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30 April 2003

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

Dear Sir / Madam

**HERON RESOURCES LIMITED, QUARTERLY REPORT ENDING 31 MARCH 2003**

**QUARTER HIGHLIGHTS**

• **Nickel Laterite**

*Heron Resources Limited ("Heron") held a preliminary meeting with Jinchuan Group Limited ("Jinchuan") at Shanghai in the Peoples Republic of China to discuss the North Kalgoorlie Nickel Project ("NKN Project"). A further meeting is planned in China, once Heron has finalised its resource estimates and completed an independent technical audit.*

*The in situ unscreened resource has increased to **185 million tonne at 1.04% Ni and 0.08% Co** at a 0.75% Ni cut-off grade, reflecting recent pegging and purchase acquisitions in the Siberia and Goongarrie Hill areas.*

*With screening of Siliceous Ore as appropriate, Heron's total diluted Inferred Mineral Resource estimate exceeds **100 million tonne at 1.2% Ni** at a 1.0% Ni Leach Feed Grade cut-off. This resource level is felt to be the minimum requirement for a Standalone Nickel Laterite processing operation.*

*The Heron drilling data base has been totally re-structured to facilitate Feasibility Study resource estimation, and in particular, allow semi-quantitative estimation of the Screen-Upgrade resources. An independent consultant has been retained to conduct a technical audit and resource estimation as appropriate, including the screened resource estimate.*

*Ore supply discussions continue with the Anaconda-Glencore Murrin Murrin and OMG Cause Nickel Laterite operations.*

• **Gold and Base Metal Sulphide**

***Regent Resources Limited** ("Regent") has finalised its tenement acquisition program. The leading Regent projects are the Bardoc Tectonic Zone and Yindarlgooda gold and VMS projects, both hosting drill-defined gold resources. Heron will retain all Nickel Rights.*

• **Nickel Sulphide**

***Pioneer Nickel Limited** ("Pioneer") has continued to progress towards de-merger, with the "spinning off" of Heron's Nickel Sulphide assets into a new public company.*

*The Heron projects proposed to be sold to Pioneer are predominantly associated with the Ida Fault-Zuleika Shear Zone within the Pioneer-Coolgardie Ultramafic Belt, which hosts a number of Nickel Sulphide deposits. Discussions are current with parties interested in acquiring the Pioneer Nickel Sulphide portfolio through the issue of vendor shares to Heron.*

## 1. SUMMARY

### Heron Resources Limited

- Heron has continued to acquire tenements within the Walter Williams Formation (“WWF”) ultramafic lithology in the Goongarrie-Windanya-Siberia area, the focus for the **North Kalgoorlie Nickel Project** (“NKN Project”).
- Nickel Laterite drill exploration has continued during the March 2003 Quarter, with siliceous Screen-Upgrade ore being drilled out at Windanya-Blue Dam. The June 2003 Quarter drilling program has been finalised for Laverton, and tenders sought. Once the Laverton drilling is completed, the rig will move to Scotia Dam, where approval to drill on an 80x80m pattern has been granted and collars surveyed in. Collar survey has also commenced for an 80x80m drill pattern at Goongarrie Hill.
- Heron continues to investigate the provision of ore through ore supply mechanisms outside of the NKN Project. Discussions exploring the potential viability of processing Goongarrie ore through the Murrin Murrin Nickel Laterite treatment facility have re-commenced. Discussions continue with regard to Ore Supply to the Cawse treatment facility.
- The **Regent Resources Limited** gold/base metal and **Pioneer Nickel Limited** nickel sulphide IPOs continue to make progress, with high quality tenement acquisitions completed during the Quarter. Heron will remain a Nickel Laterite company entirely focussed on the NKN Project.
- During the Quarter, Heron made an offer to those Shareholders with Unmarketable Parcels providing them with an opportunity to either:
  - (a) “Top up” their Shareholding to 10,000; or
  - (b) Have their Shares sold on market on the Shareholder’s behalf.

