

# New Leadership Team to Advance Key Nickel Projects

Dear Shareholder,

Your Company is undergoing a planned transition as it grows from a successful exploration company to become a significant nickel producer. In order for this to occur smoothly and effectively, we are building a new leadership team that can best deliver this production outcome.

As outlined in our July 14 2006 announcement; Roadmap for Total Nickel Focus, Heron is planning to develop its major nickel laterite resource – the Kalgoorlie Nickel Project (KNP) – in partnership with CRVD-Inco, as well as a number of lower capital cost, but high priority nickel production opportunities.

We are shifting into an intensive phase of project development, particularly with the Company's 100%-owned Jump-up Dam Project.

Attracting and retaining the personnel that can best deliver your Company's projects and ultimately its vision of becoming a significant nickel producer, is a crucial step and one that is not taken lightly - it is a step often overlooked by companies as they change their focus from exploration to production.

It needs to be recognised that once Jump-up Dam and the KNP achieve full production, Heron will have become a significant nickel producer and one of the largest pure nickel companies in Australia.

Recognising the substantial new operational, technical and corporate demands on the Company, as well as our desire to deliver projects within a timeframe that will allow us to gain exposure to the current buoyant nickel market, your Board has moved to implement a new leadership team.

This entails a number of changes and new appointments to senior management, in addition to the recent appointments of Stephen Dennis and Ken Hellsten to your Company's Board.

Heron's current Chief Operating Officer, Mathew Longworth, moves to the position of Managing Director while current Managing Director, Ian Buchhorn, takes on the new role of Executive Director responsible for strategy.

Mr Longworth's responsibilities will increase in line with his capabilities in managing the Company through the study phase to development and operations, reflecting the Company's increasing focus on its nickel developments and achieving nickel production during the current period of strong commodity prices.

Mr Longworth will take responsibility for the day-to-day management of the Company's projects, and importantly for your Company, as a founding director and a driving force behind Heron, Mr Buchhorn will focus his energies on strategic planning and corporate priorities.



**New Board (L-R):** Non-executive Director - Ken Hellsten, Non-executive Director - Stephen Dennis, Managing Director - Mathew Longworth, Chairman - Craig Readhead & Executive Director - Ian Buchhorn

In addition to the internal moves, the Company has also made two new appointments to its senior management team as part of the ongoing recruitment process to bolster internal capabilities.

Mr Kevin Reynolds has joined the company as Project Manager Jump-up Dam. Mr Reynolds is a metallurgist with over 20 years project management experience and exposure to nickel hydrometallurgy and heap leach technology.

Mr Robert Klug, who joins the company as Commercial Manager and General Counsel, brings extensive commercial and legal experience with mining companies, financial markets and major national legal practices. Mr Klug most recently held the General Manager Business Development role with a rapidly emerging national mining company.

Mr Klug and Mr Reynolds join Heron Company Secretary Sarah Calvert, Exploration Manager David von Perger, and Mr Longworth and Mr Buchhorn on the Executive Leadership Team.

The Company has also increased its executive commitment to the Kalgoorlie Nickel Project through having Mr Dennis and Mr Hellsten join Mr Longworth and Mr Buchhorn on the KNP Joint Venture Management and Technical Committees.

Mr Dennis and Mr Hellsten are experienced mining executives. Their inclusion on the KNP Management Committee will increase Heron's ability to contribute constructively to advancing the KNP for the benefit of the Company, its Shareholders and partners.

This new leadership team is an important and exciting step in the changing focus of the Company. The ability to attract and retain the calibre of people that make up the new leadership team in the current market reflects the industry recognition of the quality of our projects, and your Company's ongoing commitment to the development of its projects.

Finally, the Board regrets to announce that it has accepted the resignation of Non-Executive Director, Allan Trench, who has resigned from the Heron Board due to increased overseas business commitments.

On behalf of the Company, the Board sincerely thanks Allan for all of his efforts since he commenced with Heron almost four years ago and wishes him all the best with his new endeavours. Mr Trench played a key strategic role in building the Company to where it stands today and leaves the Board with Heron in a strong position.

We have now streamlined the Company's corporate objectives to focus purely on achieving nickel production, with the successful demergers of Epsilon Energy and Rubicon Resources complete.

With you, I look forward to 2007 being a substantial year of achievement and success for Heron Resources Limited as it moves towards nickel production.

Yours faithfully,

**Craig Readhead**  
Chairman  
Heron Resources Ltd

## New Members of the Executive Leadership Team



Commercial Manager & General Counsel  
Robert Klug



Project Manager - Jump-up Dam  
Kevin Reynolds



Company Secretary  
Sarah Calvert



Exploration Manager  
Dave Von Perger