



# **Heron Resources Limited**

## **NOTICE OF ANNUAL GENERAL MEETING EXPLANATORY STATEMENT AND PROXY FORM**

**For the Annual General Meeting to be held on  
Friday, 23 November 2007 at 1.00 pm Western Standard Time (“WST”)  
at The Chifley on the Terrace,  
185 St Georges Terrace,  
Perth, Western Australia**

This is an important document. Please read it carefully. If there is any matter that you do not understand you should contact your financial adviser, stockbroker or solicitor.

**HERON RESOURCES LIMITED  
ABN 30 068 263 098**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders of Heron Resources Limited ("Heron" or the "Company") will be held at The Chifley on the Terrace, 185 St Georges Terrace, Perth, Western Australia at 1.00 pm WST on Friday, 23 November 2007.

**AGENDA**

**Financial Statements and Reports**

"To receive, consider and adopt the Financial Statements of the Company, together with the Directors' Declaration, the Directors' Report and Auditor's Report, for the year ended 30 June 2007."

*There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.*

**1. Resolution 1 – Re-election of Craig Readhead as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"To elect as a Director, Mr Craig Readhead, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election."

**2. Resolution 2 – Re-election of Ian Buchhorn as a Director**

"That Mr Ian Buchhorn having been appointed as Director following the appointment of Mr Mathew Longworth as Managing Director and who retires under clause 14.3(b) of the constitution and being eligible, is elected as a Director."

**3. Resolution 3 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for all purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ending 2007."

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

**Explanatory Statement**

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and Explanatory Statement.

**Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

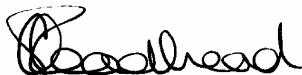
**“Snap-shot” Time**

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s Directors have determined that all shares of the Company that are quoted on ASX at 5.00pm (WST) on 21 November 2007 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

**Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

**By Order of the Board of Directors****CRAIG READHEAD****Chairman**

9 October 2007

**HERON RESOURCES LIMITED**  
**ABN 30 068 263 098**

**EXPLANATORY STATEMENT**

**1. Introduction**

The Explanatory Statement has been prepared to provide Shareholders of Heron Resources Limited (“**Heron**” or the “**Company**”) with material information to enable them to make an informed decision in relation to the business to be conducted at the Annual General Meeting of the Company to be held at The Chifley on the Terrace, 185 St Georges Terrace, Perth, Western Australia on Friday, 23 November 2007.

**2. Financial Statements and Reports**

The Annual Financial Report, Directors’ Report and Auditor’s Report for the Company for the year ending 30 June 2007 will be laid before the meeting.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company’s auditor about:

- the preparation and content of the Auditor’s Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 16 November 2007 to:

Ms Sarah Calvert  
Company Secretary  
Heron Resources Limited  
Level 1, 37 Ord Street  
West Perth WA 6005  
Email: scalvert@heronresources.com.au

**3. Resolution 1 – Re-election of Craig Readhead as a Director**

In accordance with the ASX Listing Rules and the Company’s Constitution, at every Annual General Meeting, one-third of the Directors shall retire from office. The Directors to retire are to be those who have been in office for three years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. Any retiring Director is eligible for re-election.

Mr Craig Readhead retires by rotation pursuant to the Company’s Constitution and, being eligible, offers himself for re-election.

Information with respect to Mr Craig Readhead is available in the Company’s 2007 Annual Report, at page 23 (Directors’ Report).

**4. Resolution 2 – Re-election of Ian Buchhorn as a Director**

Mr Buchhorn was the founding Managing Director of the Company. With the transition of the Company from explorer to development, Mr Buchhorn resigned as Managing Director and assumed the role of Executive Director responsible for Strategy. As a result of Mr Ian Buchhorn no longer being Managing Director he is required to seek re-election as a Director and being eligible offers himself for re-election.

Information with respect to Mr Ian Buchhorn is available in the Company's 2007 Annual Report at page 23 (Directors' Report).

**5. Resolution 3– Adoption of Remuneration Report**

The Remuneration Report of the Company for the financial year ending 2007 is set out in the Directors' Report on pages 28 – 30 of the Company's 2007 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>“Annexure”</b>	means an annexure to this Explanatory Statement.
<b>“ASIC”</b>	means the Australian Securities and Investments Commission.
<b>“ASX”</b>	means Australian Stock Exchange operated by Australian Stock Exchange Limited (ABN 98 008 624 691).
<b>“Board”</b>	means the Board of Directors of the Company.
<b>“Business Day”</b>	has the meaning given in the ASX Listing Rules.
<b>“Company”</b>	means Heron Resources Limited (ABN 30 068 263 098).
<b>“Constitution”</b>	means the constitution of the Company.
<b>“Corporations Act”</b>	means the Corporations Act 2001 (Cth) and all regulations made pursuant to such legislation, as amended from time to time.
<b>“Director”</b>	means a director of the Company.
<b>“Directors’ Report”</b>	means the Directors’ Report set out in the 2007 Annual Report.
<b>“Meeting”</b>	means the annual general meeting of Shareholders convened by the Notice of Annual General Meeting to which this Explanatory Statement is attached.
<b>“Share”</b>	means a fully paid ordinary share in the capital of the Company.
<b>“Shareholder”</b>	means a member of the Company, as defined in the Constitution of the Company.
<b>“WST”</b>	means Australian Western Standard Time.

HERON RESOURCES LIMITED  
ABN 30 068 263 098

PROXY FORM

I/We, \_\_\_\_\_ being a Shareholder of Heron Resources Limited,  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_

or, in his/her absence the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 1.00pm WST on Friday 23 November, 2007 at the The Chifley on the Terrace, 185 St Georges Terrace, Perth, Western Australia and at any adjournment of that meeting in respect of:

- The whole of my voting rights  
 % of my voting rights

(Please complete as appropriate. If no details are inserted and only one proxy is appointed, it will be assumed that the proxy is for all of the voting rights of the Shareholder.)

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote, please insert "X" in this box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If you desire to direct your proxy how to vote in relation to the each proposed resolution to be considered at the Meeting, please indicate the manner in which your proxy is to vote by inserting "X" in the appropriate boxes below. If you do not direct your own proxy on any resolution, he/she will vote on it as he/she thinks fit or may abstain from voting.

I instruct my proxy to vote as indicated in respect of:

	For	Against	Abstain
1. Re-election of Craig Readhead as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Ian Buchhorn as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

It is the Chairman's intention to vote in favour of each of the resolutions in relation to any undirected proxies.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007

INDIVIDUALS

CORPORATIONS

\_\_\_\_\_

\_\_\_\_\_  
Director / Sole Director and Sole Secretary

\_\_\_\_\_

\_\_\_\_\_  
Director / Secretary

**Lodgement of Proxy Form**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting scheduled for 1.00pm (WST) on 23 November 2007. Any Proxy Form received after 1.00pm (WST) on 21 November 2007 will not be valid for the scheduled meeting:

**In Person:** Heron Resources Limited, Level 1, 37 Ord Street West Perth, Western Australia, 6005  
**Mail:** Heron Resources Limited, PO Box 1380, West Perth Western Australia 6872; or  
**Facsimile:** Heron Resources Limited, +61 8 9215 4490