

23 November 2001

Heron Resources Limited Chairman's Address 2001

Ladies and Gentlemen,

Welcome to the 2001 annual general meeting held here in Kalgoorlie for the first time.

The past year has been particularly busy and very rewarding from your company's point of view.

Measured, Indicated and Inferred Mineral Resource for the Goongarrie, Kalpini and Satellite Projects is now over 400 million tonne at 0.8% Nickel and 0.06% Cobalt. A World class deposit. Importantly the key mining leases at Goongarrie have been granted.

The Receivership/Administration of Centaur and the resultant restructuring of the Cawse Nickel Operation is still uncertain and we are still awaiting the outcome of the receivers deliberations. We believe that Heron is well placed to participate in any ongoing development of the Cawse project.

During the year \$2.8 million was raised through a placement to ensure that the company's ongoing operations are well funded.

To enable proper focus to be applied to your company's projects, it was decided to form a subsidiary, Avoca Resources Limited, in to which Heron's non Nickel assets will be transferred allowing Heron to become a dedicated Nickel related business.

Subject to due diligence and timing, it is planned to list Avoca and in the process to make a 1 for 5 distribution (with no payment required) to Heron Shareholders and to enable you to receive a priority right to subscribe in the Initial Public Offering.

Avoca, under the leadership of Rohan Williams it's new Managing Director, has been pegging and acquiring and applying for some exciting Tenements, including some Applications, which are of course subject to grant, in the Gawler Craton.

Centaur Nominated Directors, Peter Lee and Stephen Dennis retired during the year and I thank them for their contribution.

Bob Colville has been an extremely dedicated and hard working Director of Heron. Bob has Recently taken a Managing Directors role in another Company and has found that time pressure prevents his continued contribution. At the end of this meeting Bob will retire and your Board proposes to appoint Craig Redhead to take his place. Bob's contribution to Heron has been outstanding, and I can't thank him enough both

personally and on the behalf of the shareholders.

I also wish to acknowledge the dedication and professionalism of Ian Buchhorn and his team.

Rod Evans
Chairman
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