



HERON RESOURCES LIMITED

MARCH 2007 QUARTER HIGHLIGHTS

Heron's Key Nickel Projects

Near to Medium-term Production- at the Jump-up Dam Nickel Heap Leach Project

- Scoping Study for Heron's 100% owned Jump-up Dam Nickel Heap Leach Project completed.
- Pre-Feasibility Study (PFS) to proceed over next 6 months at an expected cost of A\$12 million.
- PFS to evaluate minimum production of 10,000 tonne per annum nickel in intermediate product over 15 year mine life.
- Capex for a 10,000tpa Ni project estimated at US\$300 – 350 million and operating costs of US\$3.00 - 3.20/lb at full production targeted.
- Appointment of study engineering consultants being finalised.
- Commercial leaching targeted to commence during 2009.

Long-term Production- the Kalgoorlie Nickel Project (KNP).

- Partner CVRD-Inco Limited continues with Step 2 of the KNP study.
- 53 RC drill holes for 2170 metres were completed at the Highway Project to delineate resource boundaries.
- 11 HQ triple tube diamond holes for 578m were completed at Siberia North and Highway for metallurgical studies and geological testing.
- Bulk sampling for metallurgical test work commenced.

Corporate

- Completion of A\$27.8 million share placement at \$1.20 per share in early April, managed by Royal Bank of Canada to its international institutional clients
- Funds raised to progress evaluation and development of the Jump-up Dam Nickel Heap Leach Project.
- In specie distribution to Heron Shareholders of Rubicon Resources Limited shares held in trust by Heron to take place on May 16.





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HERON RESOURCES LIMITED March 2007 Quarterly Report

1 CORPORATE

1.1 Capital Raising

On April 5 2007 Heron advised that it completed the book-build for an oversubscribed A\$27.8 million private placement at an issue price of \$1.20. RBC Capital Markets was sole book-runner and lead manager of the offering.

The capital raising has been supported by a number of new Australian and international institutional investors in North America, Europe and Asia. The placement funds will be used for undertaking the Jump-up Dam PFS, trial leaching, environmental and mining studies, metallurgical test work, resource definition and general corporate expenses.

BHPBilliton Limited., an existing shareholder of Heron, supported the placement by subscribing for 2,047,650 new shares.

The placement has further broadened and strengthened and internationalised Heron's share register and provides the Company with the funding to pursue the 100% owned Jump-up Dam Nickel Heap Leach project.

The placement was completed pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act and was also completed within Heron's existing placement capacity without the need for shareholder approval. The placement shares rank pari passu with Heron's existing ordinary shares.

Following allotment of the new shares and payment of placement fees, Heron has 202,191,196 ordinary shares on issue, and A\$34.8 million in cash.

1.2 Rubicon Resources Limited

On April 16 2007 Heron advised that its shareholding in Rubicon will be distributed to Heron shareholders with effect on May 16 2007.

