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14 April 2004

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

Dear Sir / Madam

**RE: HERON RESOURCES LIMITED, KALGOORLIE NICKEL PROJECT  
PURCHASE OF MINERAL RIGHTS FROM BULONG NICKEL OPERATION**

Heron Resources Limited ("Heron") advises that it has entered into a heads of agreement ("Agreement") for the purchase of mineral rights for mining tenements in the Bulong Project ("Mineral Rights") which are beneficially owned by Bulong Operations Pty Ltd (Receivers and Managers Appointed)(In Liquidation) and Bulong Nickel Pty Ltd (Receivers and Managers Appointed)(In Liquidation) (together termed the "Vendor").

The Agreement does not include the acquisition of the plant and infrastructure assets of the Bulong Project, but does require negotiation in good faith to provide Heron with access to the plant and infrastructure tenements for the purposes of exploration, mining and development.

**1 CONSIDERATION**

The consideration to be paid by Heron to the Vendor for the purchase of the Mineral Rights is as follows:

- 1.1 A\$50,000 as a non-refundable cash payment to secure an exclusivity period in which to complete the purchase of the Mineral Rights, to be completed on or before 31 December 2004.
- 1.2 A\$50,000 as a refundable cash payment.
- 1.3 Issue and allotment of ordinary fully paid Shares in Heron at an issue price equal to the weighted average price of Heron Shares on the ASX for the 30 days prior to the completion of the purchase, such that the value of those Shares issued equals A\$1,450,000.
- 1.4 Either:
  - 1.4.1 if Heron's wholly owned subsidiary Regent Resources Limited ("Regent") lists on ASX on or before 31 December 2004:
    - a. the issue and allotment of 7,000,000 ordinary fully paid shares in Regent at an issue price of A\$0.25; and
    - b. the issue and allotment of 7,000,000 options in Regent, exercisable at A\$0.35 on or before the date five years from the admission of Regent to the Official List of ASX;
  - or:
  - 1.4.2 if Regent is not listed on ASX on or before 31 December 2004, then the issue and allotment of Heron Shares to the value of A\$2,240,000.

1.5 If neither 1.4.1 nor 1.4.2 is complied with, then Heron or Regent must promptly pay to the Vendor a cash payment of A\$2,240,000.

The total consideration as cash, and/or Heron Shares and/or Regent shares and options is A\$3,790,000.

## 2 CONDITIONS

The payments pursuant to 1.3 to 1.5 above are subject to certain conditions which are normal in a transaction of this style.

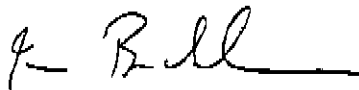
No third party has a pre-emptive purchase right to the Mineral Rights.

The Bulong Project area is located 90km SE of Heron's North Kalgoorlie Nickel Project, and 40km SW of Heron's Hampton Nickel Project, and as such, represents a significant consolidation of Heron's nickel laterite resource inventory for the Kalgoorlie Nickel Project.

The Hampton Nickel Project, now represented by Bulong with the Kalpini and Lake Rebecca prospects, is dominantly saprolite and nontronite nickel laterite ore. The North Kalgoorlie Nickel Project, represented by the Goongarrie, Siberia, Highway and Ghost Rocks prospects, consists of siliceous and goethite ore. In terms of Heron's proposed Enhanced Acid Leach processing flow-sheet, Bulong is now a key strategic asset of the Kalgoorlie Nickel Project, being the main source of saprolite ore for low pressure acid leaching and neutralisation.

Further details of the Bulong acquisition and its potential contribution to the future development of Heron's Kalgoorlie Nickel Project will be provided in due course.

Yours sincerely



Ian 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 (AusIMM) and has 30 years experience as an exploration geologist, 20 years experience as a mineral economist, and 7 years experience in evaluating nickel laterite mineral resources, and has the appropriate relevant qualifications, experience and competence to be considered as a "Competent Person" as defined in the JORC Code.*