



HERALD RESOURCES LIMITED

QUARTERLY ACTIVITIES REPORT MARCH 2009



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DAIRI ZINC/LEAD PROJECT

Herald	80%
PT Antam	20%



OVERVIEW

Development activities at the Dairi zinc/lead project continued throughout the quarter.

The Dairi Feasibility Study (“DFS”) is based solely on a 1Mtpa development of the high-grade Anjing Hitam deposit (diluted Reserves 6.5Mt @ 14% Zn, 9% Pb) for an initial mine life of 7 years, although substantial other Resources also exist within the project area, e.g. Lae Jehe, where ongoing drilling has thus far delineated Resources of 11.3Mt @ 10% Zn, 6% Pb.

FORESTRY APPROVAL PROCESS

The Company has previously advised that it is awaiting forestry approval in order to proceed to full development of the Dairi Project.

Due to the protracted delay in obtaining the forestry approval, the Company has ceased port and road construction activities associated with the project.

DEVELOPMENT UPDATE

All construction contracts for work in North Sumatra have been terminated.

The Construction Camp and Kuala Port Site have been placed on care and maintenance basis.

A dedicated team has been assigned to maintain all equipment in storage.

Although there have been some staff cutbacks, the PT Dairi Prima Mineral (PTDPM) offices in Jakarta, Sidikalang and Parongil remain open.



EXPLORATION

Anjing Hitam

No activity.

Lae Jehe

The Lae Jehe prospect is located about 1.5km north of the main Anjing Hitam orebody and 800m north of the planned concentrator site. Lae Jehe is the most advanced target to provide future mill feed following the initial 7 year mine life at Anjing Hitam.

The resources remain open at depth and along strike in both directions and there is thus very good potential for increasing the Lae Jehe resources with ongoing drilling during 2009 and beyond.

Drilling

There was a temporary hiatus in drilling at Lae Jehe during the March quarter.

Lae Jehe Pre-Feasibility Program

No progress.

Basecamp Resource

Drilling early in the Exploration Period identified a low grade resource of 800,000 tonnes @ 7.2% Zn and 4.3% Pb at the Basecamp sector, between Anjing Hitam and Lae Jehe.

In December quarter 2008 SOP297D and SOP298D intersected thinly laminated sulphide mineralization and one zone of massive sulphides within Julu Shale, down-dip of drill holes SOP06D and SOP05D. The assay results from the massive sulphide intercept of SOP298D were received early this quarter and averaged:

1.31 meters @ 10.0% Zn and 5.7% Pb from 132.60 meters down hole.

This intersection is comparable to the mineral intercepts of the earlier drill holes, and while thinner than hoped, provides more evidence of the continuity of the shale-hosted Zn-Pb mineralization along the eastern limb of the Sopokomil Dome, from Anjing Hitam to Basecamp to Lae Jehe.

Sinar Pagi

The Sinar Pagi prospect is located approximately 20 kilometers north of Sopokomil. Previous drilling had intersected significant widths of lead-silver-zinc oxide mineralization.



The 2008-2009 drilling programme commenced late in the September quarter 2008.

In November-December 2008 drill hole SPA020D on drill section 20000E tested the 200m gap between the significant Pb-Ag-Zn oxide intercept of drill hole SPA09D and the thin, primary mineralization intersected at depth by SPA18D.

SPA20D intersected the first significant interval of primary lead mineralization at Sinar Pagi, a quartz-galena vein breccia which averaged 8.0m @ 11.6% Pb and 157 g/t Ag (Table 8). It is located some 250m vertically below surface and some 75m down-dip of the high grade oxide intercept of SOP09D.

Drill hole SPA21D then tested the eastern limits of the mineralization on section 20100E. It failed to intersect any significant mineralization but intersected a large fault zone and it is suspected that the mineralization is terminated or off-set by faults.

Significantly, the lower part of SPA21D intersected carbonaceous shale and siltstone which locally hosts stratiform pyrite lamina. This is the first recorded occurrence at Sinar Pagi of laminated sulphides in carbonaceous shale, which may be interpreted as the distal representation of a shale-hosted, base metal sulphide deposit. This boosts the prospectivity of Sinar Pagi and the Tiga Lingga Corridor for the discovery of Sopokomil-style, shale-hosted base metal mineralization.

Photograph of Drill Core from SPA21D



Pyrite lamina and veins in carbonaceous shale, tightly folded and dragged along micro faults which are partially occupied by quartz-carbonate veins. This type of structure is also observed at Anjing Hitam and Lae Jehe.