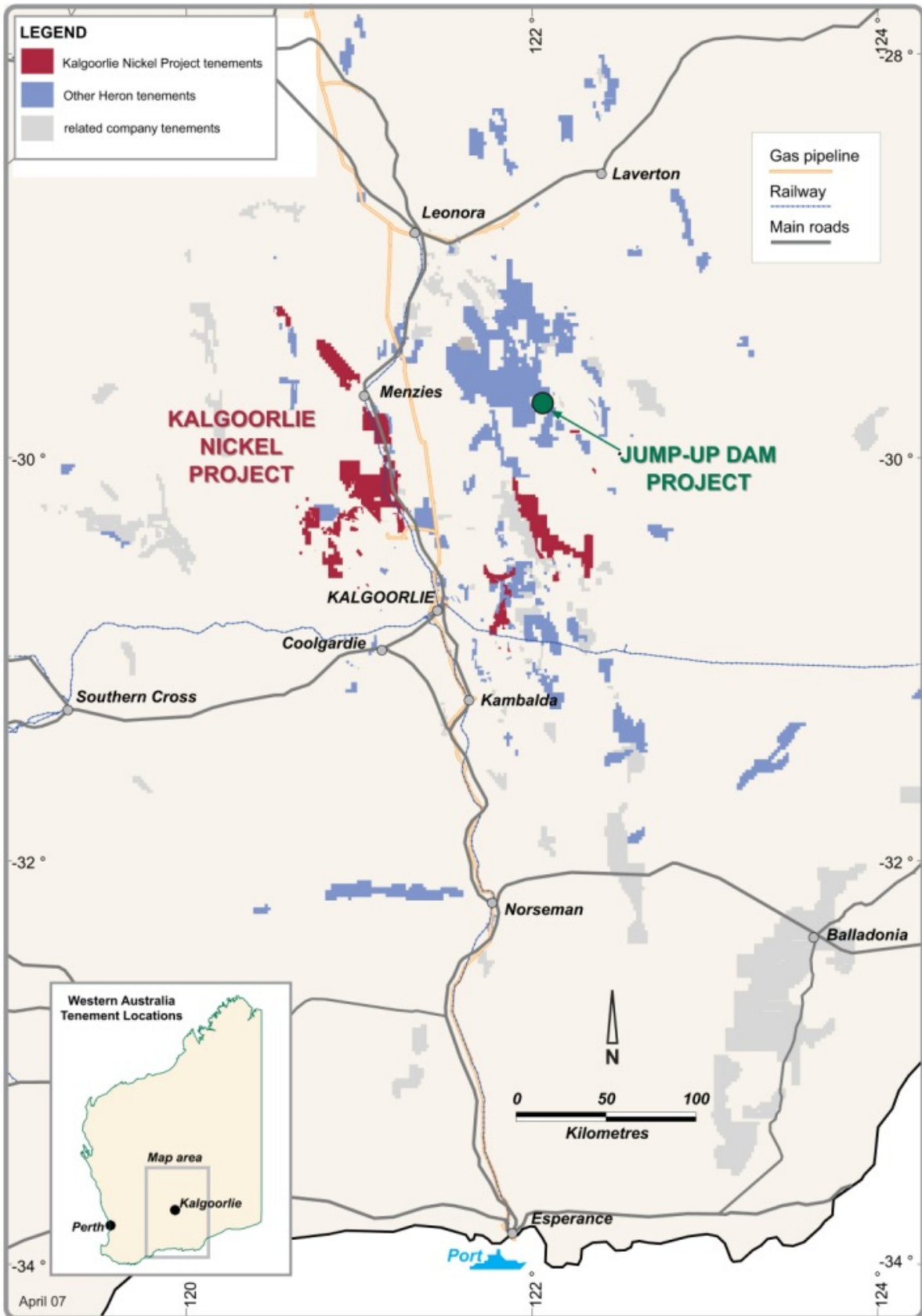
On January 24 2007 Heron shareholders approved the de-merger of Rubicon from Heron and the transfer of the majority of Heron's remaining non-nickel assets to Rubicon. The consideration for transferring these assets comprised the issue by Rubicon of 15 million ordinary shares adding to the 10 million ordinary shares already held by Heron in Rubicon. Rubicon was subsequently admitted to the Official List of the Australian Stock Exchange ("ASX") on February 2 2007 after a successful \$10 million initial public offer (ASX Code RBR).

The 25 million ordinary Rubicon shares have been held in trust on behalf of Heron shareholders and will be distributed to Heron shareholders for no cost as a distribution in specie on a pro rata basis of approximately one Rubicon share for every 7.2 Heron shares held. As previously advised the record date for Heron shareholders entitlement to the Rubicon in specie shares is February 2 2007. Heron has been granted a waiver from vendor restriction requirements imposed on the shareholding from the ASX which will allow the shares to trade freely once distributed. The Heron Directors, associates and promoters of Rubicon will still be vendor restricted for a period of 2 years from Rubicon's listing date.

Following completion of the in specie share distribution, Rubicon will be offering shareholders with unmarketable parcels of shares the opportunity to sell their Rubicon shareholding without any brokerage deducted. Such shareholders will be notified in writing shortly by Rubicon



Figure 1 Heron and related companies Tenement Locations



2. KEY NICKEL PROJECTS

2.1.1 Jump-Up Dam

The Jump-up Dam Nickel Heap Leach Project is owned and managed 100% by Heron and located 150km north east of Kalgoorlie-Boulder.

2.1.2 Study

On April 16 2007, Heron announced the completion of the Jump-up Dam Project Scoping Study which was commissioned to evaluate production of 5,000tpa of contained nickel in intermediate product by heap leaching and onsite processing.

Heron also announced the commencement of the Pre-Feasibility Study (PFS) which is expected to take approximately 6 months and cost in the order of A\$12 million.

The Scoping Study identified the following key parameters for investigation during the PFS :

- An expanded production base of at least 10,000tpa of nickel in intermediate product over a 15 year mine life. Exploration and definition drilling will continue on Heron's highly prospective tenements within the district to delineate additional resources to support expansion of the current mine life;
- Average feed grade is approximately 1% nickel. The opportunity to schedule enhanced grades early in the project will be investigated;
- The operation is envisaged to mine, stack and leach approximately 1.4 million tonnes of ore per annum and consume approximately 0.75 million tonnes of sulphuric acid per annum .
- The project will source acid from an on-site acid plant potentially supplemented by purchased acid. Current lead time for an acid plant is in the order of 22 months. Strategies to reduce this lead time are being investigated.
- A low cost source of calcrete or limestone for neutralisation is required, with several localities on Heron leases adjacent to Jump-up Dam having been identified. Volume, quality and cost will be evaluated.
- Sufficient water supply of appropriate quality is required and the search for suitable

ground water sources is being accelerated. Several prospective locations have been identified within the project area and initial geophysics and drilling completed.

