



Phone: (08) 9091 9253
Fax: (08) 9091 9256
e-mail: heron@emerge.net.au
website: <http://www.heronresources.com.au>

31 October 1999

The Company Announcement Officer
Australian Stock Exchange Limited
Post Office Box H224 - Australia Square
SYDNEY NSW 2000

Dear Sir / Madam

RE: HERON RESOURCES NL, QUARTERLY REPORT, PERIOD ENDING 30 SEPTEMBER 1999

1. SUMMARY

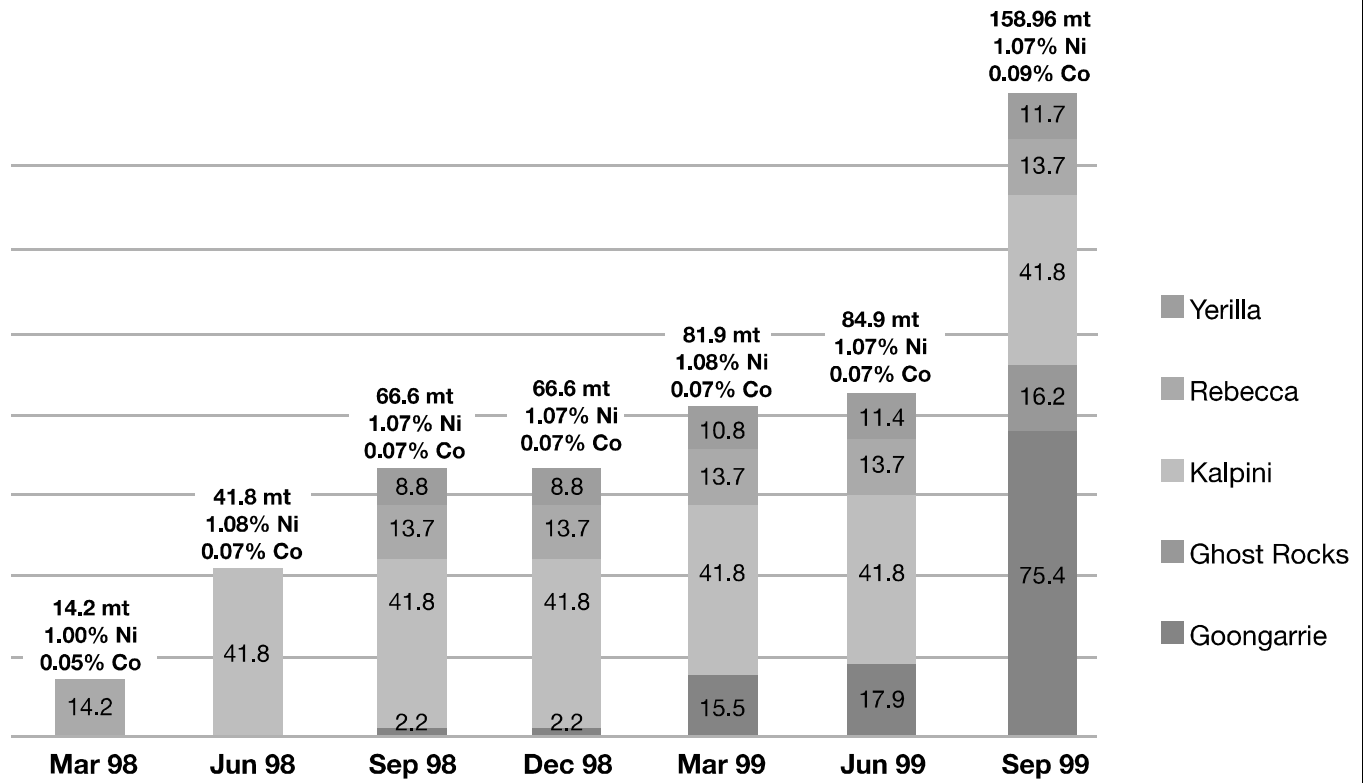
- As at 30 September 1999, the **Inferred Mineral Resource** above a 0.75% Ni cut-off for the Goongarrie-Ghost Rocks-Kalpini and satellite nickel projects was **158.9 million tonne at 1.07% Ni and 0.09% Co**. The resource increase during the September 1999 Quarter has resulted from new discoveries in the Ghost Rocks-Goongarrie project areas, where 11,395m of Reverse Circulation drilling in 245 holes was completed. The resource inventory has increased by 87% as a result of the current drilling (refer Figure 1).
- The **Inferred Mineral Resource** above a 0.50% Ni cut-off for the Goongarrie-Ghost Rocks-Kalpini and satellite nickel projects is now **324.8 million tonne at 0.83% Ni and 0.06% Co**, representing at US\$3.00/lb nickel and US\$10.00/lb cobalt an **in-ground metal value exceeding A\$34 billion**.
- **Strategic Alliance with Centaur Mining & Exploration Limited**

On 17 September 1999, a formal Strategic Alliance Agreement was executed between Heron Resources NL and Centaur Mining & Exploration Ltd. The main outcomes are:

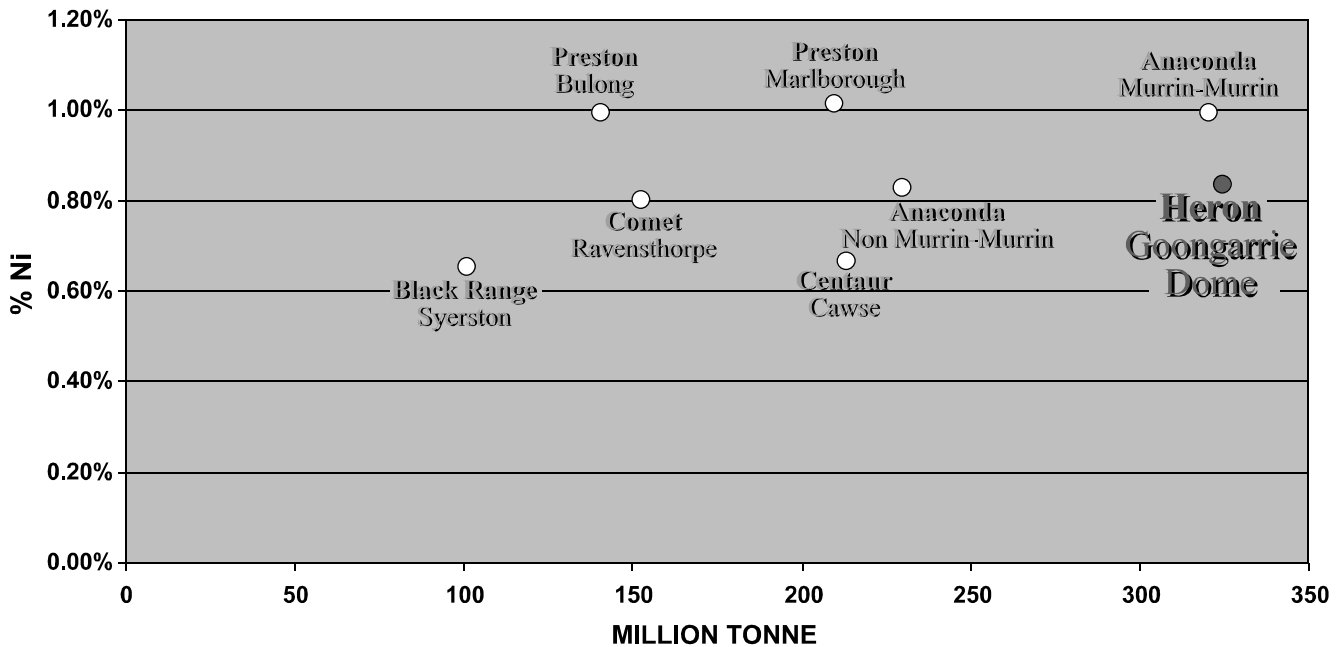
- Heron has received \$3.132 million from Centaur to fund its ore reserve drilling at the Goongarrie, Ghost Rocks and Kalpini Tenements, and Centaur on 28 September 1999 took up an entitlement to 10,440,000 Heron Shares. The cash injection by Centaur has facilitated the current drilling programs.
- Centaur at its sole cost will complete a Bankable Feasibility Study by 19 August 2001, and subject to concluding economic viability, will within two years award the Engineer-Procure-Construct-Manage contract for the construction of the expanded Cawse Stage II nickel laterite processing plant.
- Heron owns the Strategic Alliance Tenements 100%, but commits ore from the Tenements to Cawse Stage II. Heron is solely responsible for all mining, ore haulage and product sale in respect of ore and metal from the Tenements.
- Centaur and/or its nominee will 100% own and operate Cawse Stage II, but has allocated Heron a minimum entitlement to 20% of the ore throughput, expected to be at least 800,000tpa. Heron will not contribute towards the financing of Cawse Stage II, but will pay Centaur a per tonnage capital recoupment fee as part of the Toll Milling Agreement.
- Heron has an entitlement to toll mill parcels of ore through the current Cawse Stage I, for generating metallurgical data and interim cash flow over the next 2-3 years prior to the commissioning of Cawse Stage II. A proposed Stage I mining area is outlined in Figure 2.

