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

facsimile 1300 300 021

Dear Sir / Madam

CHAIRMAN'S ADDRESS, HERON RESOURCES LIMITED

The text of the address by Craig Readhead, Chairman of Heron Resources Limited ("Heron") to the Annual General Meeting of Heron in Kalgoorlie on 28 November 2002 is as follows:

"It is with pleasure that I present my Chairman's Address to this the seventh Annual General Meeting of Heron Resources Limited. As a company Heron is focused on deriving Shareholder value from the acquisition and development of high quality nickel assets. It continues to vigorously pursue high grade Nickel Laterite acquisition opportunities within the North Kalgoorlie Nickel Project ("NKN Project"), comprising the Goongarrie and Kalpini Nickel Laterite projects.

During 2002 the Company concentrated upon evaluating various production opportunities for the Goongarrie Nickel Project. The main thrust was the possible purchase through a consortium, of the Cawse Nickel Operation from the Receiver and Manager of Centaur Mining & Exploration Limited ("Centaur"), Heron's former Strategic Alliance partner. A purchase was not considered prudent at the time, when considering prevailing metal prices, project scale and cost regime. Two advanced stage production options are however under current review by the Board.

Goongarrie with its high grade and excellent metallurgy remains the premium Australian Nickel Laterite asset, and the Company views that its value can only increase as existing orebodies are depleted through production. The Board remains committed to development options at Goongarrie which minimise the capital and technical risk exposure for Heron.

Heron Resources Limited, Development of Nickel Assets

The Nickel Laterite sector in Australia has been a difficult area in which to operate during 2002, reflecting the performance challenges of the three "First Generation" Nickel Laterite projects.

Heron's stated preference has been to develop as an "upstream" ore supplier through its substantial land bank, rather than take on the debt service risk of being a "downstream" ore processor. However, subject to appropriate terms, Heron is prepared to make its resources available to a new "Second Generation" standalone operation. Ongoing conceptual studies by both

Heron and its consultants do in fact confirm that the standalone option is becoming more favoured, reflecting improvements to existing Nickel Laterite flowsheets.

Shareholders will be aware that Heron recently announced that it had become a party to a Technical Cooperation Agreement with Jinchuan Group Limited and Minerals Processing and Marketing Pty Ltd, and that representatives of Jinchuan last week completed a highly successful site visit to the NKN Project.

Jinchuan is a \$1.5 billion company which is the largest producer of nickel, cobalt and PGMs in China with an annual capacity of around 55,000t of nickel, 60,000t of copper, 1,000t of cobalt, 35,000 ounces of PGMs and 350,000t of sulphuric acid.

We expect to hear from Jinchuan by January 2003 as to whether they wish to take the NKN Project to the next stage, which would be an approximate \$40 million feasibility study by Jinchuan to earn their equity. This would be an exciting opportunity for Heron to become part of a new "Second Generation" standalone Nickel Laterite operation.

At the same time though, Heron maintains on-going discussions with both Anaconda at Murrin Murrin and OMG at Cawse.

In addition to Nickel Laterite, Heron is considering a possible Nickel Sulphide IPO or joint venture opportunity with a very respected person in the nickel industry.

As a result Heron's acknowledged ability to cost-effectively acquire attractive tenement packages, it now holds a large portfolio of non-nickel tenements which are available for farm outs or a future IPO. These opportunities continue to be evaluated and advanced at minimal cost to Heron.

Avoca Resources Limited, Spin-off of Gold Assets

Heron's gold assets were successfully "spun-off" into an independent listed company known as Avoca Resources Limited ("Avoca"), which listed on ASX on 15 April 2002. Heron Shareholders, following the 1 for 5 in specie distribution and subscription to the Avoca Initial Public Offer ("IPO"), owned approximately 50% of Avoca at listing. We wish Avoca every success, and look forward to Heron Shareholders being well rewarded with their Avoca in specie shareholding.

Heron has retained a strategic interest in Avoca through holding 6,000,000 escrowed vendor options. More significantly, Heron retains full nickel rights over some 2,000km² of ultramafic-hosting tenements transferred to Avoca. Avoca remains responsible for on-going tenement maintenance, thus preserving future nickel resource targets at no cost to Heron.

Changes to Major Heron Shareholders during 2002

OMG Cawse Pty Limited ("OMG") has purchased 15,890,310 Shares in Heron (as well as the Cawse Nickel Operation) from the Receiver and Manager of Centaur. OMG is a Cleveland-based international nickel and cobalt refiner and marketer, and is now the Company's second largest Shareholder (15.1%). Cawse is OMG's only significant mining operation world-wide, with OMG dominantly a chemicals rather than mining company.

You will be aware from recent press reports that OMG has had some financial issues related to its cobalt hedging, and there has been press speculation over OMG's continued involvement with

Cause. Heron has a very good working relationship with OMG and is keeping the position under review.

***Resource Capital Fund II L.P.** ("RCF") subscribed for 4 million ordinary Shares in the capital of Heron to raise A\$1.04 million, together with 2 million three year Options. RCF is a Denver-based institutional resource investor, and is now the Company's third largest Shareholder (3.8%). RCF potentially brings to Heron the availability of significant project management skills and access to world capital markets.*

Heron Board and Staff during 2002

Long term Heron Board members and mentors Bob Colville and later Rod Evans resigned during the year. Their contribution to Heron has been immense, having laid the foundations for developing Goongarrie as a future base for long term cashflow.

With Rod Evans' leaving, I was appointed Chairman, and Company Secretary Ross Arancini agreed to act as interim director. Ross and I are both committed to the same corporate governance and technical standards espoused by Rod and Bob.

Your Board looks forward to the continued support of all of its Shareholders. The Board acknowledges the enthusiastic efforts and technical professionalism of its management and staff, and takes this opportunity to express its sincere thanks. Staff efforts to add value to our Company are often remarkable in their scope, tenacity and energy of execution.

One thing you probably notice in photographs in successive Heron Annual Reports is that the Staff never seem to change, its always Ian, Dave, Alan, Sue and Simon. Unfortunately, Simon leaves us in two weeks to pursue a new career in the eastern states. We wish Simon well, and acknowledge his key role in the exploration team that discovered our world-class nickel asset, Goongarrie.

Finally, I would like to acknowledge the outstanding efforts and leadership provided by Ian Buchhorn to Heron, the company he founded 7 years ago. It is not always the case in emerging companies such as Heron that the Managing Director has such drive, vision and integrity.

And behind all good men stands a strong woman. This is certainly the case with Ian. His wife Pam contributes a substantial voluntary effort to Heron, and has at various times personally visited most of our Kalgoorlie Shareholders with announcements and the like. This very much typifies the spirit and culture of Heron, and sets us apart from most others in the mining industry.

*C L Readhead
Chairman*

29 November 2002"

This concludes the Chairman's address.

Yours sincerely



Ian Buchhorn
Managing Director