- Heap leach design parameters will require demonstration of acceptable technical risk. Trial mining will mine, stack and leach in the order of 20,000 tonnes of run-of-mine mineralisation to evaluate the performance of the proposed operation. Intermediate product will be produced in a pilot plant at SGS Oretest Perth from trial leach solutions.
- Heron estimates capital cost for the 10,000tpa project inclusive of acid plant at between US\$300 and US\$350 million and will target operating costs upon full ramp up of between US\$3.00 and US\$3.20 per pound of nickel production. Cobalt content is expected to be treated as a credit to the operating costs.
- The Scoping Study cost estimates are based on the leading industry practice Health, Safety, Environmental and Community (HSEC) standards. Specifically, all product shipments are envisaged to be containerised.

The project approvals process for Jump-up Dam is being managed by consultants Sinclair Knight Merz, with the first milestone being the approval for the trial mining and test heap leach during the second half of 2007.

Demonstration-scale nickel-cobalt intermediate product will be produced from this trial program in late 2007.

Evaluation of proposals from engineering consultants to undertake the PFS is nearing completion with the contract expected to be awarded early May 2007. Completion of the PFS is scheduled for third quarter 2007 followed by a definitive feasibility study to be completed in the first half of 2008.

Commercial scale leaching is targeted to commence during 2009 with ramp up completed during 2010 upon completion of the acid plant construction and commissioning.

Community liaison in respect of proposed operations and land access is continuing, involving full consultation with stakeholders.



2.1.3 Resource and Geology

During the Quarter, Reverse Circulation infill resource drilling was completed on a nominal 80mx40m grid with two zones of more detailed drilling completed on a 40mx40m grid. A total of 20,740 metres in 475 holes were completed along with 13 diamond drill holes for 735 metres.

This drilling was targeted at increasing the level of confidence in the PFS resource estimate. An updated resource estimation will be completed next quarter upon receipt of final assay results. The RC drilling will also determine the potential for additional resources, particularly between the Western and Eastern zones that can be utilised in the expanded production base.

Better results from **Jump-up Dam** 80mx40m infill drilling at 0.5% Ni cut-off included:

JDRC349 52m @ 1.37%Ni from 4m;

JDRC416 34m @ 1.44% Ni from 12m;

JDRC567 24m @ 1.84% Ni from 10m;

JDRC2071 30m @ 1.57% Ni from 8m and;

JDRC2074 28m @ 1.34% Ni from 14m.

Drilling recommenced at **Aubils** project by the end of the Quarter following up on results obtained from drilling in the December quarter. Results included:

AURC0050 20m @ 0.97% Ni from 4m;

AURC0054 11m @ 0.91% Ni from 48m;

AURC0060 30m @ 0.73%Ni from 8m;

AURC0059 22m @ 0.9% Ni from 6m;

AURC0058 36m @ 0.82% Ni from 17m;

AURC0003 6m @ 1.1% from 2m;

AURC0037 25m @ 0.88% from 17m and

AURC0036 34m @0.84% from 16m.



Calweld Bulk Samples

2.1.4 Mining

Planning for trial mining to be undertaken during the second half of 2007 as part of the demonstration process has commenced. It is anticipated a total of 20,000 tonnes of mineralised material will be mined, agglomerated and stacked.

To support the full scale production of 10,000 tonnes of nickel in intermediate product project, approximately 1.4 million tonnes of ore will be mined and stacked per annum. While strip ratios are low it is expected total movements will be in the order of 3 to 3.5Mt per annum during the early years of the operation.

2.1.5 Bulk Sampling

Eighteen holes for 293 metres of 900mm diameter Calweld drilling were completed during the Quarter. to provide the bulk sample for PFS metallurgical test work.

Drilling was designed to provide representative samples of all ore types through the Jump-up Dam deposit. The samples were transported to SGS Oretest in Perth for sample preparation and testing.



Calweld Drilling Operations

2.1.6 Metallurgy

Test work has continued with leaching of one metre and four metre columns and commencement of geotechnical assessment of the spent columns.

There are three four metre columns in progress and by the end of the Quarter the first four metre column had achieved 80% nickel recovery in 90 days of leaching.