With the proposed “spin-off” of Pioneer and Regent, and with Heron Shareholders proposed to receive preferential share entitlements and/or share issues as the case may be, it was felt to be prudent for the Company to first offer to rationalise the Unmarketable Parcels.

- Heron completed a placement to private investors for 3.2 million ordinary Shares in the capital of Heron at 16.3 cents per share, to raise \$521,600. The funds are for additional working capital.

### Regent Resources Limited

- Old gold mining areas at Goongarrie have been purchased, including the Goongarrie Lady open cut, which has a remnant resource estimated by previous explorers at around 50,000 tonne. Previous mining ceased due to a wall collapse whilst mining was still in high grade supergene gold ore. Heron will access part of the lease for infrastructure purposes.
- Agreement in principal was reached to purchase additional gold rights covering historic lines of lode in the vicinity of the Windanya and Vettensburg gold mining centres. There has been minimal previous drilling of these targets, which is most unusual in the context of the Eastern Goldfields.

### Pioneer Nickel Limited

- Six advanced stage, “walk-up” soil Cu-Ni-PGM geochemical and/or TEM drill targets have been acquired by Pioneer, being located within the **Pioneer** and **Acra Project** areas.
- As well as its current exploration portfolio, Pioneer has been developed as a vehicle for the acquisition of an advanced stage Nickel Sulphide project, either pre- or post-IPO.

## 2. OPERATIONS REVIEW

### 2.1 KALGOORLIE NICKEL PROVINCE

#### 2.1.1 Goongarrie Nickel Project

Heron 100%.  
Nickel - gold.

##### ***North Kalgoorlie Nickel Project***

Discussions continue between Heron and Jinchuan to appraise the possible development of the NKN Project as a standalone Nickel Laterite processing operation. No results have as yet been received from Jinchuan's metallurgical testing of the Goongarrie ore.

The Heron **Siberia Prospect** has been supplemented by recent pegging covering a 3km strike of Walter Williams Formation ("WWF"). Interpretation of the previous tenement holder's drilling results indicates an Inferred Mineral Resource of **11.4 million tonnes at 0.97% Ni** at a 0.75% Ni cut-off, occurring predominantly as Screen-Upgrade Siliceous Ore.

Heron RC drilling during the Quarter covered a 3km strike of WWF at the **Windanya-Blue Dam Prospect**. Siliceous Nickel Laterite mineralisation was delineated, with best intercepts of 28m at 0.62% Ni and 12m at 0.97% Ni. The 0.5% ore blocks have silica determinations in the range of 30-70%, so the mineralisation is expected to have a significant Screen-Upgrade component.

##### **Ore Supply**

The Pamela Jean Zone would be the basis of Heron ore supply to an existing Nickel Laterite operation, with the proposed pit area having been drilled on a 40x40m pattern. In a review of the Company's resource inventory, the Measured Mineral Resource within the Pamela Jean Zone at a 1.25% Ni shipping cut-off grade is 3.4 million tonne at 1.5% Ni. This resource is sufficient to satisfy ore supply in the short to medium term, without the necessity for major in-fill drilling.

##### **Standalone Operation**

For a standalone operation such as that envisaged by the NKN Project with a mill capacity of 4 mtpa Leach Feed over a 25 year project life, the Heron resource target is 100 million tonne of Leach Feed. Agreement in principal was reached for the purchase of additional resources in the Goongarrie area. Additional resources were also acquired through pegging. The NKN Project diluted "end area" Inferred Mineral Resource now exceeds **100 million tonne at 1.2% Ni** at a 1% Leach Feed Grade Ni cut-off. Minimum ore width is 2m, with a 1m dilution selvedge at a nominated diluent grade of 0.75% Ni, for an effective 4m minimum mining width.

Where the mineralised style is Siliceous Ore, and systematic bottle roll Screen-Upgrade data is available, the screened grade estimates are utilised. If the screened data is of insufficient coverage, then conventional non-screened diluted head grades are utilised.

A detailed drill exploration program has been designed to cover all defined Goongarrie resources on an 80x80m pattern, to elevate the resource status to Indicated Mineral Resource for a standalone operation. Heron estimates the RC drilling requirement to be 1,500 holes for 60,000m.

