



ASX Release – 10 April 2008

KALGOORLIE NICKEL PROJECT UPDATE

HIGHLIGHTS

- Vale Inco completing substantial test-work as part of KNP Prefeasibility Study
- 10,925m of drilling completed at Highway Project
- 8,776m of drilling completed at Goongarrie Hill
- Drilling commences at Goongarrie South
- Sonic Drilling producing core for metallurgical test-work under way
- 59 column leach tests underway; results from Kalpini after 75 days encouraging
- Initial Beneficiation optimisation studies complete, with further test-work on 300 samples underway
- Tendering for Independent Engineer in progress

Heron Resources Limited (ASX: HRR) (“Heron”) is pleased to provide an update on progress of the Kalgoorlie Nickel Project (KNP) Pre-feasibility Study managed by Vale Inco Limited (“Vale Inco”), a wholly-owned subsidiary of Companhia Vale do Rio Doce. Infill resource drilling commenced at the end of 2007, and there are currently three RC rigs on site with a fourth expected in the coming weeks. A total of 19,701 metres of RC drilling has been completed by the end of February 2008.

The KNP Pre-feasibility Study commenced in November 2007, and is due for completion in January 2009 under the direction and supervision of Vale Inco. A budget of A\$13.8 million was established for the first six months of the Study, to May 2008. A further budget for the next six months will be set at the end of May 2008. Under the farm in arrangements for the KNP, Vale Inco will fund the KNP Pre-feasibility Study and, if Vale Inco elects to continue with the KNP farm-in arrangement, any subsequent feasibility studies will also be funded.

Infill drilling is complete at the Highway and Goongarrie Hill projects with the drill focus shifting to the Goongarrie South Project. Drilling is designed to increase confidence in the resource estimates of each of five project areas for use in the Pre-feasibility Study. Significant results received to date from completed drilling are summarised in Table 1.

To date, 38 holes for 1,480 metres using the sonic drill method has provided sample for metallurgical testwork. Sonic drilling tends to produce a large diameter core of undisturbed mineralisation suitable for geotechnical and metallurgical evaluation. Further drilling to provide metallurgical samples is pending.

Vale Inco is undertaking column testwork to evaluate heap leaching of nickel laterite as one of the possible nickel extraction techniques, which may suit the ores from the KNP. Currently a total of 59 columns are in progress at CSIRO’s facilities in Perth. Development of the standard beneficiation test flow sheet is complete, and test-work commenced on over 300 samples across all deposits to develop a good understanding of this key parameter for the project.

Vale Inco will investigate the application of various leach processes for extraction of nickel from the laterite during the Study. Vale Inco has previously concluded that the KNP was one of the largest undeveloped nickel laterite projects in the world, and is aiming towards an economically feasible process flow sheet of the KNP.

Tendering for the independent Engineering Consultant to undertake the KNP pre-feasibility study under the direction of Vale Inco is well advanced and the successful consultant should commence work on the project during the next quarter.

Heron Managing Director, Mathew Longworth, said: "We are very pleased with the rapid progress to date at the KNP. A substantial amount of drilling has been completed in a short space of time under the auspices of Vale Inco, and we look forward to the appointment of the Independent Engineer to continue the project pace."

"We have now had over 50,000 metres of drilling completed in the last six months over the KNP and Yerilla Project areas, which will shortly lead to both new resources and increased confidence for existing resources."



For further questions, please contact:

N. Mathew Longworth
Managing Director
Heron Resources Limited
+61 (0)8 9215 4444

For media inquiries, please contact: Paul Downie, Porter Novelli, 0414 947 129, +61(0) 8 9386 1233

The exploration and Mineral Resource information in this report is based on information compiled by David von Perger who is a member of Australian 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