The industry-wide rationalisation of nickel laterite resources and infrastructure within the Kalpini-Goongarrie-Cawse belt is now in train, as facilitated by the Heron-Centaur Strategic Alliance.

Figure 1 - Heron Resources NL - Increase in Nickel Laterite Resource Base



Tonnage-Grade Distribution - Australian Nickel Laterite Deposit



Note: Resources have variable lower cut-off grades of around 0.5% Ni, and variable levels of confidence, and are in certain instances qualitative.

- The exploration focus for the September Quarter has been the **delineation of mineable high grade nickel-cobalt mineralisation at the Goongarrie to Ghost Rocks Projects.**

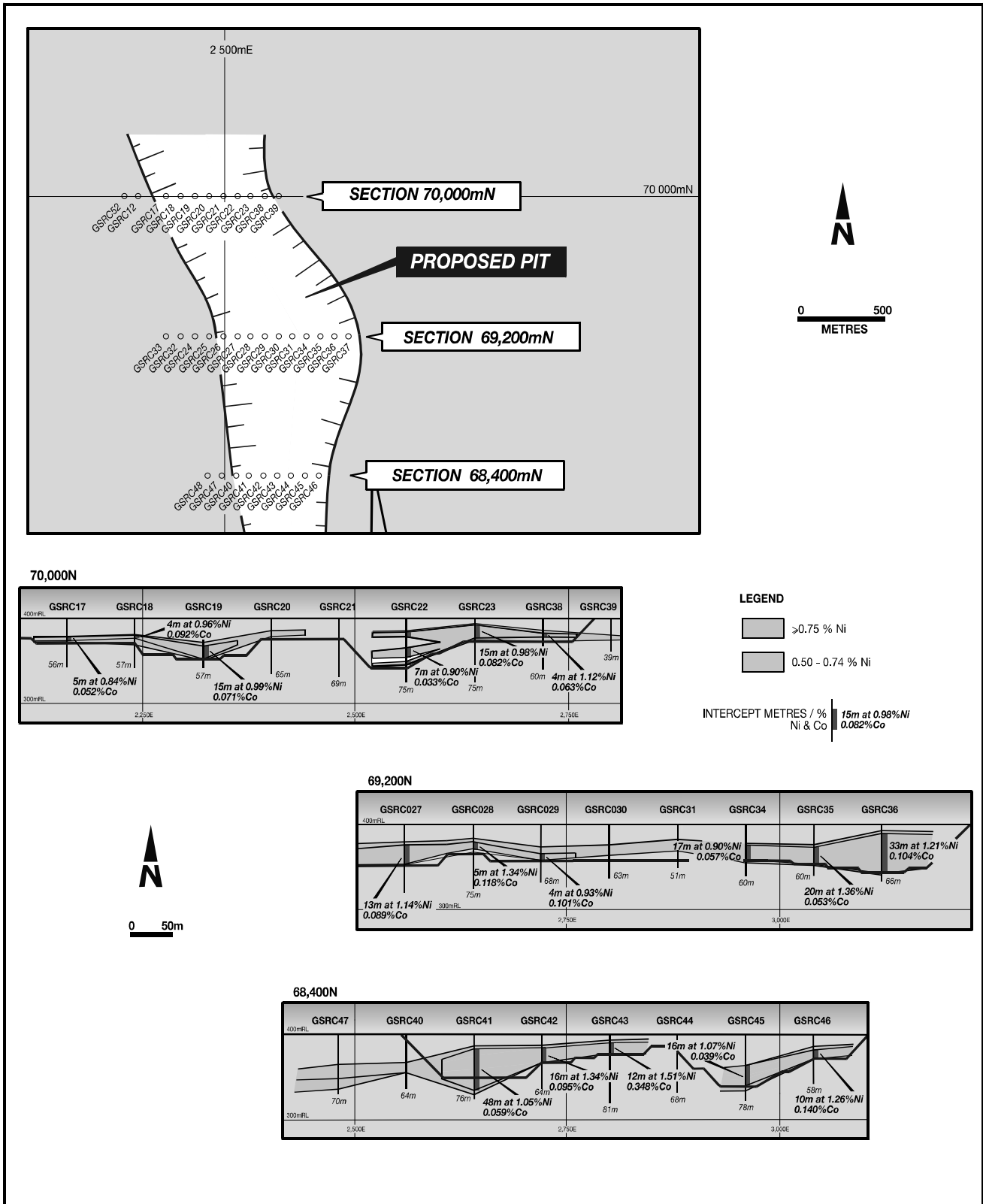
Significant results include:

- GRRC048, 18m at 1.07% Ni and 0.064% Co from 8m.
- GRRC080, 11m at 1.33% Ni and 0.098% Co from surface.
- GWRC017, 16m at 1.31% Ni and 0.052% Co from 7m.
- GWRC019, 15m at 1.13% Ni and 0.096% Co from 17m.
- GSRC002, 18m at 1.22% Ni and 0.102% Co from 13m.
- GSRC027, 13m at 1.14% Ni and 0.089% Co from 29m.
- GSRC035, 20m at 1.36% Ni and 0.053% Co from 27m.
- GSRC036, 52m at 1.11% Ni and 0.090% Co from 7m.
- GSRC041, 48m at 1.05% Ni and 0.059% Co from 17m.
- GSRC042, 16m at 1.34% Ni and 0.095% Co from 16m.
- GSRC043, 12m at 1.51% Ni and 0.348% Co from 10m.
- GSRC045, 16m at 1.07% Ni and 0.039% Co from 44m.
- GSRC046, 10m at 1.26% Ni and 0.140% Co from 18m.
- GSRC049, 4m at 0.96% Ni and 0.827% Co from 6m, 22m at 1.04% Ni and 0.070% Co from 17m.
- GSRC056, 20m at 1.13% Ni and 0.092% Co from 20m.
- GSRC057, 28m at 1.24% Ni and 0.072% Co from 13m.
- GSRC059, 12m at 1.10% Ni and 0.051% Co from 14m.
- GSRC060, 12m at 1.24% Ni and 0.238% Co from 18m.
- GSRC061, 12m at 1.02% Ni and 0.219% Co from 18m.
- GSRC063, 4m at 1.97% Ni and 1.810% Co from 21m.
- GSRC068, 16m at 1.32% Ni and 0.283% Co from 24m.
- GSRC069, 38m at 1.14% Ni and 0.095% Co from 11m.