#### 2.1.2 Kalpini Nickel Project

Heron 100%.  
Nickel - gold.

##### ***Kalpini Nickel Laterite Pre-feasibility Study***

A data base audit is current, prior to completing a new resource estimate. Screen-Upgrade data is being quantified, using Heron bottle roll data and previous bench scale metallurgical testing.

## 2.2 KALGOORLIE GOLD PROVINCE

### 2.2.1 Gidgi Gold Joint Venture Project

Heron 100%.

Gold (- nickel).

Heron retains all Nickel Rights.

Following the failure of Central Exchange to list on ASX, Heron has concluded the terms of a new joint venture with an active local explorer whereby the farminee may earn a 70% interest in gold and silver minerals through expending \$300,000 within four years.

Once the farminee earns its equity, Heron may at its sole discretion contribute on a pro-rata basis, or convert to a 20% free-carried equity to the completion of a Bankable Feasibility Study that recommends commencement of mining, or convert to a 2.5% royalty for recovered metal.

### 2.2.2 King of Creation Gold Project

Heron 100%.

Gold (- nickel).

Heron retains all Nickel Rights.

The **King of Creation Prospect** is a partially mined open cut gold resource pegged by Heron in the course of its Laverton nickel exploration. The remnant gold resource outside the current pit has been estimated by a previous explorer at **124,000 tonne at 2.8g/t Au**. Heron is in joint venture discussion with a local gold explorer, whereby the farminee may earn a 70% interest in the Project.

The following table records significant deeper drill intercepts by the previous explorer, likely to be outside or under the existing pit, and within Heron's Exploration Licence tenement.

HERON RESOURCES LIMITED KING OF CREATION GOLD PROJECT Significant Gold Intercepts at a 1g/t Au Cut-off						
Hole ID	North m	East m	From m	To m	Intercept m	Au g/t
KDDH5	13,424.72	10,167.06	43	50	7	7.18
KDDH6	13,250.03	10,115.24	54	66	12	5.02
KDDH15	13,299.90	10,089.30	102.65	121.5	18.85	4.17
KRC35	13,243.85	10,106.00	72	76	4	7.93
KRC48	13,155.40	10,089.70	60	88	28	2.79
KRC51	13,223.50	10,117.50	44	75	31	4.83
KRC66	13,134.93	10,075.61	75	79	4	24.57
KRC72	13,224.78	10,131.52	42	63	21	4.05
KRC89	13,251.77	10,119.76	51	79	28	6.25
KRC108	13,400.78	10,149.37	81	83	2	8.56
KRC112	13,275.42	10,119.63	59	75	16	4.90
KRC131	13,350.05	10,135.03	71	83	12	4.72
KRC133	13,274.87	10,104.67	72	92	20	4.48
KRC190	13,275.75	10,090.34	90	97	7	9.61

The gold mineralisation beneath the existing pit is likely to be refractory, with high levels of arsenic. There is a possibility of the gold mineralisation being associated with black shales that could be "active" in re-adsorbing gold rather than releasing dissolved gold for adsorption onto activated CIP carbon. In either event, the promising grades indicated in the above table need metallurgically evaluation as a priority.

### 2.2.3 Yarri Gold Project

Heron 100%.  
Gold.

Heron is in joint venture discussion with a local gold mill operator in respect of the **Banjo and Yarri Gold Prospects**. Heron's previous drilling has proven up gold resources at both prospects, so the Company is keen to evaluate production opportunities.

The **Nils Desperandum Gold Prospect** at Yarri has been acquired by Heron through pegging. A resource has been reported by the previous tenement holder at **267,000 tonne at 2.4g/t Au**. Heron will seek to include this new acquisition in the proposed joint venture.

### 2.2.4 Perseverance Well Joint Venture Project

Heron 100%.  
Gold - nickel.

Heron has agreed a joint venture with Image Resources NL ("Image") whereby Image may earn a 75% interest in all minerals from Heron's Perseverance Well Project through expending \$100,000 within four years.

