is expected to be fed to the processing plant on a day to day basis.

"Shear Zone" means a zone in which crushed rock has been produced by the action of a shearing stress as on a fault. This setting is often favourable for the occurrence of gold mineralisation.

"Specific Gravity" is the mass per unit volume of material, usually in reference to ore and waste.

"Waste: Ore ratio" means BCM of waste + BCM of low grade sub ore divided by BCM of ROM ore.

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

Appendix 5B

Mining exploration entity quarterly report

Name of entity	
Heron Resources NL	

ACN or ARBN	Quarter ended ("current quarter")
068 263 098	31 March 1999

Consolidated statement of cash flows

	Current Qtr $A'000	Year to Date (9 months) $A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation	(372)	(1,377)
(b) development		
(c) production		
(d) administration	(111)	(396)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	18	65
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(465)	(1,708)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(177)	(244)
(b) equity investments		
(c) other fixed assets	(16)	(21)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net Investing Cash Flows	(193)	(265)
1.13 Total operating and investing cash flows (carried forward)	(658)	(1,973)

1.13 Total operating and investing cash flows (brought forward)	(658)	(1,973)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.	1,250	1,250
1.15 Proceeds from the sale of forfeited shares		
1.16 Proceeds from borrowings		
1.17 Repayment of borrowings		
1.18 Dividends paid		
1.19 Other (provide details if material) - Share Issue Expenses		
Net financing cash flows	1,250	1,250
Net increase (decrease) in cash held	592	(723)
1.20 Cash at beginning of quarter/year to date	1,153	2,468
1.21 Exchange rate adjustments 19		
1.22 **Cash at end of quarter**	1,745	1,745

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current Qtr $A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	66
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries and superannuation (45).
Provision of secretarial services by director related entities (1).
Provision of office accommodation and yardage by director related entities (20).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

See attached schedule

Financing facilities available
Add notes as necessary for an understanding of the position

	Amount available $A'000	Amount used $A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	$A'000
4.1 Exploration and evaluation	350
4.2 Development	
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.	Current Quarter $A'000	Previous Quarter $A'000
5.1 Cash on hand and at bank	68	(129)
5.2 Deposits at call	1,677	27
5.3 Bank Overdraft		
5.4 Other (provide details) Bank Bills		997
Total: cash at end of quarter (Item 1.22)	1,745	1,153

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		See attached schedule		
6.2 Interests in mining tenements acquired or increased		See attached schedule		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

.....

	Number Issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 **Preference securities** (description)				
7.2 Issued during quarter				
7.3 **Ordinary securities**	69,600,000	64,200,000	25	25
7.4 Issued during quarter	10,000,000 200,000	10,000,000 200,000		12.5 15.0
7.5 **Convertible debt securities** (description)				
7.6 Issued during quarter				
7.7 **Options** (description)	10,000,000 125,000 150,000 500,000 65,000	Nil Nil Nil Nil Nil	Exercise Price 25 25 25 25 25	Expiry Date 30/06/2000 28/8/2001 1/9/2001 15/12/2001 5/3/2002
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 **Debentures** (totals only)				
7.12 **Unsecured notes** (totals only)				

Compliance 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

1. Golden State Resources NL has the right to earn a 60% equity interest in the Menzies East Joint Venture Project tenements through sole funding the initial $250,000 of exploration.

2. Metex Resources NL has the right to earn a 70% equity interest in the Laverton Joint Venture Project tenements through sole funding the initial $500,000 of exploration.

3. Metex Resources NL has the right to earn a 70% equity interest in the Mt Morgans Joint Venture Project tenements through sole funding the initial $200,000 of exploration.

4. Connemara Gold Mines Pty Limited has the right to earn a 70% equity interest in the Snake Hill Joint Venture Project tenements through sole funding the initial $300,000 of exploration.

5. Kundana Gold Pty Limited has the right to earn a 50% equity interest in the Mungari Northwest Joint Venture Project tenements through sole funding the initial $3,000,000 of exploration.