The mineralised intercepts recorded by Heron during the September Quarter have been amongst the better intersections documented within the fledgling Australian nickel laterite industry. In particular, mineralised thicknesses of 10 to 52m with grades over 2m mining benches consistently exceeding 1.2% Ni and 0.1% Co are very encouraging. Despite a wide spaced 800x80m reconnaissance drill pattern, the Ghost Rocks-Goongarrie mineralisation has very good drill-indicated continuity, which correlates with specific aeromagnetic structural features.

- Heron's recent drilling confirms that the Goongarrie Dome now has significant documented nickel laterite deposits occurring clockwise around the Dome from Goongarrie (Heron), Cawse to Siberia (Centaur), Snake Hill (Heron and Gutnick Resources) and Ghost Rocks (Heron) (refer Figure 3). The combined published resource base at a nominal 0.5% Ni cut-off for Heron and Centaur on the Dome is 538 million tonne at 0.8% Ni and 0.05% Co (4.1 million tonne Ni metal, 0.28 million tonne Co metal) (refer Figure 1). This level of resource inventory suggests a 10mtpa processing operation warrants consideration.
- **The Ghost Rocks and Goongarrie discoveries are highly significant successes for the Company, and assure Heron of a key strategic position within the fast maturing Australian nickel laterite industry. In an industry where grade is paramount, Heron's grades are among the highest. At a 1.0% Ni cut-off, the Company's current Inferred Mineral Resource is 73.4 million tonne at 1.31% Ni and 0.113% Co.**

Figure 2 - Conceptual Pit Design - Ghost Rocks Goongarrie Project Area



RESOURCE STATEMENT

On the basis of Heron 800x80m and 400x40m reconnaissance drilling, outcrop exposures, old drill-hole sampling, and magnetic interpretation, the total Heron Inferred Mineral Resource at a 0.75% Ni cut-off is:

Table 1							
HERON RESOURCES NL NICKEL PROJECTS							
INFERRED MINERAL RESOURCE INVENTORY, 0.75% NI CUT-OFF							
Project	Pit	Strike	Width	Tonne	Ni	Co	Ni4Co
		km	km	Million	%	%	%
Goongarrie Hill	GN1	5.80	0.20	13.13	1.07	0.058	1.31
Goongarrie South	GN2	7.00	0.30	55.64	1.09	0.113	1.54
Scotia Dam	GN3	2.40	0.30	6.70	1.06	0.121	1.54
Total Goongarrie				75.47	1.09	0.104	1.50
Ghost Rocks	GR1	3.00	0.08	5.18	0.91	0.120	1.39
Ghost Rocks	GR2	4.50	1.00	11.06	1.02	0.060	1.26
Total Ghost Rocks				16.24	0.98	0.079	1.30
Acra North	KA1a	1.60	0.12	1.85	1.02	0.087	1.37
Acra North	KA1b	0.40	0.20	0.73	1.06	0.096	1.44
Acra North	KA1c	0.40	0.12	0.72	1.00	0.092	1.37
Acra North	KA1d	1.90	0.20	3.58	1.00	0.064	1.25
Acra North	KA2a	1.70	0.16	4.92	1.33	0.067	1.60
Acra North	KA2b	0.50	0.08	0.08	1.08	0.012	1.12
Acra North	KA2c	0.50	0.08	0.38	1.13	0.056	1.35
Wellington East	KA3	2.50	0.20	3.07	1.04	0.079	1.36
Wellington East	KA4	3.60	0.16	7.05	1.18	0.068	1.45
Wellington East	KA5	1.20	0.24	1.60	1.21	0.098	1.60
Wellington East	KA6a	1.00	0.16	2.64	1.04	0.097	1.43
Wellington East	KA6b	0.40	0.16	0.20	0.92	0.092	1.28
Wellington East	KA6c	3.00	0.20	6.51	1.04	0.060	1.28
Wellington East	KA8	2.30	0.30	4.92	0.97	0.087	1.31
Wellington Fold	KA9	1.10	0.20	2.10	0.88	0.067	1.14
Wellington North	KA10	0.80	0.20	1.51	1.04	0.059	1.27
Total Kalpini				41.85	1.08	0.074	1.38
STRATEGIC ALLIANCE TOTAL				133.56	1.07	0.091	1.44
Lake Rebecca	LR1	2.20	0.30	11.57	1.15	0.078	1.46
Lake Rebecca	LR2	1.10	0.15	2.05	1.03	0.031	1.15
Total Rebecca				13.62	1.13	0.071	1.42
Boyce Creek	YE1	1.00	0.20	6.02	0.95	0.092	1.32
Lady Byron	YE2	0.60	0.20	2.82	1.06	0.049	1.26
Aubils	YE3	0.80	0.20	2.88	0.99	0.096	1.37
Total Yerilla				11.71	0.99	0.083	1.32
HERON TOTAL				158.89	1.07	0.089	1.43

The resource estimate uses intercepts above 0.75% Ni over a minimum 2 metre vertical thickness, with a maximum 2 metre of internal waste within the calculated intercept.

For the Goongarrie to Ghost Rocks project area, an SG of 1.8 is assumed, based on production data for comparable ore types. At Kalpini, an SG of 1.6 is assumed, based on a range of 1.3 to 2.25 as inferred from drill chip logging, and validated by a 2,000m down-hole density log survey.

2. EXPLORATION REVIEW

2.1 CAUSE STAGE II STRATEGIC ALLIANCE PROVINCE

Tenement acquisition continues. The Heron Siberia Prospect has been added to the Strategic Alliance. The lease provides tenure to the northern part of the ultramafic succession that hosts the nickel laterite mineralisation at Centaur's Cause Extended deposit. A nickel soil anomaly with values of 700-1,532ppm Ni is indicative of lateritic nickel mineralisation.

A granted Mining Lease at Goongarrie Hill South has been purchased by Heron and offered to the Strategic Alliance. Five key tenements at Goongarrie were purchased from Killoran NL, pursuant to the Strategic Alliance.

2.1.1 Goongarrie Nickel Project

Heron 100%. Centaur holds toll milling rights to process ore through Cause Stage II.
Nickel (- gold)

Drill collars were surveyed for a 400x80m in-fill Reverse Circulation drilling program to define and upgrade the status of existing resources to Indicated Mineral Resource. This is required for the Pre-Feasibility Study by Centaur for the Cause Stage II expansion, the study planned for completion by June 2000.