The prospect is located 65km WNW of Laverton and covers a portion of the Mount Zephyr-Mount Morgans greenstone belt. This is a relatively narrow greenstone belt flanked on either side by granitoids and granite-gneiss in fault contact. Supracrustal rocks are dominated by basaltic and doleritic lithologies with subordinate ultramafics, felsic volcanics, sediments and interflow BIF.

Regionally, the main Perseverance Well structure is the Ninnis Fault, also known as the Celia Lineament. This fault is considered economically significant as it links the eastern side of the Yandal Greenstone Belt with the southern margins of the Laverton Tectonic Zone. Gold mineralisation associated with this structural corridor includes the Mount Morgans deposits, which have a total endowment of 1.4Moz gold, and the Darlot/Centenary deposits, which have a total endowment of 2.4Moz gold.

A previous explorer completed an aeromagnetic interpretation and a regional auger-sampling program on a 500x100m grid spacing. The program defined low order gold anomalism. In view of the transported alluvial regolith, further follow up of the anomalies is required.

### 2.2.5 Karonie North Project

Heron 100%.  
Gold - nickel.

A significant exploration holding has been acquired through pegging at Karonie North, covering 196km<sup>2</sup> within the southern Keith Kilkenny Tectonic Zone, and located 6km north and along strike of the major Karonie gold mining centre (previous production >1Moz).

Aeromagnetic data confirms a discrete 2.3x0.5km magnetic anomaly associated with an interpreted serpentinite flow channel. The aeromagnetic data is comparable to the Silver Swan nickel sulphide sequence signature, with the Karonie North ultramafic-footwall felsic volcanoclastic stratigraphy also promising for Silver Swan style targets.

The main gold target is a 10km strike length of the mineralised Aldiss and Claypan Dam Faults, extending due north from the Karonie gold mine.

## **2.3 REGENT RESOURCES LIMITED INITIAL PUBLIC OFFER**

The Regent gold and base metal projects were mainly acquired in the course of Heron's more recent nickel acquisition programs.

### **2.3.1 Bardoc Tectonic Zone Gold Project**

Regent 100%.

Gold.

Heron retains all Nickel Rights.

Regent is to acquire gold and silver rights over those Heron Nickel Laterite Projects which are associated with the Bardoc Tectonic Zone ("BTZ"), mainly between Windanya and Ghost Rocks 50 to 160km NNW of Kalgoorlie. Heron will retain priority access and infrastructure rights on the ground to be transferred to Regent, to ensure that there will be no future restriction to Heron's proposed Nickel Laterite mining activities. Due to the geological separation of Nickel Laterite and gold mineralisation, such rights should have no material impact on Regent's exploration activities.

The Bardoc Tectonic Zone is part of the Boorara-Menzies and Boulder-Lefroy fault systems, one of the major structures controlling gold mineralisation in the Eastern Goldfields. Gold mining centres from south to north that occur within the Bardoc Tectonic Zone and associated splays include Paddington, Broad Arrow, Wendy Gully, Windanya, Bardoc, Goongarrie, Comet Vale, Menzies and Ghost Rocks.

The dominant lithology in the Regent project area is Siberia Formation basalt, dolerite and felsic porphyry, showing variable alteration and shearing. This lithological unit is adjacent to and immediately east of the nickel-prospective Walter Williams Formation. After four years of intense drill exploration by Heron, Nickel Laterite mineralisation within the belt is known to be restricted to Walter Williams Formation olivine adcumulate komatiite, located within the western part of the project area, west of the BTZ gold zone. This western area is the host of Heron's Nickel Laterite resource inventory, and is entirely non-prospective for gold. The WWF zone is geologically distinctive and spatially separated from Regent's likely gold targets.

Much of Regent's BTZ project area is characterised by the occurrence of old prospector gold workings, including some major timbered shafts such as at Windanya. Even though these workings occur in an established gold mining region, many of the workings and the connecting zones along strike have not been fully explored. Several groups of these old workings are expected to define early drill exploration targets for Regent. The BTZ land holding has historically been fragmented into a myriad of competitor holdings, with small sized 4 - 8ha Gold Mining Leases ("GMLs") a particularly common form of tenure. Heron has been able to amalgamate many of these previously disparate holdings, as a by-product of its Goongarrie Nickel Laterite resource acquisitions.