6. Mining Project Investors Pty Limited has the right to earn a 70% equity interest in the Binduli East Joint Venture Project tenements through sole funding the initial $750,000 of exploration.

7. Delta Gold NL has the right to earn a 75% equity interest in the Blister Dam Joint Venture Project tenements through sole funding the initial $1,000,000 of exploration

8. Mount Kersey Mining N.L. has the right to earn an 80% equity interest in the Southern Laverton Tectonic Zone Joint Venture Project tenements through sole funding the initial $1,200,000 of exploration expenditure. Mount Kersey will continue to sole fund exploration until a Decision to Mine is made.

9. Croesus Mining NL has the right to earn an 80% equity interest in the Edjudina and Laverton Joint Venture Project tenements through sole funding the initial $750,000 of exploration expenditure. Croesus will continue to sole fund exploration until a Decision to Mine is made.

10. PacMin Mining Corporation Ltd have purchased outright a 100% interest in a number of tenements in the Mulgabbie Project for $60,000.

11. Portman Mining has entered into an option to purchase the Bungalbin and Mount Jackson Project tenements for $25,000 and at least $250,000 of exploration expenditure. Heron will retain a 2% FOB royalty on any Iron Ore sold from the tenements, and Heron will retain all other mineral rights.

6.1 Interests in Mining Tenements relinquished, reduced or lapsed

Tenement Reference	*Nature of Interest*	*Interest Beginning Quarter*	*Interest End of Quarter*
E15/557	Registered Applicant	100	0
E24/106	Registered Applicant	100	0
E25/176	Registered Applicant	100	0
E25/182	Registered Applicant	100	0
E26/71	Registered Applicant	100	0
E26/73	Registered Applicant	100	0
E27/185	Registered Holder	100	0
E27/195	Registered Applicant	100	0
E27/197	Registered Applicant	100	0
E27/198	Registered Applicant	100	0
E27/214	Registered Applicant	100	0
E28/567	Sale Agreement	100	0
E28/576	Sale Agreement	100	0
E28/577	Sale Agreement	100	0
E28/604	Sale Agreement	100	0
E28/605	Sale Agreement	100	0
E28/606	Sale Agreement	100	0
E28/607	Sale Agreement	100	0
E28/612	Sale Agreement	100	0
E28/613	Sale Agreement	100	0
E28/623	Sale Agreement	100	0
E28/826	Sale Agreement	100	0
E28/828	Sale Agreement	100	0
E28/829	Sale Agreement	100	0
E28/852	Sale Agreement	100	0
E28/863	Registered Applicant	100	0
E28/888	Sale Agreement	100	0
E28/892	Sale Agreement	100	0
E28/893	Sale Agreement	100	0
E28/894	Sale Agreement	100	0
E28/895	Sale Agreement	100	0
E28/910	Registered Applicant	100	0
E28/911	Registered Applicant	100	0
E28/916	Registered Applicant	100	0
E28/918	Registered Applicant	100	0
E28/971	Sale Agreement	100	0
E28/974	Sale Agreement	100	0
E31/385	Registered Applicant	100	0
E31/388	Sale Agreement	100	0
E31/390	Sale Agreement	100	0
E31/391	Sale Agreement	100	0
E37/350	Registered Holder	100	0
E38/01079	Registered Applicant	100	0

Tenement Reference	*Nature of Interest*	*Interest Beginning Quarter*	*Interest End of Quarter*
E38/01080	Registered Applicant	100	0
E38/01081	Registered Applicant	100	0
E38/01082	Registered Applicant	100	0
E38/1218	Registered Applicant	100	0
E38/1245	Registered Applicant	100	0
E40/72	Registered Holder	100	0
M15/1266	Registered Applicant	100	0
M15/1267	Registered Applicant	100	0
M27/348	Registered Applicant	100	0
M27/69	Option Agreement	100	0
M28/228	Sale Agreement	100	0
M31/277	Registered Applicant	100	0
P28/930	Sale Agreement	100	0
P28/931	Sale Agreement	100	0
P28/932	Sale Agreement	100	0
P28/933	Sale Agreement	100	0
P28/934	Sale Agreement	100	0
P28/935	Sale Agreement	100	0
P28/936	Sale Agreement	100	0
P28/937	Sale Agreement	100	0
P28/938	Sale Agreement	100	0
P28/939	Sale Agreement	100	0
P31/1482	Sale Agreement	100	0
P31/1541	Sale Agreement	100	0
P31/1542	Sale Agreement	100	0
P31/1545	Sale Agreement	100	0

