



ASX Release – 31 May 2007

UPDATED JUMP-UP DAM RESOURCE ESTIMATE

SUMMARY

- An Indicated Mineral Resource of 22.3 Mt grading 1.01% nickel at a 0.70% nickel cut-off has been estimated for pre-feasibility study mine planning.
- Key milestone reached, Indicated Mineral Resource permits the estimation of reserves to support 10,000tpa nickel production for the Jump-up Dam Project.
- The estimate results are very pleasing with the total resource base (Indicated plus Inferred categories) of 52.8 Mt grading approximately 0.79% nickel at a 0.5% nickel cut-off. This represents an increase of 26% over January's Inferred Mineral Resource.

Heron Resources Limited (ASX: HRR) (Heron) is pleased to announce the completion of an updated mineral resource estimate on its 100% owned Jump-up Dam Project located 150 kilometres north east of Kalgoorlie. The updated resource includes an additional 410 holes for 22,684 metres drilled since the release of the initial Inferred Mineral Resource on 18 January 2007. Snowden Mining Industry Consultants (Snowden) completed the estimate from data supplied by Heron. The mineral resource is based on a total of 750 reverse circulation (RC) drill holes mostly on an 80 metre by 40 metre grid pattern as shown in Figure 1. The laterite profile consists of nontronitic, limonitic and siliceous varieties of nickel mineralisation. Analysis has been conducted on 2 metre RC splits with XRF-fusion determination. RC drilling has been checked with twinned HQ triple tube core drill holes (13 holes for 735 metres).

The estimate has been reported as a combination of Indicated and Inferred Mineral Resources in accordance with the JORC Code. The estimation method comprised the creation of a block model based on an interpreted 0.5% nickel outline and interpolation of grade by Ordinary Kriging (OK) into large 80 metre x 80 metre x 2 metre blocks. Nickel grades were subsequently estimated using uniform conditioning - local change of support (UC) modelling to provide an estimate of tonnes and grade anticipated in a mining scenario of smaller blocks. The UC modelling was based on the assumption that future selective mining units (SMUs) will have dimensions of 10 metre x 10 metre x 2 metre block size.

Table 1 shows the estimate using OK modelling at 0.5% and 0.7% nickel-grade cut-offs. Table 2 shows the estimate using UC modelling at 0.5% Ni and 0.7% Ni cut-offs

The resource estimate improves confidence in the Jump-up Dam resource base providing sufficient tonnages at approximately 1% nickel to feed the proposed 10,000tpa nickel heap leach operation for the initially planned 15 year mine life. Snowden are undertaking mine planning based on this estimate.

The pre-feasibility study is continuing with 4 metre high column leach test work on bulk samples collected from recently completed large diameter drilling. Purchase of ore preparation plant components for the demonstration program has commenced and pre feasibility study engineering and design is progressing in line with the study schedule.

This upgraded resource estimate is an important milestone for the Jump-up Dam project which will continue to gain momentum in the coming months.

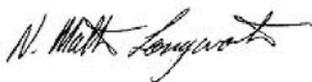
Heron's Managing Director Mathew Longworth said it was very pleasing to see the extra drilling generating a resource estimate showing a 26% increase on the inferred estimate released in January 2007, due to the discovery of additional mineralisation between the Eastern and Western Zones. A 22,000 metre drill program will commence in the next week to further increase the level of confidence in the resource model, potentially upgrading a portion of the resource to measured status. This upgrade is in preparation for trial mining and leaching expected to be undertaken during the last quarter 2007.

Table 1 Mineral Resource estimate for Jump-up Dam OK Modelling¹

Classification	Block cut-off Grade (%Ni)	Tonnage (Mt dry)	Ni (%)	Co (%)
Indicated	0.50	49.0	0.75	0.04
	0.70	25.0	0.89	0.05
Inferred	0.50	16.6	0.61	0.03
	0.70	2.3	0.77	0.05
Total	0.50	65.6	0.72	0.04
	0.70	27.3	0.88	0.05

Table 2 Mineral Resource estimate for Jump-up Dam UC Modelling¹

Classification	Block cut-off Grade (%Ni)	Tonnage (Mt dry)	Ni (%)
Indicated	0.50	41.0	0.82
	0.70	22.3	1.01
Inferred	0.50	11.8	0.70
	0.70	4.3	0.89
Total	0.50	52.8	0.79
	0.70	26.6	0.99



N. Mathew Longworth
 Managing Director
 Heron Resources Limited
 +61 8 9215 4444

The information in this report that related to Mineral Resources is based on information compiled by Andrew F Ross who is a Fellow of the Australasian Institute of Mining and Metallurgy. Andrew F Ross is an employee of Snowden Mining Industry Consultants and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the resource estimation 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. Andrew F Ross consents to the inclusion in this report of the matters based on his information in the form and context that it appears. Note that Mineral Resources that are not Ore Reserves do not have demonstrated viability.

The information in this report that related to Exploration and data (including drilling data, database quality, geological interpretation and density modelling) is based on information compiled by David von Perger who is a member of Australasian 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

For media inquiries, please contact: Paul Downie, Porter Novelli, +61 414 947 129, +61 8 9386 1233

¹ The estimates have been rounded to reflect the estimation precision of each resource class.

Figure 1 – Jump-Up Dam Drilling Plan



Jump-up Dam Project
Resource Outlines
May 2007