Regent has the opportunity for the first time in the modern exploration era to systematically explore a 65km strike length of Bardoc Tectonic Zone. This is a unique gold exploration opportunity, and is a potential "company maker" project for Regent.

Initial rock chip sampling by Regent during the Quarter has confirmed anomalous litho-geochemical trends at Windanya and Half Ounce Reef.

### 2.3.2 Yindarlgooda Gold Project

Regent 100%.

Gold - copper - zinc.

Heron retains all Nickel Rights.

Regent's exploration holdings extend between Carr Boyd in the north and Karonie in the south. Regent has specifically targeted gold and VMS base metal mineralisation, hosted by a major belt of partly sulphidic felsic volcanics centred on Lake Yindarlgooda. The pervasive lake cover and highly conductive overburden has impeded previous base metal sulphide exploration, which was mainly carried out by multinational explorers in the late 1970s to mid 1980s. From Regent's initial geological reconnaissance, the project area is characterised by regionally extensive sericite-pyrite alteration, which has resulted in strongly recessive weathering (being manifest in part as the Lake Yindarlgooda salina development).

Numerous historical gold workings are present, including the Queen Lapage gold mining centre, with a gold resource estimated by a previous explorer at **130,000t at 4g/t Au**. A major deep RC drilling program is required to further develop the resource.

Initial ironstone/metasediment sampling by Regent has returned **uniform 0.1-2.4g/t Au**, with 70-300ppm Cu, 100-1200ppm Zn, 200-7900ppm As and 35-55% FeO. Most significantly, the peak gold assays occur in sericite-altered schist, which is a key geochemical pathfinder for VMS "footwall alteration". These initial results are confirmation that the Regent exhalative gold and VMS model applies at Yindarlgooda.

### 2.3.3 Bungalbin Project

Regent 100%.

Gold - iron - nickel.

Heron retains all Nickel and Iron Ore Rights.

The former joint venture with Central Exchange/Jupiter has terminated, due to the Central Exchange IPO failing to proceed.

Regent has now assumed ownership of this project. A major data collation has been completed drawing together surface geochemistry and several generations of drilling from previous holders of this large, under explored tenement package. Several gold trends within Regent's ground are recognised. Additional field work has commenced, to refine anomalies ahead of Regent's proposed drill testing.

Heron will maintain ownership of the Iron Ore, and is completing various office and field studies aimed at assessing the potential for ore sales to certain specialist markets.

### 2.3.4 Burra Project, South Australia

Regent 100% of all minerals.

Copper - gold.

The historic Burra Mine and Regent's project area occur on a major northwest-trending lineament. At Burra, copper mineralisation developed within Adelaidean-aged Skillogalee Dolomite comprising dolomite, siltstone and minor sandstone in faulted contact with unmineralised diapiric breccia. Regent's project area is south of Burra along the Burra Lineament, and hosts numerous gold, silver and copper occurrences. The area is structurally complex with an extensive cover, and is historically poorly explored.

This project signals that Regent will not be solely restricted to Western Australian operations.

## 2.4 PIONEER NICKEL LIMITED INITIAL PUBLIC OFFER

Heron has commenced a de-merger to enable the “spinning off” of its Nickel Sulphide assets into a new public company, **Pioneer Nickel Limited**. Pioneer’s aim is to acquire, explore for and develop Archaean Nickel Sulphide resources within the Eastern Goldfields of Western Australia.

### 2.4.1 Pioneer Nickel Project

The Pioneer Nickel Project was increased to 5 tenements covering 518km<sup>2</sup> on the eastern and western flanks of the Pioneer Dome. Following a consultant’s literature review, several additional “walk-up” drill targets have been defined, all associated with the main nickel sulphide hosting komatiite unit (termed Sequence 3 by Gemuts and Theron during the “Nickel Boom”).