Drill hole SPA22D was then drilled diagonally across the grid between sections 20000E and 20100E, in order to determine the eastern limit of the mineralization.

SOP22D intersected an oxidized, hydrothermally altered upper sequence of siltstone and shale, which is separated from the deeper carbonates by an oxidized zone of quartz breccia and gossan which hosts up to 2% remnant chalcopyrite-galena. The oxidized quartz breccia is located approximately mid-way between sections 20000E and 21000E and returned moderate to high grade oxide values of 10m @ 31.4% Pb and 133 g/t Ag, underlain by lower grade quartz breccia mineralization (Table 8).

Drill hole SPA23D was then drilled to replace the failed drill hole SPA13D on section 20100E. It intersected a massive limestone which host three, 5m to 13m zones of partially oxidized quartz vein/breccia containing between 4% and 16% base metal mineralization, including galena, lead-zinc oxides and minor zinc and copper sulphides. Logging and sampling of SPA23D was in progress as of the end of the quarter.

All new mineralized drill intersections and assay results received in the quarter are shown in the table below:

Table 8 Sinar Pagi Drill Intersections

Hole	Collar Position		Dip/ Azim. (mag)	From (m)	To (m)	Width (m)	ETW (m)*	Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Ox*/ Sulp
	North	East										
SPA20D	29870	20000	-75 / 039	284.00	292.00	8.00		0.22	11.6	1.9	157	Sulp
incl:				285.67	287.00	1.33		0.18	23.0	1.6	205	Sulp
& incl:				288.00	290.00	2.00		0.51	24.6	2.4	380	Sulp
SPA21D	29900	20100	-60 / 040	No significant assay results								
SPA22D	29900	20100	-72 / 007	271.00	281.00	10.00	5.30	0.06	31.4	0.04	133	Ox
and:				281.00	286.00	5.00	2.65	0.54	7.0	0.59	13	Ox
and:				286.00	299.60	13.60	7.20	0.29	1.9	2.09	23	Ox

*Oxide / Sulphide

Buluh Laga

The Buluh Laga prospect is located 21km northeast of Sopokomil in the Juhar sector of the Dairi CoW. Galena-sphalerite mineralization occurs within breccia exposed by a shallow open pit or trench, which was excavated in past decades. Exploration by PT. Dairi Prima Mineral identified high grade lead-zinc-silver values in rock and soil samples within an extensive alteration zone.

Preparations for a 3 hole, scout drilling programme continued this quarter, including clearing of the drill pads and access tracks. Drilling was however postponed until later in 2009.

Additional rock chip and soil sampling was undertaken this quarter to define the western extent of the strong Pb-Zn-Ag soil anomalies detected by sampling in previous years.



Regional Exploration

Regional reconnaissance and prospecting was undertaken of reported base metal and gold occurrences at the Barus area, southwest of the Dairi CoW. Results are unavailable as yet.

Environment

One additional groundwater monitoring bore GW04 was drilled at the Bondar Begu TSF site, bringing to four the number of groundwater monitoring bores at the TSF and the mine village. GW04 was included in the Q1-2009 groundwater monitoring programme.

The quarterly sampling of surface and ground water for Q1-2009 was completed and the analytical results for the surface water samples are consistent with previous sampling in that the results generally meet the government standard PP82/2001. There are 5 sampling points at upstream Lae Sopokomil, including Lae Julu and Lae Jehe, which assayed in the range 0.05 to 0.205 mg/L Zn, above the PP82/2001 standard = 0.05 mg/L Zn. The highest value was the upstream Lae Jehe sample, which also returned dissolved Pb at 0.036 mg/L, marginally above the government standard of 0.03 mg/L Pb.

These elevated Zn and Pb values are consistent with previous sample results and are to be expected due to weathering of the numerous outcrops of Zn-Pb mineralization in the headwaters of Lae Sopokomil and Lae Jehe.

The results of dissolved metals analysis for the Q1-2009 groundwater monitoring meet the government standard, except for Zn which is above the government limit for the three monitoring wells which intersect the Anjing Hitam ore deposit. These 3 groundwater samples assayed in the range 0.074 to 3.28 mg/L Zn, compared to the government standard value = 0.05 mg/L Zn. Again, groundwater from the Anjing Hitam deposit should be expected to contain high values of zinc, which is readily soluble in water compared to say, lead.