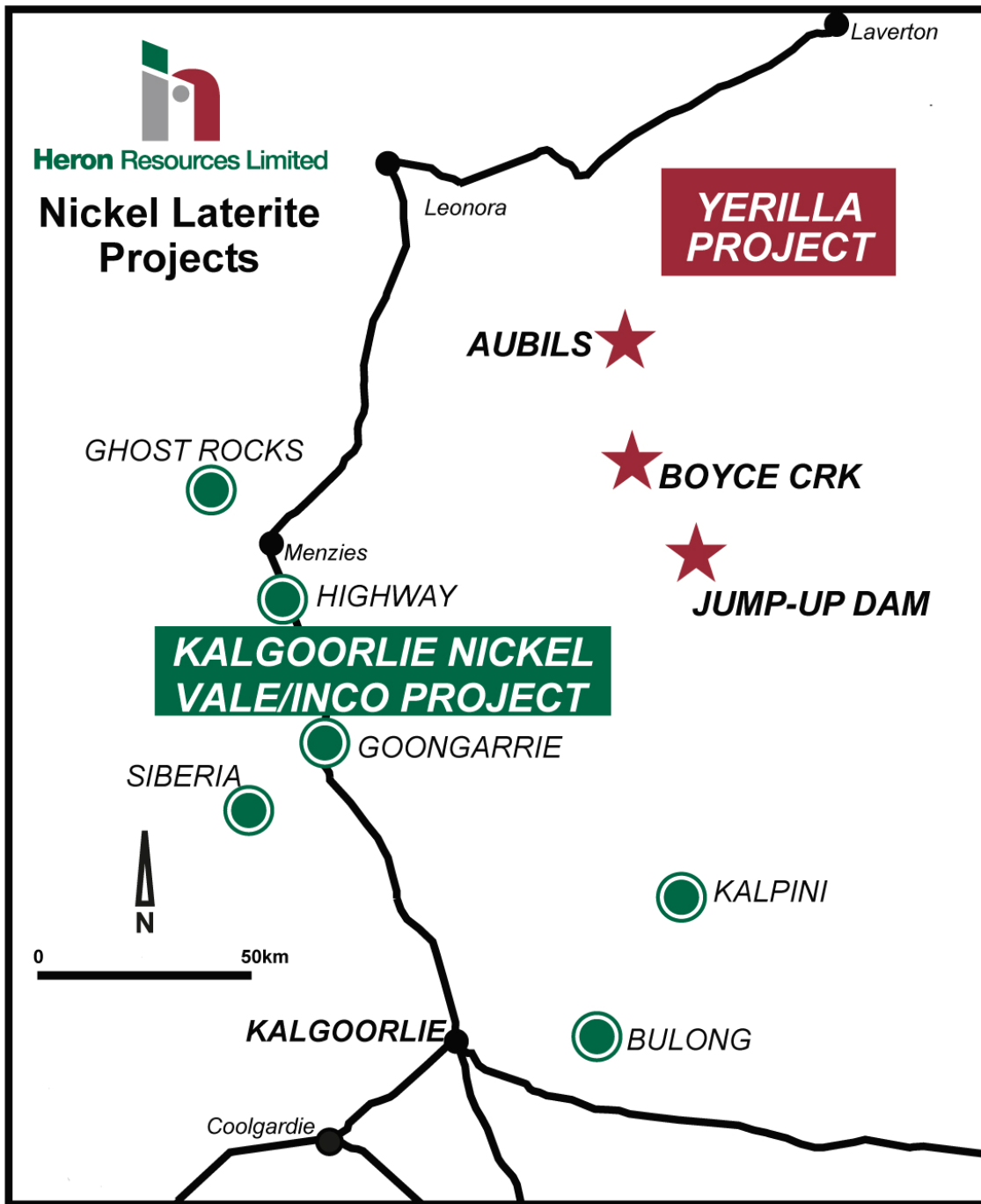
Table 1

Progress results of drilling greater than 0.5% nickel lower cut off with a minimum down hole width of 4 metres