The detailed testing program for the PFS was designed and implemented.

Three samples from the initial Aubils drilling have been submitted to SGS Oretest for 1m column leach test work to evaluate potential to heap leach this mineralisation.



Four metre column leaching in progress

2.1.7 Process

The Scoping Study identified the opportunity to increase the scale of the Jump-up Dam operation from the initial 5000tpa contained nickel in intermediate product to an initial project targeting production of at least 10,000tpa nickel in intermediate product.

The opportunity to mine agglomerate and stack higher grade ore in the early years of the project has been identified and will be studied during the PFS.

To achieve production of 10,000tpa approximately 1.4 million tonnes of ore will be mined and stacked per annum. This will consume in the order of 0.75 million tonnes of acid per annum and in the order of 0.3 million tonnes of limestone or calcrete per annum for neutralisation. To achieve this level of acid supply, Heron will require an onsite acid plant. The acid plant has been included in the capital and operational cost estimates. Currently lead times for acid plants are in the order of 22 months, and the company is investigating strategies to reduce this timeframe. As an acid plant producing the full 0.75 million tonnes of acid will produce energy in excess of the project requirements, strategies to bring the energy balance into equilibrium are being investigated including purchasing a portion of the acid requirements.

Heron estimates the capital cost of Jump-up Dam at between US\$300 and US\$350 million and will target operating costs at full production of between US\$3.00/lb and \$3.20/lb nickel, with cobalt revenue treated as credit to operating costs.

2.1.8 Water Resources

Metallurgical test work has been undertaken using a range of water qualities including hyper saline water. Project economics improve with better quality water supplies.

Ground water exploration is ongoing with some initial supplies of low salinity water identified.

2.1.9 Environment

Sinclair Knight Merz are managing the environmental approvals process, initially for the trail mining and leaching scheduled for the second half of 2007, and then full scale operations. All flora, fauna, heritage and archaeological studies have been completed with no detrimental findings.

The Company has entered into an agreement to purchase the Menangina Pastoral Station upon which the Jump-up Dam Project is located.

2.1.10 Community

Community consultation is continuing with presentations to a number of stakeholders.

2.1.11 Procurement

Procurement of the plant necessary to undertake the demonstration program during the second half of 2007 has commenced with a number of key process items identified.

Acid procurement is continuing along with options for the supply of limestone or calcrete acid neutralisation requirements.

2.1.12 Marketing

The Company has received several enquiries in respect of nickel offtake rights. At this stage, Heron retains 100% of the Jump-up Dam offtake and marketing rights.

Significant Drill Intersections Jump-up Dam Project (0.5% Ni cut-off and >1% Ni%)