Drilling will target high-grade ore zones defined from the 800x80m reconnaissance drilling. These zones are generally located in areas of structural complexity where deep and pervasive weathering has allowed greater groundwater access, resulting in the removal of relatively soluble Mg silicate minerals, with the resultant formation as a clay residue of high grade Ni-Co mineralisation.

Goongarrie Hill Prospect

During the Quarter, 1,174m of drilling was completed over the highly prospective central tenement area. A total of 22 vertical Reverse Circulation drill holes on four drill lines at 800x80m centres was completed (GWRC001 to 022).

Hole Number	North m	East m	From m	To m	Thick m	Ni %	Co %	Ni4Co %
GWRC001	76,800	1,280	11	14	3	1.46	0.067	1.72
GWRC004	76,800	1,450	2	9	7	1.25	0.059	1.48
			17	21	4	1.01	0.015	1.07
GWRC009	77,610	1,360	67	70	3	1.01	0.026	1.11
GWRC011	77,570	1,520	4	10	6	1.12	0.083	1.45
GWRC013	78,400	1,200	13	21	8	1.25	0.069	1.52
			34	40	6	0.92	0.021	1.00
GWRC014	78,400	1,280	11	16	5	1.05	0.035	1.19
GWRC015	78,410	1,365	6	12	6	0.88	0.057	1.11
GWRC016	78,415	1,445	32	38	6	0.90	0.041	1.07
GWRC017	78,420	1,510	7	23	16	1.31	0.052	1.52
GWRC019	79,200	1,280	17	32	15	1.13	0.096	1.51

In-fill drilling on a 400x80m pattern has commenced, to upgrade the resource to Indicated status.

Goongarrie South Prospect

Mining Lease application M27/272 totalling 697.8 hectares was lodged over the northern tenement area, where significant nickel-cobalt laterite intersections have been returned. Conversion of the remaining tenement area to Mining Leases is current.

During the Quarter, 5,834m of drilling was completed over the highly prospective central to northern tenement area. A total of 102 vertical Reverse Circulation drill holes on ten drill lines at 800x80m centres was completed (GSRC001 to 102).

Drilling conditions have been very difficult in some northern areas, with a number of holes encountering high water flows and poor sample recoveries. Heron's previous experience in similar drilling conditions is that the grade is under-estimated. The grade estimates thus have a lower than usual level of confidence. A larger air capacity rig has now been sourced, which should facilitate dry drilling conditions.

Drilling has consistently encountered siliceous limonite mineralisation overlying olivine adcumulate. The limonite mineralisation has a very low MgO (<1%), suggesting a very good autoclave performance.

Distinct eastern and western zones of mineralisation occur within the wide (up to 800m) olivine cumulate sequence. A narrow zone of predominantly non-mineralised orthocumulate separates the two high grade zones. Significant intersections are tabulated below.

Table 3 GOONGARRIE SOUTH PROSPECT RCP Drilling Significant Intersections, 0.75% Ni Cut-off								
Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %
GSRC001	71,600	2,160	13	18	5	0.89	0.054	1.10
GSRC002	71,600	2,080	13	31	18	1.22	0.102	1.63
GSRC011	70,800	1,760	28	37	9	0.95	0.050	1.15
GSRC013	70,800	2,240	39	41	2	1.20	0.075	1.49
GSRC016	70,800	2,480	22	26	4	0.98	0.040	1.14
GSRC018	70,000	2,240	19	23	4	0.96	0.092	1.33
GSRC019	70,000	2,320	32	48	16	0.99	0.071	1.28
GSRC022	70,000	2,560	16	21	5	1.18	0.052	1.39
			38	45	7	0.90	0.033	1.03
GSRC023	70,000	2,640	8	23	15	0.98	0.082	1.31
GSRC027	69,200	2,560	29	42	13	1.14	0.089	1.50
GSRC028	69,200	2,640	22	27	5	1.34	0.118	1.81
GSRC029	69,200	2,720	28	32	4	0.93	0.101	1.33
			37	41	4	1.09	0.097	1.47
GSRC032	69,200	2,240	34	50	16	0.83	0.162	1.48
GSRC034	69,200	2,960	24	41	17	0.90	0.057	1.13
GSRC035	69,200	3,040	27	47	20	1.36	0.053	1.57
GSRC036	69,200	3,120	10	43	33	1.21	0.104	1.63
			46	58	12	1.08	0.082	1.41
GSRC038	70,000	2,720	18	22	4	1.12	0.063	1.37
GSRC041	68,400	2,640	17	65	48	1.05	0.059	1.28
GSRC042	68,400	2,720	16	32	16	1.34	0.095	1.72
GSRC043	68,400	2,800	10	22	12	1.51	0.348	2.90
GSRC045	68,400	2,960	36	40	4	0.85	0.043	1.02
GSRC045	68,400	2,960	44	60	16	1.07	0.039	1.23
GSRC046	68,400	3,040	18	28	10	1.26	0.140	1.82
GSRC047	68,400	2,480	51	64	13	0.84	0.117	1.31
GSRC049	70,800	2,560	6	10	4	0.96	0.827	4.27
			17	39	22	1.04	0.070	1.32
GSRC054	64,400	4,080	20	28	8	0.86	0.092	1.23
GSRC056	64,400	4,240	20	40	20	1.13	0.092	1.49
GSRC057	64,400	4,360	13	41	28	1.24	0.072	1.53
GSRC059	63,600	4,240	14	26	12	1.10	0.051	1.30
GSRC060	63,600	4,320	18	30	12	1.24	0.238	2.19
GSRC061	63,600	4,400	18	30	12	1.02	0.219	1.90
GSRC063	63,600	4,160	21	25	4	1.97	1.810	9.21
			29	33	4	0.78	0.126	1.28

In-fill drilling on a 400x80m pattern has commenced, to upgrade the resource to Indicated status. Drilling should be completed by mid-December. A screen upgrade study has commenced on all >2m at 0.75% Ni intercepts.

Scotia Dam Prospect

The tenement block is 3km S along strike of the Goongarrie South Prospect. Based on aeromagnetic data and significant nickel laterite intersections in old RAB drilling, a 1.5km strike extent of komatiite in the northern prospect area is highly prospective for nickel laterite mineralisation.

During the Quarter, 1,331m of drilling was completed over the highly prospective northern tenement area. A total of 29 vertical Reverse Circulation drill holes on five drill lines at 800x80m centres was completed (SDRC001 to 029).

Table 4 SCOTIA DAM PROSPECT RCP Drilling Significant Intersections, 0.75% Ni Cut-off								
Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %
GSRC068	59,200	6,000	16	20	4	1.46	0.242	2.43
			24	40	16	1.32	0.283	2.45
GSRC069	59,200	6,080	11	49	38	1.14	0.095	1.52
SCRB0005	59,100	6,110	9	25	16	1.54	0.133	2.07
SCRB0021	55,810	7,370	33	36	3	1.11	0.029	1.23
SCRB0022	55,805	7,330	16	18	2	1.09	0.024	1.18

In-fill drilling on a 400x80m pattern is planned, to upgrade the resource to Indicated status. Drilling should be completed by mid-December. A screen upgrade study has commenced on all >2m at 0.75% Ni intercepts.

In addition, a 1.20x0.15km +20ppb soil gold anomaly with 78ppb Au peak will be drill tested in due course.