6.2 Interests in Mining Tenements acquired or increased

Tenement Reference	*Nature of Interest*	*Interest Beginning of Quarter*	*Interest End of Quarter*
E25/214	Registered Applicant	0	100
E25/215	Registered Applicant	0	100
E26/2972	Registered Applicant	0	100
E28/1032	Registered Applicant	0	100
E28/1045	Registered Applicant	0	100
E29/148	Sale Agreement	0	100
E29/455	Registered Applicant	0	100
E29/456	Registered Applicant	0	100
E31/139	Sale Agreement		70
E31/143	Sale Agreement		70
E31/145	Sale Agreement	0	70
E31/164	Sale Agreement	0	70
E31/479	Registered Applicant	0	100
E31/483	Registered Applicant	0	100
E31/484	Registered Applicant	0	100
E38/1270	Registered Applicant	0	100
E39/345	Option Agreement	0	100
E39/357	Sale Agreement	0	70
E39/390	Sale Agreement	0	70
E39/509	Sale Agreement	0	70
E39/795	Registered Applicant	0	100
E39/796	Registered Applicant	0	100
E63/691	Registered Applicant	0	100
E69/1473	Registered Applicant	0	100
E69/1474	Registered Applicant	0	100
E69/1475	Registered Applicant	0	100
E69/1476	Registered Applicant	0	100
E69/1477	Registered Applicant	0	100
E69/1478	Registered Applicant	0	100
E69/1479	Registered Applicant	0	100
E69/1480	Registered Applicant	0	100
E69/1481	Registered Applicant	0	100
E69/1482	Registered Applicant	0	100
E69/1483	Registered Applicant	0	100
E77/945	Registered Applicant	0	100
E77/946	Registered Applicant	0	100
E77/947	Registered Applicant	0	100
M28/228	Registered Applicant	0	100
M31/656	Sale Agreement	0	100
M31/657	Sale Agreement	0	100
M31/658	Sale Agreement	0	100
M31/659	Sale Agreement	0	100

Tenement Reference	*Nature of Interest*	*Interest Beginning of Quarter*	*Interest End of Quarter*
M31/660	Sale Agreement	0	100
M31/662	Sale Agreement	0	100
P15/4213	Registered Applicant	0	100
P15/4214	Registered Applicant	0	100
P24/2749	Sale Agreement	0	100
P24/2750	Sale Agreement	0	100
P24/2751	Sale Agreement	0	100
P24/2752	Sale Agreement	0	100
P24/2753	Sale Agreement	0	100
P24/2754	Sale Agreement	0	100
P24/2755	Sale Agreement	0	100
P24/2756	Sale Agreement	0	100
P26/2883	Registered Holder	0	100
P26/2883	Registered Holder	0	100
P26/2884	Registered Holder	0	100
P26/2885	Registered Holder	0	100
P26/2886	Registered Holder	0	100
P26/2887	Registered Holder	0	100
P26/2898	Registered Holder	0	100
P26/2977	Registered Applicant	0	100
P26/2984	Registered Applicant	0	100
P26/2985	Registered Applicant	0	100
P29/1338	Registered Holder	0	100
P29/1339	Registered Holder	0	100
P29/1340	Registered Holder	0	100
P29/1341	Registered Holder	0	100

Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2. This statement does give a true and fair view of the matters disclosed.

Sign here: _____ Date: _____

Company Secretary

Print name: _____

Notes

1. The quarterly report is to provide a basis for informing the market how the activities of the entity for the past quarter have been financed and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3. The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.

4. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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