



ASX Release – 2 October 2007

CVRD-INCO COMPLETE STEP 2 OF KALGOORLIE NICKEL PROJECT AGREEMENT

Heron Resources Limited (**ASX:HRR**) is pleased to announce it has today been informed by Kalgoorlie Nickel Project managers CVRD-Inco, a wholly-owned subsidiary of CVRD, that they have completed the work required for Step 2 of the Evaluation Phase and will make a decision as to whether to proceed to Step 3 by November 30th 2007, as pursuant to the Kalgoorlie Nickel Project Farm-in and Joint Venture Agreement.

Step 3 of the Evaluation Phase involves the delivery of a pre-feasibility study on or before the end of January 2009 after which there is a six month period to evaluate the results of the pre-feasibility study.

Heron will provide the market with a summary of results from the work completed during Step 2 when CVRD-Inco makes those results available.

When CVRD-Inco informs Heron of its decision on Step 3 Heron will inform the market.

A handwritten signature in black ink, appearing to read 'N. Mathew Longworth'.

N. Mathew Longworth
Managing Director
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