2.1.2 Ghost Rocks Nickel Project

Heron 100%. Centaur holds toll milling rights to process ore through Cawse Stage II. Nickel.

During the Quarter, 3,056m of drilling was completed over the highly prospective central tenement area. A total of 92 vertical Reverse Circulation drill holes on seven drill lines at 800x80m centres was completed (GRRC001 to 092).

Table 5 GHOST ROCKS NICKEL PROJECT RCP DRILLING, SIGNIFICANT INTERSECTIONS, 0.75% NI CUT-OFF								
Hole Number	North m	East m	From m	To m	Interval m	Ni %	Co %	Ni4Co %
GRRC001	29,600	3,520	27	33	6	1.18	0.179	1.89
GRRC007	29,600	4,640	17	21	4	1.11	0.069	1.39
GRRC029	31,200	3,280	9	11	2	1.02	0.039	1.18
GRRC038	31,200	3,200	24	27	3	1.00	0.029	1.12
GRRC048	32,000	2,800	8	26	18	1.07	0.064	1.32
GRRC057	32,000	0,720	16	19	3	1.04	0.177	1.57
GRRC062	32,000	0,800	20	22	2	1.07	0.215	1.93
GRRC074	30,400	3,760	17	20	3	1.45	0.132	1.98
GRRC075	30,400	3,920	6	8	2	1.11	0.263	2.16
GRRC079	30,400	4,160	0	6	6	1.02	0.054	1.24
GRRC080	30,400	4,180	0	11	11	1.33	0.098	1.72
			26	31	5	1.21	0.052	1.42
GRRC081	30,400	4,000	12	16	4	1.09	0.067	1.36
GRRC083	30,400	3,680	16	20	4	1.01	0.083	1.34
GRRC084	30,400	3,520	16	21	5	1.22	0.037	1.37
GRRC091	33,600	9,680	18	20	2	1.01	0.047	1.20

There are extensive areas of siliceous mineralisation uniformly assaying 0.7-0.9% Ni with high cobalt. This mineralisation style should upgrade through screening. In-fill drilling on a 400x80m pattern is planned, to upgrade the resource to Indicated status. Drilling should be completed by mid-December. A screen upgrade study has commenced on all >2m at 0.75% Ni intercepts.

2.1.3 Kalpini Nickel Project

Heron 100%. Centaur holds toll milling rights to process ore through Cawse Stage II.
Nickel (- gold)

A screen upgrade program has been designed for testing mineralisation from Zones 2,3,4 and 5, to evaluate the suitability for processing through the Cawse Stage II screening circuit. Following this program, it is proposed that selected high grade zones will be drilled out on an 80x40m pattern to confirm ore zone continuity. Mining Lease applications have all had ethnographic site clearance work completed.

2.2 KEITH KILKENNY PROVINCE

2.2.1 Malcolm Nickel Project

Heron 100%
Nickel (- gold)

A probable olivine cumulate sequence has been defined for lateritic nickel assessment. The project area is on the western margin of the Keith Kilkenny Tectonic Zone, and adjoins the Apollo Hill gold mining centre. This geological setting suggests gold prospectivity is high.

2.2.2 Edjudina Nickel Project

Heron 100%
Nickel (- gold)

Aubils Prospect

The tenements have now been purchased outright from Mavia Pty Ltd, representing an early exercise of the Mavia option. Scope exists for tenement rationalisation within the area. Ethnographic surveys are current.

2.2.3 Edjudina Gold Project

Heron 100%
Gold

Tenement rationalisation discussions are current, seeking an exchange of gold resources for nickel laterite exploration ground. Advanced prospects for exchange include **Bob's Bore** (11m at 1.08g/t Au), **Banjo** (28m at 1.41g/t Au), **Webb Find** (12m at 3.80g/t Au), **Yarri** (14m at 2.06g/t Au) and **Yilgangi** (4m at 1.75g/t Au).

2.2.4 Edjudina Laverton Joint Venture Project

Heron 100%, retains all nickel rights.
Croesus Mining NL right to earn 80% in gold projects only.

Proposed Croesus reconnaissance drilling programs for the December Quarter have been presented to Heron.

2.2.5 Southern Laverton Tectonic Zone Joint Venture Project

Heron 100%, retains all nickel rights.
Gutnick Resources NL right to earn 80% in gold projects only.

Gutnick Resources has commenced a comprehensive GIS data evaluation, identifying drill targets. Encouraging gold exploration results have been reported by Gutnick Resources within the region.

2.2.6 Mulgabbie Nickel Project

Heron 100%
Nickel (- gold)

Lake Rebecca Nickel Prospect

Scoping studies are current, including appraisal of ore hauling options. Detailed ore microscopy studies were completed for metallurgical assessment. An archaeological survey was completed for Lake Rebecca.

2.2.7 Karonie Project

Heron 100%
Gold (- nickel - base metals)

A joint venture proposal is currently being assessed, mainly targeting gold exploration.

2.3 SCOTIA KANOWNNA PROVINCE

2.3.1 Scotia Kanownna Project

Heron 100%
Nickel (- gold)

Regional nickel laterite compilations continue, for drill target definition. Heron has identified nickel laterite mineralisation at the Scotia East Prospect, with 18m at 0.6% Ni intersected within olivine orthocumulate. Silica cap is present. The Scotia East tenements have been converted into Mining Lease applications.

Farm-out is sought for granite-hosted gold targets with soil gold anomalies which adjoin Golden Cities.

2.3.2 Menzies East Joint Venture Project

Heron 100%. Golden State Resources right to earn 60%.
Gold - nickel

Golden State advise that regional studies continue.

2.4 EMU FAULT PROVINCE

2.4.1 Kalpini Gold Project

Heron 100%
Nickel infrastructure - gold

The project area comprises potential infrastructure sites and borefields for the Kalpini Nickel Project. The felsic volcanoclastic geological setting is comparable to that hosting the Carasue gold mine located to the northeast. Several gold targets occur within the project area. Heron's main interest is volcanogenic massive sulphide targets, as potential sulphur sources for the nickel laterite processing.

Discussions regarding farm-out of gold rights at Kalpini are current.

2.4.2 Gindalbie East Project

Heron 100%
Gold

Tenements along the gold mineralised GMQ structure have been converted to Mining Lease applications. Croesus Mining have announced the proposed commencement of mining at the Mayday North pit, which adjoins the Heron project area to the immediate south along strike.

Farm-out discussions are current.

2.4.3 Transline Project

Heron 100%
Nickel (- gold)

Exploration Licence applications have been lodged targeting Bulong-style lateritic nickel. Scope also exists for Golden Cities style granitoid gold mineralisation. Open file research indicates intersections of up to 4m at 1.21g/t Au from 31m within a 1.2 x 0.5km anomalous envelope at the saprock-bedrock interface.

Additional ground was acquired within the eastern project area covering highly anomalous +50ppb soil gold targets associated with the ore-hosting GMQ Shear Zone. GIS compilations to define drill targets are current.

2.5 MUNGARI PROVINCE

2.5.1 Mungari Northwest Joint Venture Project

Heron 100%. Kundana Gold right to earn 50%
Gold

Drill compilation studies following the completion of the 1999 drilling are current. Some rationalisation of ground holdings is planned. Key tenements have been converted into Mining Lease applications.

