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22 March 2004

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

Dear Sir / Madam

**HERON RESOURCES LIMITED (ASX Code HRR)**  
**SALE of MT ELVIRE and BUNGALBIN PROJECTS**

Heron Resources Limited ("Heron") has reached agreement with Scimitar Resources Limited ("Scimitar") for the sale of Heron's Mt Elvire Project and non-iron ore rights at Heron's 100%-owned Bungalbin Project. The sale is subject to the execution of a formal Sale and Purchase Agreement.

Consideration for the transaction is \$75,000 in cash and 2,000,000 fully paid ordinary shares in the capital of Scimitar, being a total consideration of \$475,000.

Scimitar is a forthcoming IPO intending to raise \$4 million, and is managed by mining executive Mr Terry Topping. Scimitar has existing interests in the Bungalbin region.

The sale by Heron of its non-nickel laterite projects such as Mt Elvire and Bungalbin is maintaining the Company policy of divestment of non-core projects to focus on the development of its world class Kalgoorlie Nickel Project.

Yours sincerely

Ian Buchhorn  
Managing Director