Hole	Zone	North	East	mFrom	mTo	Width	Ni%	Co%	MgO%	SiO2%
JDRC0314	Eastern	6713121	409845	2	24	22	1.00	0.07	10.78	37.74
JDRC0332	Eastern	6712165	410079	6	12	6	1.16	0.25	12.09	45.07
JDRC0338	Eastern	6712002	410238	6	16	10	1.06	0.09	8.74	50.78
JDRC0347	Eastern	6711841	410159	12	54	42	1.29	0.15	5.29	48.35
JDRC0348	Eastern	6711842	410077	20	62	42	1.26	0.08	4.22	33.81
JDRC0349	Eastern	6711843	410001	4	56	52	1.37	0.16	13.66	44.3
JDRC0380	Western	6712877	408559	16	52	36	1.08	0.08	15.2	32.64
JDRC0392	Western	6713120	408450	0	52	52	1.48	0.03	13.83	39.94
JDRC0401	Western	6713040	408360	0	14	14	1.08	0.09	9.42	37.96
JDRC0402	Western	6713040	408440	0	30	30	1.21	0.09	9.73	33.46
JDRC0407	Western	6712960	408280	16	38	22	1.06	0.02	11.29	43.8
JDRC0415	Western	6712880	408359	6	38	32	1.00	0.12	2.94	46.86
JDRC0416	Western	6712880	408440	12	46	34	1.44	0.05	8.85	51.05
JDRC0419	Western	6712800	408119	18	26	8	1.41	0.08	6.87	69.02
JDRC0421	Western	6712800	408279	16	32	16	1.41	0.06	5.53	44.01
JDRC0422	Western	6712800	408360	20	50	30	1.16	0.04	5.31	59.19
JDRC0424	Western	6712799	408439	0	26	26	1.12	0.03	12.45	46.34
JDRC0426	Western	6712882	408404	8	30	22	1.00	0.03	5.38	57.23
JDRC0427	Western	6712889	408240	12	48	36	1.02	0.06	3.69	44.46
JDRC0441	Western	6712720	408580	0	4	4	1.98	0.22	5.61	65.5
JDRC0446	Western	6712640	408320	20	40	20	1.00	0.03	2.77	19.68
JDRC0449	Western	6712640	408520	6	54	48	1.33	0.05	9.2	42.34
JDRC0452	Western	6713040	408400	0	28	28	1.32	0.09	7.61	43.97
JDRC0453	Western	6712720	408240	0	30	30	1.06	0.08	4.16	57.72
JDRC0456	Western	6712560	408200	16	42	26	1.00	0.02	7.7	56.98
JDRC0460	Western	6712560	408520	0	36	36	1.07	0.04	9.38	55.97
JDRC0463	Western	6712480	408200	12	32	20	1.09	0.05	5.98	58.43
JDRC0476	Western	6712400	408200	68	72	4	1.25	0.22	3.39	59.35
JDRC0481	Eastern	6711840	410120	24	64	40	1.03	0.06	4.87	44.62
JDRC0536	Eastern	6712960	409440	20	44	24	1.08	0.14	2.47	37.02
JDRC0566	Western	6712320	408200	24	42	18	1.39	0.07	8.61	47.38
JDRC0567	Western	6712320	408280	10	34	24	1.84	0.11	8.67	50.04
JDRC0577	Western	6712240	408440	6	18	12	1.11	0.06	5.07	70.38
JDRC0578	Western	6712160	408280	18	66	48	1.04	0.07	7.35	31.98
JDRC2003	Eastern	6711920	410120	0	30	30	1.04	0.06	14.56	48.55
JDRC2004	Eastern	6711920	410040	0	58	58	1.18	0.12	8.54	30.95
JDRC2014	Eastern	6712000	410200	22	42	20	1.04	0.07	12.01	42.36
JDRC2015	Eastern	6712000	410280	0	30	30	1.02	0.06	8.28	53.63
JDRC2028	Eastern	6712400	409960	36	54	18	1.03	0.04	6.66	57.63
JDRC2040	Eastern	6712240	409560	14	22	8	1.06	0.02	11.22	58.4
JDRC2052	Eastern	6712160	409960	20	24	4	1.14	0.08	4.78	58.9
JDRC2064	Western	6711760	408520	10	64	54	1.35	0.07	7.34	42.16
JDRC2069	Western	6711840	408520	10	44	34	1.03	0.05	5.07	43.22
JDRC2071	Western	6711840	408680	8	38	30	1.57	0.04	20.92	39.57
JDRC2074	Western	6711920	408520	14	42	28	1.34	0.07	5.64	45.84
JDRC2085	Eastern	6711880	410120	20	50	30	1.25	0.07	16.62	43.54
JDRC2086	Eastern	6711880	410160	14	60	46	1.02	0.05	7.64	45.25
JDRC2088	Eastern	6711880	410240	14	22	8	1.06	0.14	0.73	16.96

2.2 Kalgoorlie Nickel Project - CVRD Inco Sole Funding

(Heron Nickel Rights 100%. CVRD-Inco right to earn 60%, sole fund BFS, secure finance.)

CVRD-Inco continues to manage the KNP and is progressing with the Step 2 program.

2.2.1 Resource and Geology

General

The KNP geological work program continued to focus on Siberia North and Highway with core logging completed at Siberia North and 47 RC holes for 1900m drilled at Highway.

Siberia North

Interpretation of the electrical resistivity data from the Siberia North survey completed during the Quarter is ongoing. On completion of the scheduled RC drilling program this interpretation will be finalized. A total of ten diamond holes for 533m of HQ core were completed targeting zones of potential mineralisation which were previously poorly drilled. This core will be processed in the coming Quarter.

A detailed low level aeromagnetic survey was completed over the Siberia North Project to further delineate structures controlling laterite nickel mineralisation.

Highway

A total of 53 holes for 2,170m of RC drilling was completed. This program was targeted at defining the edges of the resource where potential for extension was identified. Encouraging siliceous and limonitic mineralisation types were encountered. Drill coverage at Highway ranges from 80mx40m in the central east of the deposit up to 200mx80m in the southern, western and northern parts.

Mineralogy

Quantitative XRD results from the -500um slurries of the beneficiation test work were received and CSIRO completed a multi spectral logging program during the Quarter. Analysis of results is pending.

2.2.2 Metallurgy

Metallurgical test work focused on preparation of bulk beneficiated samples for leaching test work. CSIRO

commenced the first high pressure acid leach test of an expected 15 samples during the Quarter.

CVRD-Inco reported they were including heap leach testwork for evaluation of the KNP. Quotes for this test work were sought during the Quarter.