2.6 LEONORA LAVERTON PROVINCE

2.6.1 Laverton Nickel Project

Heron 100%
Nickel - gold

Merolia Prospect

The tenements cover the northern extension to the Cogleia Well nickel laterite-hosting ultramafic unit. Open file records show the presence of nickeliferous laterite. An expression of interest regarding a gold joint venture is being considered. Tenement grant is awaited

2.6.2 Laverton Joint Venture Project

Heron 100% Metex right to earn 70%
Gold (-nickel)

Metex advise that compilation of vacuum drilling data is current.

2.6.3 Mount Morgans Joint Venture Project

Heron 100% Metex right to earn 70%
Gold (-nickel)

Metex advise that a regional target overlay map is in preparation, to provide a focus for future exploration of the tenements. An intra-greenstone granitoid is targeted.

2.6.4 Victory Project

Heron 100%
Nickel (- gold)

Mt McClure South Prospect

Additional ground has been acquired by Heron 25km N along strike of the recently announced Thunderbox gold discovery at Wildara. Joint venture discussions are current.

Doyle Well Prospect

Discussions continue regarding the exchange of this tenement, which adjoins the Marshall Pool nickel laterite.

2.6 LAWRENCE FIND PROVINCE

2.6.1 Lawrence Find Project

Heron 100%

Copper - zinc - gold - nickel.

A review of all available exploration within the area covered by Heron's tenements identified several target areas warranting further investigation, including a 30km strike "epithermal gold" soil anomaly and a 50m thick massive "VMS" gossan. A joint venture proposal is being sought to further develop this project.

2.8 IDA FAULT PROVINCE

2.8.1 Snake Hill Joint Venture Project

Heron 100% Connemara right to earn 70%

Gold - nickel.

Connemara have completed a drill target definition study, as part of their Emerald Gold Mine development work. Several soil gold anomalies have been targeted for drill testing.

2.8.2 Frances Lesley Project

Heron 100%

Gold - nickel.

The project area is immediately NW along strike from known nickel sulphide drill intercepts. An expression of joint venture interest has been received, which will be evaluated once key tenements have been granted.

2.8.3 Blister Dam Joint Venture Project

Heron 100%. Delta Gold NL right to earn 75%

Gold (- nickel)

Delta Gold has completed Aircore drilling on 50m centres. Anomalous intercepts were returned, including:

Table 6 BLISTER DAM JOINT VENTURE PROJECT Aircore Drilling, Significant Intersections								
Hole Number	North local	East local	Declin	Azim	From m	To m	Interval m	Au g/t
BDA144	50200	18650	-90 ⁰	-	41	45	4	1.34
					47	53	6	1.13
BDA153	50100	18450	-90 ⁰	-	45	52	7	1.21
					62	76	14	2.89
BDA165	49900	16200	-90 ⁰	-	28	29	1	1.93
BDA195	49700	14600	-90 ⁰	-	41	43	3	1.10
BDA199	50200	18650	-90 ⁰	-	32	37	5	0.99
BDA208	50100	18370	-90 ⁰	-	94	100	6	1.05
BSC006	50020	18050	-90 ⁰	-	170	175	5	1.21
BSC008	50072	18450	-90 ⁰	-	70	80	10	1.23

The drilling encountered silica-carbonate-sulphide altered feldspar-phyric basalt, extending the known mineralisation and favourable altered host to a strike length of over 800m.

2.8.4 Bullabulling Project

Heron 100%
Nickel - gold.

Native Title negotiations have commenced to expedite grant of Exploration Licences. High priority nickel laterite targets are present, located within hauling distance of the Cawse nickel laterite plant.

2.8.5 Yilmia Hill and Cowan Projects

Heron 100%
Nickel - gold.

Grant of tenement applications is awaited. The project area is north along strike of the Mount Thirsty lateritic cobalt-nickel deposit, and adjoins several gold mining centres.

Field reconnaissance and digital data base compilation has commenced, with initial interpretation indicating a Zuleika Shear Zone structural setting. More specifically, a "Ghost Crab granitoid pressure shadow" quartz stockworks gold target zone is indicated. Literature studies confirm several oil shale occurrences.

Joint venture discussions on gold rights only are current.

2.9 KAMBALDA DOMAIN PROVINCE

2.9.1 Binduli East Project

Heron 100%
Gold - nickel.

MPI Gold has withdrawn from the Binduli East joint venture. Discussions have commenced with a potential new joint venture partner.

2.9.2 Kurramia and Mount Martin Projects

Heron 100%
Gold - nickel.

The intensely gold mineralised Boorara Shear Zone underlies the project areas. In addition, ultramafic units in the area have documented lateritic nickel-cobalt. Target generation is on-going. A previous soil geochemical survey returned anomalies of up to 1,100ppb Au.

Joint venture discussions on gold rights only are current.

2.10 SOUTHERN CROSS PROVINCE

2.10.1 Bungalbin Project

Heron 100%
Gold - nickel.

The project area is east along strike of the Marda gold mining centre and west and adjacent to the Mount Dimer gold mine, within an area of pervasive laterite cover. The main gold ore host in the region is banded iron formation (BIF).

Lateritic nickel potential in footwall ultramafics is indicated from Heron's literature reviews. Follow up of the target is awaiting grant of Exploration Licences.

2.10.2 Bungalbin Iron Royalty Project

Heron 100%. Portman Mining Ltd right to acquire iron ore rights through a royalty payment to Heron.
Iron ore.

Dominant lithology is an E-W trending ridge of BIF. The project area includes an iron ore **Inferred Mineral Resource** estimated from Heron's open file study at **65.7 million tonne at 57.9% Fe**, with a calcined grade of

64.1% Fe. Within this global resource, it is felt that good potential exists for smaller high iron-low phosphorus ore positions, often localised in favourable structural settings.

Portman is completing a mining assessment for ore to supplement the Koolyanobbing iron ore operation. Heron holds a Royalty entitlement over iron ore production from Bungalbin. A Heritage Protection Agreement is being finalised.

2.10.3 Maggie Hayes Hill Project

Heron 100%
Nickel - gold.

Strong joint venture interest has been expressed in the project area, which covers a komatiite-basalt contact within the nickel sulphide-hosting Maggie Hays komatiite belt. A tenement swap or farm-out is being considered.

2.11 BREMER-EUCLA PALAEO DRAINAGE PROVINCE

The 4,785km² Balladonia and Ravensthorpe project areas located 200km S of Kalgoorlie in the Bremer-Eucla Palaeodrainage province have indications of substantial oil shale and lignite resources, exceeding 1.57 billion tonne at an indicative oil yield of 95 litres per tonne ("l/t"). Based on Heron's GIS compilation, the Company controls in excess of 600km² of prospective oil shale basins. The impact of this energy, sulphur and limestone resource on Heron's potential nickel laterite cashflows is yet to be quantified.

2.11.1 Balladonia Oil Shale Project

Heron 100%
Oil shale - lignite - sulphur - limestone - heavy mineral sands-vanadium.