Hole Number	Easting	Northing	Depth From	Depth To	Width and weighted average Nickel grade
Goongarrie Hill					
VGHRC0006	321295	6679243	18	26	8m @ 0.70pct
VGHRC0007	321375	6676400	11	21	10m @ 0.93pct
VGHRC0008	321295	6676400	45	51	6m @ 0.55pct
VGHRC0011	321340	6676640	13	25	12m @ 0.96pct
VGHRC0011	321340	6676640	28	33	5m @ 0.63pct
VGHRC0012	321259	6676640	14	21	7m @ 0.85pct
VGHRC0012	321259	6676640	45	62	17m @ 0.61pct
Highway					
VHIRC0003	315159	6696439	32	37	5m @ 0.72pct
VHIRC0005	314999	6696437	7	18	11m @ 0.6pct
VHIRC0006	314920	6696441	18	22	4m @ 0.73pct
VHIRC0008	314762	6696440	34	38	4m @ 0.54pct
VHIRC0009	314679	6696439	23	29	6m @ 1.06pct
VHIRC0010	314599	6696439	10	15	5m @ 0.73pct
VHIRC0010	314599	6696439	23	33	10m @ 0.75pct
VHIRC0011	314760	6696199	12	26	14m @ 1.59pct
VHIRC0012	314877	6696280	13	26	13m @ 0.94pct
VHIRC0012	314877	6696280	35	43	8m @ 0.61pct
VHIRC0013	314795	6696277	17	30	13m @ 0.90pct
VHIRC0014	314721	6696278	10	15	5m @ 0.58pct
VHIRC0014	314721	6696278	18	43	25m @ 0.76pct
VHIRC0015	314639	6696280	24	32	8m @ 1.17pct
VHIRC0016	314563	6696279	0	16	16m @ 0.81pct
VHIRC0016	314563	6696279	23	25	2m @ 0.54pct
VHIRC0017	314478	6696278	1	22	21m @ 0.84pct
VHIRC0018	315278	6696517	20	45	25m @ 1.07pct
VHIRC0019	315200	6696521	11	16	5m @ 0.60pct
VHIRC0020	315121	6696518	16	21	5m @ 0.64pct
VHIRC0021	315040	6696516	7	12	5m @ 0.53pct
VHIRC0021	315040	6696516	26	30	4m @ 0.71pct
VHIRC0022	314960	6696522	9	15	6m @ 0.65pct
VHIRC0023	314881	6696520	21	25	4m @ 0.63pct
VHIRC0024	314800	6696523	20	31	11m @ 0.74pct
VHIRC0025	314718	6696522	19	34	15m @ 0.72pct
VHIRC0026	314641	6696522	14	23	9m @ 1.04pct
VHIRC0029	315278	6696600	7	29	22m @ 0.73pct
VHIRC0031	315124	6696602	15	19	4m @ 0.55pct
VHIRC0032	315039	6696597	17	23	6m @ 0.58pct
VHIRC0034	314878	6696600	24	28	4m @ 0.74pct
VHIRC0035	314795	6696601	21	32	11m @ 0.76pct
VHIRC0036	314718	6696600	22	29	7m @ 0.83pct
VHIRC0039	315197	6696678	21	38	17m @ 1.18pct
VHIRC0040	315121	6696682	11	22	11m @ 0.67pct
VHIRC0041	315042	6696682	11	21	10m @ 0.63pct
VHIRC0044	314798	6696682	1	19	18m @ 1.34pct

Hole Number	Easting	Northing	Depth From	Depth To	Width and weighted average Nickel grade
VHIRC0045	314721	6696680	22	26	4m @ 0.57pct
VHIRC0049	314719	6696761	23	33	10m @ 0.79pct
VHIRC0049	315179	6696841	36	43	7m @ 0.53pct
VHIRC0050	315101	6696840	17	34	17m @ 1.03pct
VHIRC0051	315016	6696843	9	18	9m @ 1.1pct
VHIRC0052	315016	6696843	9	14	5m @ 0.87pct
VHIRC0054	314705	6696840	7	17	10m @ 0.83pct
VHIRC0055	314705	6696840	16	25	9m @ 0.71pct
VHIRC0068	314919	6696999	13	18	5m @ 0.63pct
VHIRC0069	314996	6696998	20	26	6m @ 0.82pct
VHIRC0071	314121	6697840	29	46	17m @ 0.55pct
VHIRC0073	315032	6697918	5	12	7m @ 1.02pct
VHIRC0073	315032	6697918	16	43	27m @ 0.62pct
VHIRC0076	314878	6698327	4	13	9m @ 0.78pct
VHIRC0092	313898	6699278	10	42	32m @ 1.00pct
VHIRC0092	313898	6699278	45	50	5m @ 0.59pct
VHIRC0092	313898	6699278	69	74	5m @ 0.53pct
VHIRC0095	314198	6699522	21	29	8m @ 0.66pct
VHIRC0095	314198	6699522	37	42	5m @ 0.82pct
VHIRC0096	314128	6699522	16	23	7m @ 0.64pct
VHIRC0096	314128	6699522	29	33	4m @ 1.13pct
VHIRC0097	314038	6699518	9	15	6m @ 0.57pct
VHIRC0097	314038	6699518	20	24	4m @ 0.55pct
VHIRC0098	314038	6699518	26	31	5m @ 0.98pct
VHIRC0100	313957	6699521	9	42	33m @ 0.68pct
VHIRC0101	313804	6699519	7	32	25m @ 1.07pct
VHIRC0108	313716	6699520	7	28	21m @ 0.64pct
VHIRC0109	313700	6699678	6	16	10m @ 0.83pct
VHIRC0110	313636	6699919	20	30	10m @ 1.00pct
VHIRC0112	313878	6699920	19	28	9m @ 0.62pct
VHIRC0202	315198	6697083	0	49	49m @ 1.24pct
VHIRC0203	315119	6697080	5	24	19m @ 0.83pct
VHIRC0204	315042	6697079	0	15	15m @ 0.76pct
VHIRC0204	315042	6697079	19	26	7m @ 0.63pct
VHIRC0206	314886	6697077	13	17	4m @ 0.59pct
VHIRC0206	314886	6697077	20	24	4m @ 0.72pct
VHIRC0206A	314883	6697077	20	26	6m @ 0.98pct
VHIRC0207	314804	6697079	12	41	29m @ 0.67pct
VHIRC0208	314338	6697160	28	38	10m @ 0.55pct
VHIRC0208	314338	6697160	42	46	4m @ 0.53pct
VHIRC0215	314882	6697236	8	23	15m @ 0.76pct
VHIRC0217	315041	6697237	8	15	7m @ 0.73pct
VHIRC0217	315041	6697237	60	66	6m @ 0.53pct
VHIRC0218	315122	6697237	13	45	32m @ 1.11pct
VHIRC0219	315202	6697236	3	30	27m @ 0.74pct
VHIRC0223	315117	6697317	2	38	36m @ 0.98pct
VHIRC0224	315042	6697316	10	27	17m @ 0.71pct
VHIRC0225	314959	6697320	9	21	12m @ 1.03pct
VHIRC0226	314879	6697317	20	35	15m @ 0.65pct
VHIRC0227	314800	6697317	10	17	7m @ 0.70pct

