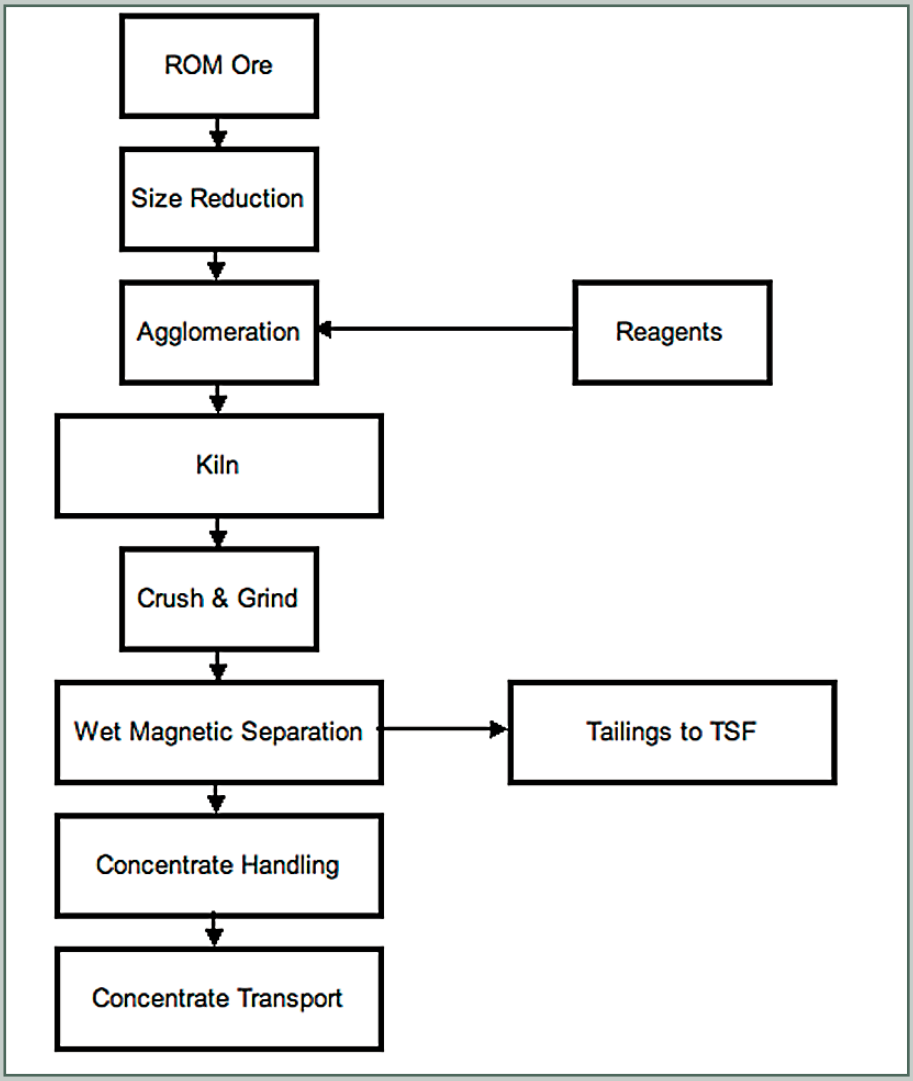
Volume 3, Issue 2, June 2009

Heron Explorer

A quarterly communication from Heron Resources, keeping you informed of our latest projects, initiatives and business opportunities.

Shanshan Process



Shanshan Process Description

The feasibility study is investigating the potential to process 1 million tonnes per year of nickel laterite ore from the Yerilla project, producing 80,000 tonnes per year of nickel concentrate, containing approximately 8,000 tonnes per year of payable nickel and cobalt metal, via a reduction roast process.

The mined ore will be screened and reduced in size and dried before being ground and mixed with a reductant and fluxing reagents. After agglomeration, the ore mixture will be processed via a kiln, where the nickel and cobalt undergo chemical reactions which results in the formation of particles of metallic alloy containing iron, nickel and cobalt. The discharge from the kiln (calcine) contains a mixture of residual ore and the nickel bearing iron alloy. This calcine is crushed and milled and subjected to wet magnetic separation which recovers a concentrate containing the iron-nickel-cobalt alloy. The magnetic concentrate will be shipped to Shanshan's processing facilities in China where the metals will be converted into raw materials for use in batteries.