3 Exploration

3.1.1 Regional Nickel Sulphide

Heron is undertaking regional exploration for sulphide mineralisation within its extensive portfolio of 100% owned tenements and within selected tenements included in the KNP.

3.1.2 KNP Tenements

Emu Lake North

A program of 2 RC drill holes is planned for early next quarter, in conjunction with a program of detailed fixed loop EM surveying to identify the strike extensions of mineralisation drilled by other companies on the adjacent tenement.

Ghost Rocks

A geophysical program is being planned to generate nickel sulphide drill-targets associated with surface gossan zones.

3.2 Regional Exploration

3.2.1 Rocky Gully

An independent review of the area has highlighted the Rocky Gully area as having potential for economic nickel sulphide mineralisation. The initial focus will be in the area previously drilled by Anglo American where traces of sulphides were recorded in serpentinised harzburgite rocks.



MATHEW LONGWORTH
MANAGING DIRECTOR

The information in this report that related to Exploration is based on information compiled by David von Perger who is a member of Australian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited. David von Perger has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity that he is undertaking to qualify as Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David von Perger consents to the inclusion in this report of the matters based on his information in the form and context that it appears.



1.13 Total operating and investing cash flows (brought forward)	(2,750)	(8,028)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.	366	7,541
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)		
Net financing cash flows	366	7,541
Net increase (decrease) in cash held		
1.20 Cash at beginning of quarter/year to date	11,075	9,178
1.21 Exchange rate adjustments		
1.22 Cash at end of quarter	8,691	8,691

**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 item 1.2	304
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

<p>Directors fees, salaries and superannuation (A\$268,604). Provision of office accommodation by director-related entity (A\$17,173). Provision of legal advice by director-related entity (A\$17,805).</p>
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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

<p>Rubicon Resources Limited (former subsidiary company of Heron Resources Limited), listed on the ASX on 2 February 2007. As consideration pursuant to the Agreement for sale of tenements, Heron Resources Limited received 15,000,000 shares in Rubicon Resources Limited.</p>

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

<p>See attached schedule</p>



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	9,500
4.2 Development	0
Total	9,500

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	125	65
5.2 Deposits at call	8,178	10,625
5.3 Bank Overdraft		
5.4 Other (provide details)		
Property Rental bond	47	47
Environmental bonds	280	279
Escrow Accounts	61	59
Total: cash at end of quarter (Item 1.22)	8,691	11,075

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at Begin 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.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during Quarter				
(a) Increases through share issues				
(b) Decreases through returns of capital, buybacks, redemptions				
Ordinary securities	179,968,347	179,968,347		
7.3 Changes during Quarter *				
(a) Increases through share issues	291,000	291,000	\$0.25	\$0.25
(b) Decreases through returns of capital, buybacks	200,000	200,000	\$0.60	\$0.60
7.4 Convertible debt securities <i>(description)</i>				
7.5 Changes during Quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expiry Date</i>
	2,307,000	Nil	\$0.25	30/06/2007
	2,500,000	Nil	\$0.25	16/12/2007
	3,000,000	Nil	\$0.25	31/12/2007
	125,000	Nil	\$0.25	31/12/2008
	250,000	Nil	\$0.60	30/06/2009
	1,650,000	Nil	\$0.70	1/06/2010
	5,000,000	Nil	\$0.70	7/09/2010
	1,150,000	Nil	\$0.70	1/11/2010
	5,000,000	Nil	\$0.70	7/09/2016
	2,750,000	Nil	\$1.50	31/12/2015
	500,000	Nil	\$0.90	2/01/2011
	250,000	Nil	\$0.90	9/01/2011
	1,000,000	Nil	\$1.00	2/01/2013
	1,250,000	Nil	\$1.00	9/01/2013
	1,000,000	Nil	\$1.50	2/01/2013
	1,000,000	Nil	\$1.50	9/01/2013
	1,000,000	Nil	\$1.50	19/03/2013
	1,500,000	Nil	\$2.00	19/03/2013
	1,500,000	Nil	\$2.50	19/03/2013