SARKEA BASE METALS PROJECT

This area is centered about 10km south of the Dairi Project's Anjing Hitam deposit. It was held under two successive SIPP prospecting permits covering 9,606ha. No more than 2 SIPPs are permitted by law, and Herald Resources Limited has been advised that no further exploration permits will be granted pending the implementation of the new Indonesian mining law, which was passed by the national parliament on 16th December 2008 and came into effect in January 2009. The full implementation of the new law is currently awaiting supporting government regulations, which are expected to be promulgated during the latter part of 2009.

Under the terms of the new mining law, the exploration permit must take the form of an IUP Eksplorasi (Mining Business Permit for Exploration), which is a fundamentally different form of license compared to the previous Contract of Work system.

No field work was undertaken during this quarter.

MELUAK GOLD PROJECT Aceh Province Herald 22% via unlisted Corona Gold Ltd

Previous exploration at Meluak was undertaken within a 2,760ha SIPP prospecting permit issued by the Gayo Lues Regency to Jag Mining Corp. Ltd. ("Jag"), a 100% owned subsidiary of Corona Gold Ltd. incorporated in Malaysia.

Agreement was reached in late 2007 with the Regency authorities and the Mines Branch in Aceh about converting the SIPP to a Contract of Work, which is deemed desirable prior to resuming drilling, and the Contract of Work application was submitted on 28th January 2008. This CoW application was submitted by Jag (95%) and the local Gayo Lues government company GLM (5%).

Jag and the Gayo Lues government formalized an MOU during the September quarter 2008 which provided for GLM to apply for a new SIPP to conduct exploration until the CoW or exploration permit is issued to a new PMA company, to be owned 95% by Jag and 5% by GLM.

Under the terms of the new mining law, the exploration permit must take the form of an IUP Eksplorasi (Mining Business Permit for Exploration).

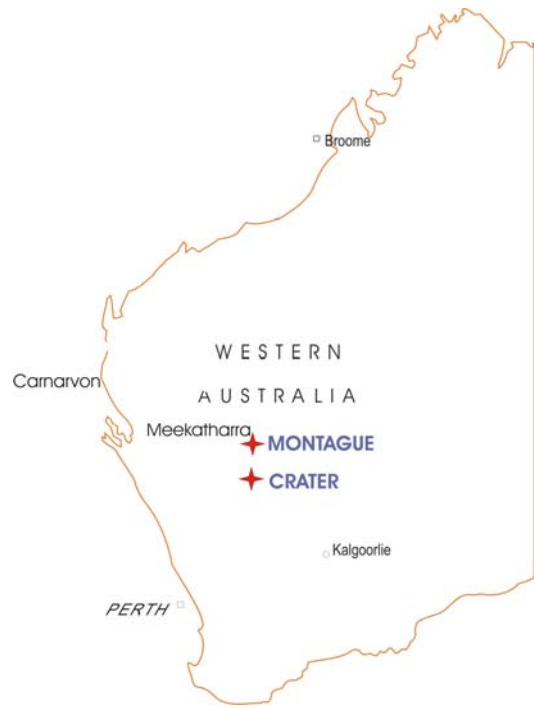


MONTAGUE GOLD PROJECT

Herald 15% Free Carried

Airport (M 57/98, M57/99)

No work completed this quarter.



N.B. The above information is based on reports provided by WCP Resources Ltd, manager of the Montague JV.

CRATER GOLD PROJECT

Herald 20% free carried

No work completed this quarter.

N.B. The above information is based on reports provided by Gateway Mining Ltd manager of the Crater Gold JV.



CORPORATE

Cash Reserves

At the date of writing, the parent company Herald Resources Ltd held cash deposits of \$8.56M.

E W BALL

Chief Executive Officer

Dated this day 30th day of March 2009.

NOTE: Sections of information contained in this report that relate to Exploration Results and Mineral Resources were compiled or supervised by Mr Ian Bruce BSc (Hons), MSc in Mineral Exploration. Mr Bruce, is currently the Exploration Manager (Senior Site Geologist) Dairi Zinc/Lead Project and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he was undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Bruce consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.



CORPORATE DIRECTORY

DIRECTORS

K P Farrell, (Chairman) BE (Civil Hons), B Com,
Grad Dip Comp Dir, MIE Aust, MAusIMM,
FAICD

E W Ball, Ba. App Sc. Mechanical Eng,
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COMPANY SECRETARY

Lynton McCreery

SHARE REGISTRY

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APPLECROSS WA 6153

AUSTRALIAN BUSINESS NUMBER

15 008 672 071

SHARE CAPITAL

201.9M shares

BANKERS

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