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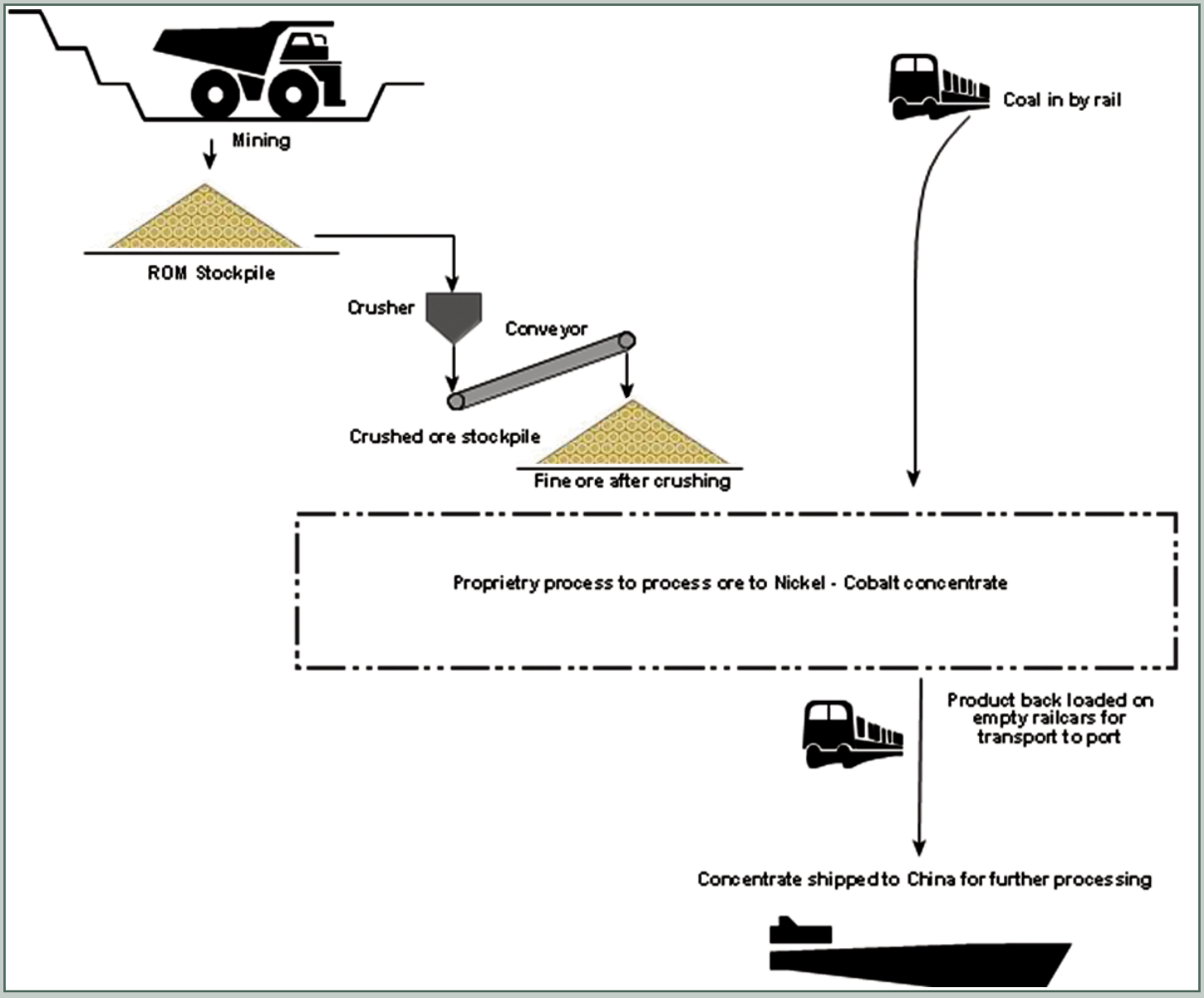
Shanshan Process

JUMP UP DAM FLOW SHEET



Heron Resources Limited