7.8 Issued during Quarter	500,000	Nil	\$0.90	2/01/2011
	250,000	Nil	\$0.90	9/01/2011
	1,000,000	Nil	\$1.00	2/01/2013
	1,250,000	Nil	\$1.00	9/01/2013
	1,000,000	Nil	\$1.50	2/01/2013
	1,000,000	Nil	\$1.50	9/01/2013
	1,000,000	Nil	\$1.50	19/03/2013
	1,500,000	Nil	\$2.00	19/03/2013
	1,500,000	Nil	\$2.50	19/03/2013
7.9 Exercised during Quarter	291,000	291,000	\$0.25	16/12/2007
	200,000	200,000	\$0.60	30/06/2009
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. Inco Limited, as general partner of Inco Australia Limited Partnership and Inco Resources (Australia) Pty Limited may earn a 60% interest in the Kalgoorlie Nickel Project tenements through completing a Feasibility Study and procuring finance to build a nickel laterite mining and processing operation, with the cost of feasibility estimated to be \$90,000,000 (US\$68,000,000 assuming an exchange rate of 0.75).
2. Bronzewing Gold NL (Bronzewing) may earn a 70% interest in precious metals from Heron's King of Creation Project through expending \$250,000 within four years.
3. Jackson Gold Limited (Jackson) may earn a 70% interest in gold and silver minerals through expending \$300,000 within four years. Once Jackson earns its equity, Heron may at its sole discretion contribute on a pro-rata basis, or convert to a 20% free-carried equity to the completion of a Bankable Feasibility Study that recommends commencement of mining, or convert to a 2.5% royalty for recovered metal.



6.1 Interests in Mining Tenements transferred, relinquished, reduced or lapsed

<i>Tenement</i>	<i>Nature of Interest</i>	<i>% Begin Quarter</i>	<i>% End Quarter</i>
P16/02124	Registered Holder	100	0
E28/01108	Registered Holder	100	0
E28/01295	Registered Holder	100	0
E28/00823	Registered Holder	100	0
P15/04734	Registered Holder	100	0
M31/00278	Registered Holder	100	0
M31/00300	Registered Holder	100	0
M31/00317	Registered Holder	100	0
P24/04004	Registered Holder	100	0
E31/00373	Registered Holder	100	0
E31/00446	Registered Holder	100	0
E39/01100	Registered Holder	100	0
M31/00314	Registered Holder	100	0
P39/04357	Registered Holder	100	0
E36/00387	Registered Holder	100	0
E37/00791	Registered Holder	100	0
E15/00906	Registered Holder	100	0
E28/01188	Registered Holder	100	0
E31/00618	Registered Holder	100	0

6.2 Interests in Mining Tenements acquired or increased

<i>Tenement</i>	<i>Nature of Interest</i>	<i>% Begin Quarter</i>	<i>% End Quarter</i>
P29/01914	Registered Applicant	0	100
P29/01915	Registered Applicant	0	100
P29/01916	Registered Applicant	0	100
P29/01917	Registered Applicant	0	100
P29/01918	Registered Applicant	0	100
P27/01707	Registered Applicant	0	100
P27/01708	Registered Applicant	0	100
P27/01709	Registered Applicant	0	100
P27/01710	Registered Applicant	0	100
P31/01791	Registered Applicant	0	100
P31/01795	Registered Applicant	0	100
P31/01794	Registered Applicant	0	100
P31/01793	Registered Applicant	0	100
P31/01792	Registered Applicant	0	100
P31/01790	Registered Applicant	0	100
P31/01789	Registered Applicant	0	100
P31/01788	Registered Applicant	0	100
P63/01430	Registered Applicant	0	100
P63/01431	Registered Applicant	0	100
P63/01432	Registered Applicant	0	100
P63/01433	Registered Applicant	0	100
P63/01434	Registered Applicant	0	100
P63/01435	Registered Applicant	0	100
P63/01436	Registered Applicant	0	100
P63/01437	Registered Applicant	0	100
P63/01438	Registered Applicant	0	100
P63/01439	Registered Applicant	0	100
E28/01733	Registered Applicant	0	100
P31/01798	Registered Applicant	0	100



