



ASX Release – 23 November 2007

HERON AND CVRD INCO APPROVE PROGRAM AND BUDGET FOR KNP PRE FEASIBILITY STUDY

Heron Resources Limited (ASX: HRR) is pleased to announce the Management Committee of the Kalgoorlie Nickel Project (KNP) has approved a **A\$13.8 million** program and budget for the first 6 months of the 14 month pre feasibility study into the KNP. The KNP agreement calls for 6 monthly programs and budgets to be set and approved during the course of the studies. The next 6 month tranche of the program and budget will be proposed and approved prior to the expiration of the current 6 months.

The Management Committee comprises representatives from both CVRD Inco and Heron. Under the Joint Venture arrangements for the KNP, CVRD Inco will fund the entire pre feasibility budget. The pre feasibility study now underway is due for completion by January 2009.

The program will involve a significant drilling component to confirm and upgrade the confidence in the KNP resources which will provide the basis for estimating reserves, mine planning and metallurgical test work. CVRD Inco will investigate the application of High Pressure Acid Leach, Heap Leach and Atmospheric Leach to the extraction of nickel from the laterite ores of the KNP. Test work for all three potential flow sheets will be undertaken simultaneously with resource definition drilling and initial engineering and infrastructure studies. A key component of the second 6 months of the study is the process engineering and preliminary plant design which will then lead to costing and estimation of capex and opex for the project.

CVRD Inco will appoint an independent engineer to undertake the studies under the direction of the CVRD Inco Study Manager.

Heron's Managing Director, Mr Mathew Longworth, said "We are very pleased with the proposed program and look forward to the increased pace of activity during the course of the pre feasibility study. We expect to have regular updates for shareholders as we receive progress results from the study, particularly from the drilling component. This is a major step forward for the KNP and Heron Resources and we appreciate the effort of our partners CVRD Inco in progressing the project to this stage."

A handwritten signature in black ink, appearing to read 'N. Mathew Longworth', is positioned above the typed name.

N. Mathew Longworth
Managing Director, Heron Resources Limited

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