Compilation of exploration work by previous explores is current, to identify and prioritise areas for future development by Heron. At this preliminary stage, several metallogenetic models for various commodities have been developed, all of which have potential for world-class mineral deposits. Indicative oil shale resources are:

Table 7 BREMER-EUCLA PALAEO DRAINAGE OILSHALE PROVINCE Inferred Mineral Resource			
Deposit Name	Tonnage Million Tonne	Waste:Ore Inferred Ratio	Fischer Oil Yield litre/tonne
Florabel	650	5.0	50
Coobaninya	270	7.0	150
Subtotal	920	5.6	80
Balladonia West 1	120	1.9	40
Balladonia West 2	180	1.0	105
Balladonia West 3	20	0.8	105
Balladonia West 4	100	1.5	70
Balladonia West 7	200	2.0	190
Balladonia West 9	30	3.5	135
Subtotal	650	1.7	115
TOTAL	1570	4.0	95

The Balladonia lignite has a higher ash content and lower specific energy values than Victorian brown coals, but is comparable to the Leigh Creek deposits being actively mined in South Australia. A positive and unusual attribute of the Balladonia lignite is its oily character, with yields of up to 190 l/t. The yields are comparable to oil shale deposits such as Stuart and Rundle in Queensland, which are undergoing pilot scale testwork and production.

In the past, the high salt content of the Eucla Basin lignite was regarded as a deleterious component in power station feedstock. However, Heron has targeted lignite with a low salt content, such as the 0.2% chloride inferred for the Balladonia Homestead deposit. Furthermore, modern processing methods are being developed, such as "Advanced Pressurised Fluid Bed Combustion", which have the capacity to remove alkali vapours from the gas ahead of the gas turbine.

Heron has commenced a Scoping Study using Balladonia West 7 as the conceptual model (low strip ratio, high oil yield, proximity to downstream energy users).

2.11.2 Dundas Oil Shale Project

Heron 100%

Oil shale - lignite - sulphur - limestone - heavy mineral sands-vanadium - gold.

Heron's Mining Lease applications have been recommended for grant. Both gold and oil shale targets are present, being localised within a Tertiary graben structure. The provenance area is the Dundas gold mining centre, which is interpreted to be a favourable source of detrital gold. More importantly, the graben is likely to be localised on reactivated Archaean structures, which are potentially gold-bearing, and thus prospective for Tertiary palaeo-channel gold occurrences.

Table 8 COMPARISON OF TYPICAL ANALYSES OF AUSTRALIAN BROWN COALS						
Registered Holder	Leigh Ck SA Elect Trust	Bowmans SA Elect Trust	Loy Yang Vic Elect Trust	Coobaninya WA Heron	Florabel WA Heron	Balladonia WA Heron
Tonnage million tonne	500	1250		270	650	
Moisture %	30.0	56.0	62.3	60.0	12-16 air dried	66.0
Ash %	27.0	11.6	1.7	25.0		25.0
Specific Energy MJ/kg as received basis	13.7	11.0	8.0	n/a	n/a	n/a
Specific Energy MJ/kg dry basis			26.5	21.8		
Sulphur %	0.4	5.2	0.4	5.0	High	High
Sodium %		1.6		2.9		1.69 acid soluble
Chloride %		1.5	0.1	4.5		0.2
Oil yield modified Fischer l/t				150	20-78	68-133
Contained oil billion litre				40.5	13.0- 50.7	
Fixed Carbon	35-42		47		26	
Volatiles					33.5	

2.11.3 Ravensthorpe Oil Shale Project

Heron 100%

Oil shale - lignite - sulphur - limestone - heavy mineral sands-vanadium.

The principal target is the Flower Prospect oil sands. Oil shale resources are also held by Heron at Lort River and Native Dog Swamp. No resource estimates are as yet possible.

2.12 GAWLER CRATON PROVINCE

2.12.1 G2 Project

Heron 100%

Gold - copper - uranium - diamonds

Tenement reductions were completed. A joint venture partner is being sought to sole fund drill testing of kimberlitic aeromagnetic targets. Digital data bases have been prepared for evaluation by prospective partners.

I J BUCHHORN

MANAGING DIRECTOR

The information is based on, and accurately reflects, information compiled by Ian James Buchhorn, who is a Member of the Australasian Institute of Mining and Metallurgy.

Glossary of Terms

“Aircore drilling” means a rotary drilling technique which uses compressed air to cut a core sample and return core fragments to surface inside the drill rods. The drill sample quality is generally good.

“Au” means gold.

“BCM” means Bank Cubic Metre, which is a unit of volumetric measurement of the undisturbed material in a mine.

“Co” means cobalt

“Cu” means copper.

“g/t” means grams per tonne.

“Granitoid” means a type of coarse-grained igneous rocks that contain abundant quartz and feldspar.

“km” means kilometres.

“km²” means square kilometres.

“Komatiite” means an ultramafic rock with high magnesium content extruded from a volcano. Textural variations include:

- “Orthocumulate” means a rock which exhibits a high proportion of crystallised trapped interstitial (“intercumulus”) liquid. The surrounded (“cumulus”) olivine crystals are subhedral to euhedral in form.
- “Mesocumulate” means a rock with cumulus crystals exhibiting extensive mutual boundary contact, but retaining some recognisable interstitial material. This rock type is prospective for lateritic nickel.
- “Adcumulate” means a rock with little or no intercumulus material and characterised dominantly by anhedral crystals. This rock type is regarded as prospective for nickel laterite mineralisation.

“m” means metres.

“Mineralisation” means, in economic geology, the introduction of valuable elements into a rock body.

“Ni” means nickel.

“Oil Shale” means a sedimentary rock containing hydrocarbon material termed kerogen.

“Olivine” means a magnesium-iron silicate mineral, often occurring in rocks prospective for nickel.

“Prospect” means a target upon which exploration programs are planned or have commenced.

“Project” means a grouping of prospects within a geographic location, often with a common geological setting.

“Province” means a grouping of projects within a geological district defined by a major crustal structure.

“ppb” means parts per billion.

“ppm” means parts per million (1g/t equals 1ppm, and 1000ppb equals 1ppm).

“RAB drilling” means the drilling technique in which a sample is returned to surface outside the rod string by compressed air. The drill sample may be subject to some degree of contamination.

“RC drilling” means the drilling method employing a rotating or hammering action on a drill bit which returns a sample to the surface inside the rod string by compressed air.

“ROM” means run of mine ore, referring to the grade and type of ore that is expected to be fed to the processing plant on a day to day basis.

“Shear Zone” means a zone in which crushed rock has been produced by the action of a shearing stress as on a fault. This setting is often favourable for the occurrence of gold mineralisation.

“Specific Gravity” or “SG” is the mass per unit volume of material, usually in reference to ore and waste.

“Waste: Ore ratio” means BCM of waste + BCM of low grade sub ore divided by BCM of ROM ore.

“Ultramafic” means rocks composed almost entirely of mafic minerals, which are prospective for nickel.

“VMS” means volcanogenic massive sulphide, which relates to base metal sulphide mineralisation.

Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

HERON RESOURCES NL

ACN or ARBN

068 263 098

Quarter ended ("current quarter")

30 September 1999

Consolidated statement of cash flows

Cash flows related to operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for: (a) exploration and evaluation
(b) development
(c) production
(d) administration
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Other (provide details if material)

Current Qtr \$A'000	Year to Date (3 months) \$A'000
(322)	(322)
(112)	(112)
14	14
(420)	(420)
(16)	(16)
(16)	(16)
(436)	(436)

Net Operating Cash Flows

Cash flows related to investing activities

- 1.8 Payment for purchases of: (a) prospects
(b) equity investments
(c) other fixed assets
- 1.9 Proceeds from sale of: (a) prospects
(b) equity investments
(c) other fixed assets
- 1.10 Loans to other entities
- 1.11 Loans repaid by other entities
- 1.12 Other (provide details if material)

Net Investing Cash Flows

- 1.13 Total operating and investing cash flows (carried forward)

1.13 Total operating and investing cash flows (brought forward)	(436)	(436)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.	3,132	3,132
1.15 Proceeds from the sale of forfeited shares		
1.16 Proceeds from borrowings		
1.17 Repayment of borrowings		
1.18 Dividends paid		
1.19 Other (provide details if material)		
- Share Issue Expenses		
Net financing cash flows	3,132	3,132
Net increase (decrease) in cash held		
1.20 Cash at beginning of quarter/year to date	1,286	1,286
1.21 Exchange rate adjustments 19		
1.22 Cash at end of quarter	3,982	3,982

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current Qtr \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	61
1.24 Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries and superannuation (45).
 Provision of secretarial services by director related entities (1).
 Provision of office accommodation and yardage by director related entities (15).

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

See attached schedule

Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	
Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	174	209
5.2 Deposits at call	3,808	1,077
5.3 Bank Overdraft		
5.4 Other (provide details) Bank Bills		
Total: cash at end of quarter (Item 1.22)	3,982	1,286

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	See attached schedule		
6.2 Interests in mining tenements acquired or increased	See attached schedule		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 Preference securities (description)				
7.2 Issued during quarter				
7.3 Ordinary securities	69,600,000	69,600,000		
7.4 Issued during quarter	10,440,000	10,440,000		
7.5 Convertible debt securities (description)				
7.6 Issued during quarter				
7.7 Options (description)	10,000,000	Nil	Exercise Price 25	Expiry Date 30/06/2000
	125,000	Nil	25	28/8/2001
	150,000	Nil	25	01/09/2001
	500,000	Nil	25	15/12/2001
	65,000	Nil	25	05/03/2002
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

1. Golden State Resources NL has the right to earn a 60% equity interest in the Menzies East Joint Venture Project tenements through sole funding the initial \$250,000 of exploration.
2. Metex Resources NL has the right to earn a 70% equity interest in the Laverton Joint Venture Project tenements through sole funding the initial \$500,000 of exploration.
3. Metex Resources NL has the right to earn a 70% equity interest in the Mount Morgans Joint Venture Project tenements through sole funding the initial \$200,000 of exploration.
4. Connemara Gold Mines Pty Limited has the right to earn a 70% equity interest in the Snake Hill Joint Venture Project tenements through sole funding the initial \$300,000 of exploration.
5. Kundana Gold Pty Limited has the right to earn a 50% equity interest in the Mungari Northwest Joint Venture Project tenements through sole funding the initial \$3,000,000 of exploration.
6. Delta Gold NL has the right to earn a 75% equity interest in the Blister Dam Joint Venture Project tenements through sole funding the initial \$1,000,000 of exploration
7. Mount Kersey Mining NL has the right to earn an 80% equity interest in the Southern Laverton Tectonic Zone Joint Venture Project tenements through sole funding the initial \$1,200,000 of exploration expenditure. Mount Kersey will continue to sole fund exploration until a Decision to Mine is made.
8. Croesus Mining NL has the right to earn an 80% equity interest in the Edjudina and Laverton Joint Venture Project tenements through sole funding the initial \$750,000 of exploration expenditure. Croesus will continue to sole fund exploration until a Decision to Mine is made.
9. Portman Mining Ltd has entered into an option to purchase the Bungalbin and Mount Jackson Project tenements for \$25,000 and at least \$250,000 of exploration expenditure. Heron will retain a FOB royalty on any Iron Ore sold from the tenements, and Heron will retain all other mineral rights.

6.1 Interests in Mining Tenements relinquished, reduced or lapsed

<i>Tenement Reference</i>	<i>Nature of Interest</i>	<i>Interest Beginning Quarter</i>	<i>Interest End of Quarter</i>
E27/164	Registered Holder	100	0
E28/576	Registered Holder	100	0
E28/591	Registered Holder	100	0
E28/602	Registered Holder	100	0
E28/612	Registered Holder	100	0
E28/613	Registered Holder	100	0
E28/1032	Registered Applicant	100	0
E29/456	Registered Applicant	100	0
E36/307	Registered Holder	100	0
P16/1729	Registered Holder	100	0
P27/1242	Registered Holder	100	0
P27/1265	Registered Holder	100	0
P27/1354	Registered Holder	100	0
P27/1358	Registered Holder	100	0
P27/1359	Registered Holder	100	0
P27/1407	Registered Holder	100	0
P27/1408	Registered Holder	100	0
P27/1409	Registered Holder	100	0
P27/1412	Registered Holder	100	0
P27/1414	Registered Holder	100	0
P27/1446	Registered Holder	100	0
P27/1447	Registered Holder	100	0
P27/1470	Registered Holder	100	0
P27/1485	Registered Holder	100	0
P37/5097	Registered Holder	100	0
P37/5122	Registered Holder	100	0
P37/5513	Registered Holder	100	0
P37/5514	Registered Holder	100	0
P37/5515	Registered Holder	100	0
P37/5516	Registered Holder	100	0
P37/5517	Registered Holder	100	0
P37/5518	Registered Holder	100	0
P37/5519	Registered Holder	100	0
P37/5520	Registered Holder	100	0
P37/5521	Registered Holder	100	0
P37/5522	Registered Holder	100	0
P37/5523	Registered Holder	100	0
P37/5524	Registered Holder	100	0
P37/5525	Registered Holder	100	0
P37/5526	Registered Holder	100	0
P37/5527	Registered Holder	100	0
P37/5528	Registered Holder	100	0
P37/5529	Registered Holder	100	0

6.2 Interests in Mining Tenements acquired or increased

<i>Tenement Reference</i>	<i>Nature of Interest</i>	<i>Interest Beginning Quarter</i>	<i>Interest End of Quarter</i>
E15/655	Registered Applicant	0	100
E15/656	Registered Applicant	0	100
E29/464	Registered Applicant	0	100
E29/465	Registered Applicant	0	100
E39/345	Sale Agreement	0	100
E63/707	Registered Applicant	0	100
E63/708	Registered Applicant	0	100
E63/709	Registered Applicant	0	100
E63/711	Registered Applicant	0	100
E63/713	Registered Applicant	0	100
E63/717	Registered Applicant	0	100
E63/720	Registered Applicant	0	100
E74/278	Registered Applicant	0	100
E74/279	Registered Applicant	0	100
E74/280	Registered Applicant	0	100
E74/281	Registered Applicant	0	100
E74/282	Registered Applicant	0	100
E74/283	Registered Applicant	0	100
M24/798	Registered Applicant	0	100
M24/799	Registered Applicant	0	100
M24/800	Registered Applicant	0	100
M27/382	Registered Applicant	0	100
M27/383	Registered Applicant	0	100
M29/272	Registered Applicant	0	100
M31/281	Registered Applicant	0	100

Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here:

for Company Secretary
 Ross Arancini

Date: __31.10.99__

Print name:

_____ Ian Buchhorn _____

Notes

1. The quarterly report is to provide a basis for informing the market how the activities of the entity for the past quarter have been financed and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
4. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