E63/01115	Registered Applicant	0	100
E63/01116	Registered Applicant	0	100
E38/02008	Registered Applicant	0	100
E31/00784	Registered Applicant	0	100
E31/00785	Registered Applicant	0	100
E31/00786	Registered Applicant	0	100
E28/01745	Registered Applicant	0	100
E40/00228	Registered Applicant	0	100
E39/1303	Registered Applicant	0	100
P16/02468	Registered Applicant	0	100
P16/02469	Registered Applicant	0	100
P16/02470	Registered Applicant	0	100
P16/02461	Registered Applicant	0	100
P16/02462	Registered Applicant	0	100
P16/02463	Registered Applicant	0	100
P16/02464	Registered Applicant	0	100
P16/02465	Registered Applicant	0	100
P16/02466	Registered Applicant	0	100
P16/02467	Registered Applicant	0	100
P24/04222	Registered Applicant	0	100
P24/04217	Registered Applicant	0	100
P24/04218	Registered Applicant	0	100
E31/00797	Registered Applicant	0	100
E29/00658	Registered Applicant	0	100
P24/04188	Registered Applicant	0	100
P24/04189	Registered Applicant	0	100
P24/04190	Registered Applicant	0	100
P24/04191	Registered Applicant	0	100
P24/04192	Registered Applicant	0	100
P24/04193	Registered Applicant	0	100
P24/04194	Registered Applicant	0	100
P24/04198	Registered Applicant	0	100
P24/04199	Registered Applicant	0	100
P24/04216	Registered Applicant	0	100
P24/04215	Registered Applicant	0	100
P24/04195	Registered Applicant	0	100
P24/04196	Registered Applicant	0	100
P24/04197	Registered Applicant	0	100
P29/01954	Registered Applicant	0	100
P29/01955	Registered Applicant	0	100
P29/01951	Registered Applicant	0	100
P29/01952	Registered Applicant	0	100
P29/01953	Registered Applicant	0	100
P29/01960	Registered Applicant	0	100
P29/01961	Registered Applicant	0	100
P29/01963	Registered Applicant	0	100
P29/01964	Registered Applicant	0	100
P24/04212	Registered Applicant	0	100
P24/04200	Registered Applicant	0	100
P24/04201	Registered Applicant	0	100
P24/04213	Registered Applicant	0	100
P29/01959	Registered Applicant	0	100
P29/01962	Registered Applicant	0	100
P29/01973	Registered Applicant	0	100
P29/01974	Registered Applicant	0	100



P29/01975	Registered Applicant	0	100
P29/01976	Registered Applicant	0	100
P29/01965	Registered Applicant	0	100
P29/01966	Registered Applicant	0	100
P29/01967	Registered Applicant	0	100
P29/01968	Registered Applicant	0	100
P29/01969	Registered Applicant	0	100
P29/01970	Registered Applicant	0	100
P29/01971	Registered Applicant	0	100
P29/01972	Registered Applicant	0	100
P24/04210	Registered Applicant	0	100
P29/01956	Registered Applicant	0	100
P29/01957	Registered Applicant	0	100
P24/04214	Registered Applicant	0	100
P24/04209	Registered Applicant	0	100
P24/04211	Registered Applicant	0	100
P24/04202	Registered Applicant	0	100
P24/04203	Registered Applicant	0	100
P24/04204	Registered Applicant	0	100
P24/04205	Registered Applicant	0	100
P24/04206	Registered Applicant	0	100
P24/04207	Registered Applicant	0	100
P24/04208	Registered Applicant	0	100
P24/04221	Registered Applicant	0	100
P24/04219	Registered Applicant	0	100
P24/04220	Registered Applicant	0	100
P25/01964	Registered Applicant	0	100
P25/01966	Registered Applicant	0	100
P25/01967	Registered Applicant	0	100
E27/00355	Registered Applicant	0	100
P27/01762	Registered Applicant	0	100
P27/01753	Registered Applicant	0	100
P27/01763	Registered Applicant	0	100
P27/01764	Registered Applicant	0	100
P27/01765	Registered Applicant	0	100
P27/01766	Registered Applicant	0	100
E27/00356	Registered Applicant	0	100
P27/01756	Registered Applicant	0	100
P27/01759	Registered Applicant	0	100
P27/01760	Registered Applicant	0	100
P27/01761	Registered Applicant	0	100
P27/01757	Registered Applicant	0	100
P27/01758	Registered Applicant	0	100
P27/01755	Registered Applicant	0	100
P27/01754	Registered Applicant	0	100
P25/01965	Registered Applicant	0	100
P28/01121	Registered Applicant	0	100
P31/01841	Registered Applicant	0	100
P31/01844	Registered Applicant	0	100
P31/01845	Registered Applicant	0	100
P31/01846	Registered Applicant	0	100
P31/01847	Registered Applicant	0	100
P31/01848	Registered Applicant	0	100
P31/01849	Registered Applicant	0	100
P31/01850	Registered Applicant	0	100
P31/01840	Registered Applicant	0	100



P31/1842	Registered Applicant	0	100
P31/1843	Registered Applicant	0	100
P29/01958	Registered Applicant	0	100
P28/01122	Registered Applicant	0	100
P28/01123	Registered Applicant	0	100
P28/01124	Registered Applicant	0	100
E28/01760	Registered Applicant	0	100
E69/02381	Registered Applicant	0	100
E31/00801	Registered Applicant	0	100
E31/00802	Registered Applicant	0	100
P24/04286	Registered Applicant	0	100
E39/01282	Registered Applicant	0	100

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sarah Helen Calvert

Sign here: _____
Company Secretary

Date: 30/04/07

Print name: Sarah Helen Calvert

Notes

1. The Quarterly Report is to provide a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An 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. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