### 2.4.2 Maggies Hays Hill Joint Venture Project

The Maggie Hays Hill project consists of one tenement application covering 81km<sup>2</sup> located 140km SE of Southern Cross within areas of current gold and Nickel Sulphide mining activity.

Heron has entered into a Letter Agreement with LionOre Australia (Nickel) Limited (“LionOre”) whereby LionOre may earn a 70% interest in all minerals from Heron’s Maggie Hays Project through expending \$200,000 within four years.

Once LionOre earns its equity, Heron may at its sole discretion convert to a 20% free-carried equity to the completion of a Bankable Feasibility Study that recommends commencement of mining.

It is expected that any nickel sulphide production from the Joint Venture Project will be toll treated on commercial terms at LionOre’s Emily Ann Plant.

Heron has identified two high priority nickel sulphide targets within the Joint Venture Project, including an ElectroMagnetic (“EM”) anomaly located 5km southeast along strike from the Maggie Hays nickel sulphide deposit. In addition, anomalous gold soil geochemistry over regional structural zones will also be targeted.

Heron has the right to assign its Joint Venture rights to its affiliated company Pioneer, should Pioneer proceed to an IPO.

## 2.5 BALLADONIA ENERGY NL

Heron 100%.

Oil shale - sulphur - heavy mineral sands.

The current oil shale resource is **2.6 billion tonne at 133 litre/tonne**. The Company is reviewing opportunities for an IPO based on the oil shale and possibly heavy mineral sand assets. Discussions continue in respect of a farm out of heavy mineral sand rights.



**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.*

**Appendix 5B**

**MINING EXPLORATION ENTITY QUARTERLY REPORT**

Name of entity

**HERON RESOURCES LIMITED**

ABN  
quarter")

30 068 263 098

Quarter ended ("current

31 March 2003

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current Qtr \$A'000	Year to Date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation	(263)	(964)
(b) development		
(c) production		
(d) administration	(84)	(340)
1.3 Dividends received		
1.4 Interest and other items of similar nature received	13	47
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) – GST Paid	6	(6)
<b>Net Operating Cash Flows</b>	<b>(328)</b>	<b>(1,263)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(5)	(54)
(b) equity investment		
(c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects		
(b) equity investment		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities	4	7
1.12 Other (provide details if material)		
<b>Net Investing Cash Flows</b>	<b>(1)</b>	<b>(47)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(329)</b>	<b>(1,310)</b>

1.13 Total operating and investing cash flows (brought forward)	(329)	(1,310)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from the issue of shares, options, etc.	522	522
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)		
<b>Net financing cash flows</b>	<b>522</b>	<b>522</b>
<b>Net increase (decrease) in cash held</b>		
1.20 Cash at beginning of quarter/year to date	1,146	2,127
1.21 Exchange rate adjustments		
<b>1.22 Cash at end of quarter</b>	<b>1,339</b>	<b>1,339</b>

**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 item 1.2	111
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 (A\$74,000). Provision of office accommodation by director-related entity (A\$15,000). Provision of legal advice by director-related entity (A\$22,000).
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**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

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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
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### 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	300
4.2 Development	0
<b>Total</b>	<b>300</b>