Hole Number	Easting	Northing	Depth From	Depth To	Width and weighted average Nickel grade
VHIRC0227	314800	6697317	24	39	15m @ 0.81pct
VHIRC0230	314059	6697559	2	18	16m @ 0.64pct
VHIRC0231	314139	6697559	38	44	6m @ 0.58pct
VHIRC0232	314220	6697558	19	35	16m @ 0.65pct
VHIRC0232	314220	6697558	44	54	10m @ 0.67pct
VHIRC0235	314660	6697517	27	38	11m @ 0.86pct
VHIRC0236	314743	6697521	42	46	4m @ 0.64pct



KALGOORLIE NICKEL PROJECT KEY POINTS

- The KNP is located near the City of Kalgoorlie Boulder in Western Australia's Eastern Goldfields 600 km east of Perth.
- Heron's 2007 annual report sets out a combined KNP JORC compliant resource of 903 million tonnes grading 0.74% Ni and 0.04% Co for a contained nickel content of some 6.6 million tonnes
- Vale Inco is currently conducting a Pre-feasibility Study for the KNP to outline what proportion of this large resource may be economically extracted and processed.
- At the completion of Step 1 of the KNP Pre-feasibility Study, Vale Inco concluded that the KNP was one of the largest undeveloped nickel laterite projects in the world.
- Heron believes it is the scale of the KNP, favourable sovereign risk and the infrastructure of the Eastern Goldfields has attracted BHPB (15.6%) and Vale Inco (13.46%) to the Heron share register.
- A budget of A\$13.8 million was established for the first six months of the Study, to May 2008. A further budget for the next six months will be set at the end of May 2008.
- While Vale Inco has not committed to a specific flowsheets or throughput, Heron has observed that most nickel laterite projects developed by major nickel companies are in the range of 40,000 tonnes and 60,000 tonnes of nickel production per annum. Heron does not expect the KNP, if ultimately developed, to be materially less than this production level.
- Vale Inco may earn 60% in the KNP by sole funding all feasibility studies, securing project finance, making a decision to mine and loaning Heron all but 4.5% of the equity component. This means Heron has a 40% interest in a 95.5% geared project and has to only make minimal equity contribution to construction.
- Heron is excited that the Eastern Goldfields, in which KNP is located, is attracting such interest from the major international nickel miners. The last year has seen the entry of Norilsk Nickel with the acquisition of the Cawse Nickel Laterite operation, adjacent to KNP tenements and the more recent acquisition of the LionOre Nickel Assets. This follows on the heels of BHP taking on WMC, and Vale Inco entering into the KNP agreement in 2005. More recently, Xstrata was successful with its bid for Jubilee Mines.