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30 April 2004

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 2004

Please find following Heron Resources Limited's Quarterly Report Ending 31 March 2004.

Yours faithfully

Managing Director



QUARTER HIGHLIGHTS

- Heron has acquired the Bulong Nickel Project mineral rights for A\$3.8m, mainly as Shares.
- Heron intends to list its nickel laterite assets on the London AIM, as a dual ASX listing.
- Consultants have been appointed for the Kalgoorlie Nickel Project Scoping Study.
- Regent Resources Limited is advancing towards an IPO.

Nickel Laterite

Heron Resources Limited ("Heron") purchased all mineral rights to the Bulong Nickel Project on 8 April 2004. A third party purchased the plant and infrastructure. The Bulong nickel laterite operation was commissioned in 1999 with a published start up resource of 140 million tonne at 1% Ni, and has mined some 3 million tonne of ore.

The Heron Kalgoorlie Nickel Project ("KNP") now includes Heron's Goongarrie, Siberia, Highway and Ghost Rocks projects north of Kalgoorlie, and Bulong, Kalpini and Lake Rebecca projects east of Kalgoorlie. The addition of the Bulong mineral resource increases the resource inventory considerably beyond the previously reported 225 million tonnes at 1.03% Ni and 0.08% Co at a 0.75% Ni cut-off.

Heron has now moved the **Kalgoorlie Nickel Project to a feasibility and development status for a 40,000tpa nickel-in-intermediate product processing plant**. A comprehensive Scoping Study is in preparation, including independent resource estimates of all the Company's projects, ore characterisation, and evaluating processing flowsheet options. Results of this study will be presented in the June 2004 Quarterly Report.

Further project acquisitions are in progress to ensure that the KNP is the largest, highest grade nickel laterite development project in Australia. Additionally, Heron continued its aggressive pegging, having applied for tenements over the Walter Williams Formation north-west of Menzies and in the Siberia area.

Reverse circulation drilling of the **Highway Prospect** north of Goongarrie consisted of 2,095 metres in 52 holes, covering 10 kilometres of Walter Williams Formation ultramafic strike length. Extensive goethite ore was encountered in the drilling completed. Significant intersections from composite samples to date include (results received for 30 holes):

HWRC 05	10 to 24m	14m at 1.01% Ni and 0.09% Co
HWRC 14	4 to 8m	4m at 1.36% Ni and 0.09% Co
HWRC 25	14 to 27m	13m at 0.90% Ni and 0.08% Co
HWRC 30	15 to 27m	12m at 0.98% Ni and 0.20% Co

The Highway drilling is adding quality tonnes to Heron's nickel laterite resources, further establishing Heron as the dominant nickel laterite resource company in the Eastern Goldfields of Western Australia.