### 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	142	92
5.2 Deposits at call	1,146	1,005
5.3 Bank Overdraft		
5.4 Other (provide details) Environmental bonds	51	49
<b>Total: cash at end of quarter (Item 1.22)</b>	<b>1,339</b>	<b>1,146</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at Begin 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)
<b>7.1 Preference securities</b> (description)				
7.2 Issued during Quarter				
<b>7.3 Ordinary securities</b>	108,358,727	108,358,727		
7.4 Issued during Quarter	3,200,000	3,200,000		
<b>7.5 Convertible debt securities</b> (description)				
7.6 Issued during quarter				
<b>7.7 Options</b> (description)			Exercise Price	Expiry Date
	100,000	Nil	\$0.25	04/02/2004
	785,000	Nil	\$0.35	19/10/2004
	785,000	Nil	\$0.50	19/10/2004
	2,000,000	Nil	\$0.35	20/12/2004
	500,000	Nil	\$0.35	30/06/2005
	500,000	Nil	\$0.50	30/06/2005
	350,000	Nil	\$0.30	23/04/2006
7.8 Issued during Quarter				
7.9 Exercised during Quarter				
7.10 Expired during Quarter	150,000	Nil	\$0.30	23/04/2006
<b>7.11 Debentures</b> (totals only)				
<b>7.12 Unsecured notes</b> (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. Portman Limited 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.
2. Mount Burgess Mining NL has the right to earn a 70% interest of the non-nickel rights in the Perrinvale Joint Venture Project tenements through sole funding the initial \$500,000 of exploration expenditure.
3. Ramelius Resources Limited has the right to earn a 75% interest of the gold and tantalum rights of the Bullabulling and Larkinville Joint Venture Project tenements through sole funding the initial \$750,000 of exploration expenditure. Heron will retain 100% of all nickel rights and will be free carried until a Decision to Mine is made.
4. LionOre Australia (Nickel) Limited ("LionOre") may earn a 70% interest in all minerals from Heron's Maggie Hays Project through expending \$200,000 within four years. Once LionOre earns its equity, Heron may at its sole discretion convert to a 20% free-carried equity to the completion of a Bankable Feasibility Study that recommends commencement of mining.
5. Image Resources NL ("Image") may earn a 75% interest in all minerals from Heron's Perseverance Well Project through expending \$100,000 within four years.

**6.1 Interests in Mining Tenements transferred, relinquished, reduced or lapsed**

<i>Tenement</i>	<i>Nature of Interest</i>	<i>% Begin Quarter</i>	<i>% End Quarter</i>
E24/00129	Registered Applicant	100	0
E25/00251	Registered Applicant	100	0
E27/00284	Registered Applicant	100	0
E28/01302	Registered Applicant	100	0
E28/01312	Registered Applicant	100	0
E31/00615	Registered Applicant	100	0
E36/00432	Registered Applicant	100	0
E38/01380	Registered Applicant	100	0
E38/01542	Registered Applicant	100	0
E40/00187	Registered Applicant	100	0
E74/00281	Registered Applicant	100	0
E74/00282	Registered Applicant	100	0
E74/00283	Registered Applicant	100	0
E80/02962	Registered Applicant	100	0
M29/00289	Registered Applicant	100	0
M29/00290	Registered Applicant	100	0
M29/00303	Registered Applicant	100	0
P24/03763	Registered Applicant	100	0
P29/01786	Registered Applicant	100	0

**6.2 Interests in Mining Tenements acquired or increased**

<i>Tenement</i>	<i>Nature of Interest</i>	<i>% Begin Quarter</i>	<i>% End Quarter</i>
E15/00570	Registered Holder	0	100
E24/00130	Registered Applicant	0	100
E25/00289	Registered Applicant	0	100
E27/00305	Registered Applicant	0	100
E27/00306	Registered Applicant	0	100

<b>Tenement</b>	<b>Nature of Interest</b>	<b>% Begin Quarter</b>	<b>% End Quarter</b>
E27/00309	Registered Applicant	0	100
E28/01325	Registered Applicant	0	100
E29/00531	Registered Applicant	0	100
E29/00535	Registered Applicant	0	100
E29/00536	Registered Applicant	0	100
E37/00753	Registered Applicant	0	100
E39/00738	Registered Applicant	0	100
E40/00199	Registered Applicant	0	100
E40/00200	Registered Applicant	0	100
E63/00845	Registered Applicant	0	100
E63/00846	Registered Applicant	0	100
E63/00847	Registered Applicant	0	100
E80/02958	Registered Holder	0	100
E80/02965	Registered Holder	0	100
E80/03040	Registered Holder	0	100
E80/03041	Registered Holder	0	100
E80/03042	Registered Holder	0	100
M27/00419	Registered Applicant	0	100
M29/00323	Registered Applicant	0	100
P24/03810	Registered Applicant	0	100
P24/03811	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

Date: 30/04/03

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.