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## RESOURCE ESTIMATE BOYCE CREEK NICKEL LATERITE PROJECT

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### SUMMARY

- > An Inferred Mineral Resource of 12.8 Mt grading 0.91% nickel at a 0.70% nickel cut-off has been estimated for Heron's 100% owned Boyce Creek Nickel Laterite Project.
- > The Boyce Creek project is located 25 kilometres North of Heron's Jump-up Dam project and may provide satellite ore feed allowing for greater mining flexibility and longer overall mine-life.

Heron Resources Limited (ASX: HRR) (Heron) is pleased to announce the completion of a Mineral Resource Estimate on its 100% owned Boyce Creek nickel laterite project located 150 kilometres north east of Kalgoorlie (Figure 1). The estimate is detailed below in Table 1 and due to the wide spaced drilling is classified as an Inferred Mineral Resources in accordance with the JORC Code.

Table 1 Inferred Mineral Resource Estimated by Uniform Conditioning

Block cut-off Grade (%Ni)	Tonnage (Mt dry)	Ni (%)
0.50	18.4	0.82
0.70	12.8	0.91
0.75	10.8	0.95
1.00	3.0	1.17

Estimated independently by Snowden Mining Industry Consultants from Heron's data, the mineral resource is based on some 158 reverse circulation (RC) drill holes for 8,241 metres on a mostly 160 metre by 80 metre grid pattern as shown in Figure 2. The nickel laterite mineralisation is derived from an Archaean ultramafic protolith and consists of both nontronitic, limonitic and siliceous types. The mineralisation comes to surface in places but on average has 15 metres of alluvial cover. Metallurgical test work on similar material at Heron's Jump-up Dam project, located some 25 kilometres to the south, indicates that the resource is likely to be amenable to heap leach extraction technology. Assays for all elements were determined by XRF fusion on two metre samples, split at the drill rig, with quality control samples routinely inserted into the sample stream.

Snowden recommended reporting of the estimate using both ordinary kriging (OK) and uniform condition (UC) estimation methods because the current wide spacing of the drilling data results in an overly diluted assessment of the deposit when the OK estimate is considered in isolation. The UC estimation method gives an estimate of the tonnage and grade that will be recoverable when close-spaced drilling is carried out during future mining. The UC estimate is derived from the OK estimate for the deposit where nickel grades have been estimated into large 80 metre by 80 metre by 2 metre blocks from the current data. The derived UC estimate is based on the assumption that future selective mining units (SMUs) will have dimensions of 10 metres by 10 metres by 2 metres, and future exploitation of the deposit will allow selection of the SMUs from within the larger OK blocks at selected cut-off grades. The OK estimate for Boyce Creek is shown in Table 2 below.

Table 2 Inferred Mineral Resource Estimated by Ordinary Kriging

<b>Block cut-off Grade (%Ni)</b>	<b>Tonnage (Mt dry)</b>	<b>Ni (%)</b>	<b>Co (%)</b>
0.50	18.7	0.81	0.06
0.70	14.0	0.87	0.07
0.75	12.0	0.90	0.07
1.00	2.0	1.11	0.10

Heron's Managing Director Mathew Longworth said the resource at Boyce Creek provides potential for extending mine life for the Jump-up Dam Project which is already at 15 years. This is a positive step forward in the development of the Jump-up Dam project. Drilling at Jump-up Dam is continuing and drilling at the Aubils Project will recommence in the coming month to further outline mineralisation at this project area.



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The information in this report that related to Mineral Resources is based on information compiled by Shaun Hackett who is a Fellow of the Australasian Institute of Mining and Metallurgy. Shaun Hackett 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. Shaun Hackett 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

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Figure 1 Heron's Nickel Laterite Projects

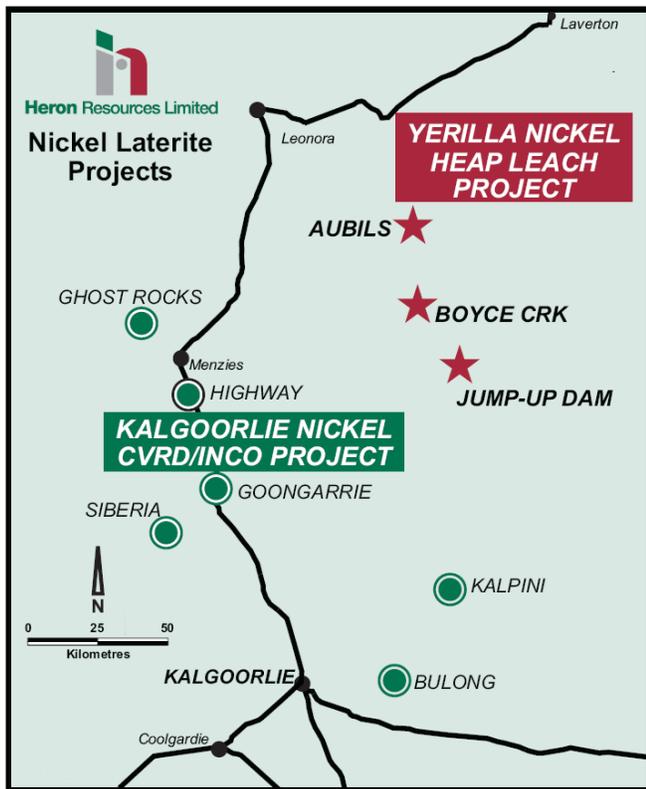


Figure 2 Boyce Creek Drilling Plan