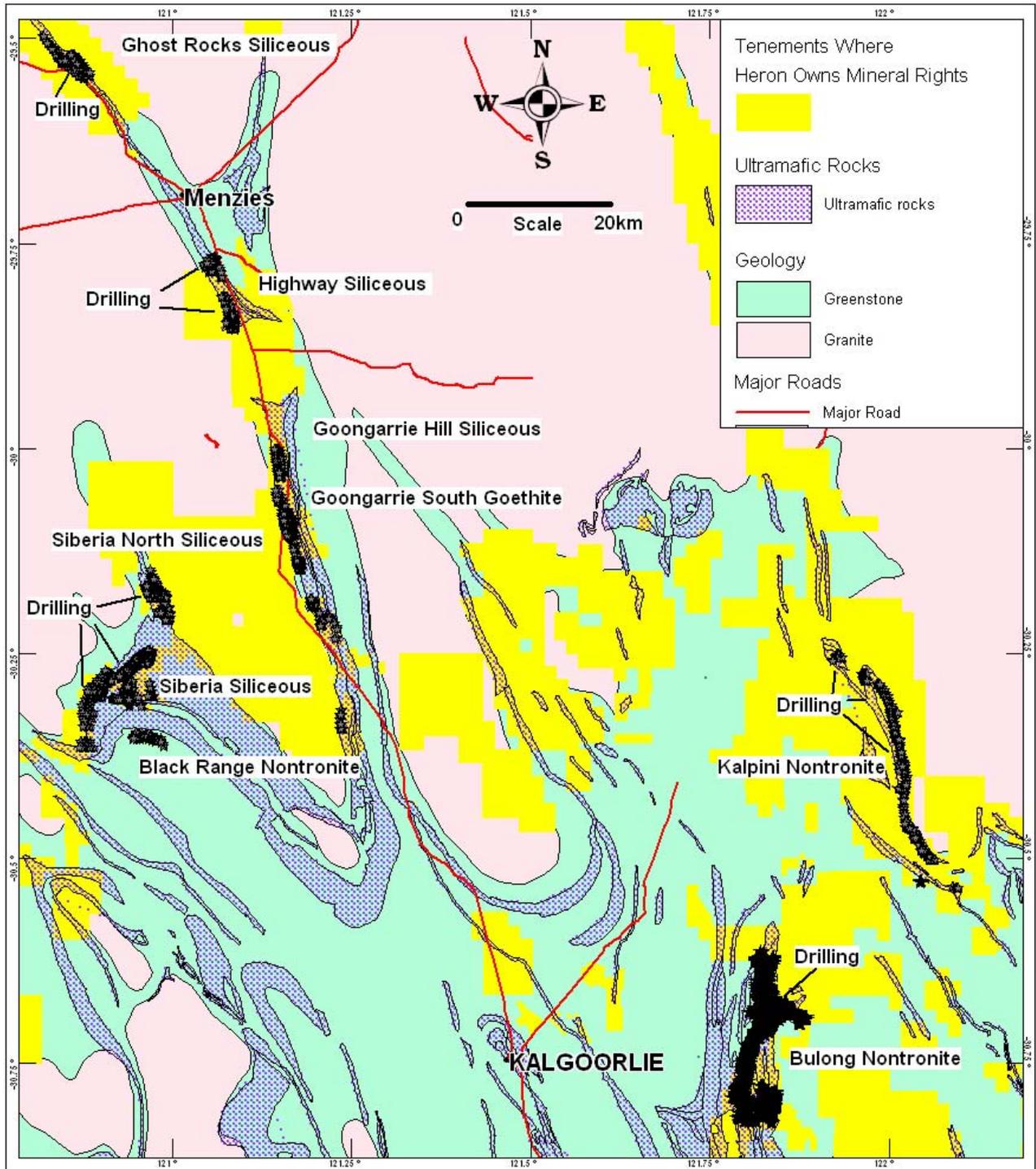
London Stock Exchange AIM Listing

Subject to Shareholder approval, the feasibility path for nickel production from the Kalgoorlie Nickel Project will include:

- Heron is to be dual listed on the London Alternative Investment Market ("AIM") and ASX, as a pure nickel laterite development company focused on bringing the Kalgoorlie Nickel Project to production. The proposed move to AIM is to better access the capital markets that are required to support a project of the proposed scale of the Kalgoorlie Nickel Project.
- Discussions commenced with international refiners in respect of product off-take and investment in Heron.
- The non-nickel laterite assets are to be de-merged into Heron's wholly owned subsidiary Regent Resources Limited, with an in specie distribution to Heron Shareholders to be likely. Heron's Iron Ore assets are being considered for transfer to Regent, as a leading project for the Regent IPO.

Heron is to appoint a Nominated Adviser and corporate adviser for the AIM listing. The independent Competent Persons Report for the AIM listing is already in preparation, incorporating the recent Bulong acquisition.

Figure 1 Kalgoorlie Nickel Project Locations and Areas of Resource Drilling



1. SUMMARY

Heron Resources Limited

Nickel Laterite

The addition of the Bulong Project to the Kalgoorlie Nickel Project creates the premium nickel laterite project in Australia in terms of resource inventory, metallurgical quality and existing infrastructure.

Sinclair Knight Mertz Pty Ltd ("SKM") has been appointed consulting engineer and has commenced a Scoping Study for the Kalgoorlie Nickel Project. SKM are advising on Process Design Criteria and Block Flow Diagrams ("BFD"), to enable Heron to proceed to Feasibility Study. Heron Exploration Director Mat Longworth is coordinating the Scoping Study.

The Scoping Study will initially evaluate a 40,000tpa nickel-in-intermediate product operation.

Snowden Mining Industry Consultants ("Snowden") has been appointed to estimate the total resource inventory of the Kalgoorlie Nickel Project, and prepare an independent Competent Persons Report for the AIM listing.

An Information Memorandum and electronic data room has been prepared for the Kalgoorlie Nickel Project, ahead of expected Due Diligence requirements.

Nickel laterite resource tenements within the ore-hosting Walter Williams Formation continued to be acquired through pegging, with high quality acquisitions completed at Ghost Rocks, Siberia and Jump Up Dam.

Nickel Sulphide

Heron's 2 million data point drill assay data base has been interrogated to identify potential nickel sulphide geological settings. Some 100 targets were identified, and drill pulps retrieved for multi-element analysis as a first pass nickel sulphide evaluation.

The new nickel sulphide targets are related to basal komatiite contacts at **Mineral Patch Hill, Vetersberg, Wellington North** and **Kalpini**. Heron's exploration methodology involves detailed multi-element analysis of a specific regolith horizon. The next phase of the nickel sulphide exploration is planned to be TEM surveys.

Gossan sampling within Heron's tenements immediately along strike from Image Resources' Emu Lake "Gossan Zone" returned significant nickel-copper results supported by highly anomalous PGM assays.

The Image Resources Emu Lake drilling results clearly demonstrate the intrinsic value of Heron's extensive ultramafic foot print of tenements in the Eastern Goldfields.

Specifically, Heron's 100%-owned Kalpini nickel laterite belt is now additionally highlighted as a high priority nickel sulphide belt, with a 40km strike length of the favourable Emu Lake ultramafic magnetic package.

At Kalpini, the vast majority of Heron's previous 26,000m of RC drilling has been focussed on the nickel laterite-enriched Eastern Ultramafic. The Western Ultramafic, now confirmed as a favourable nickel sulphide target, has had only minimal exploration of any type carried out.

It is planned that Heron deal in or divest the nickel sulphide assets prior to the proposed AIM listing, and discussions have commenced with a potential partner.

Regent Resources Limited

Base Metal Sulphide, Gold and Iron Ore

Heron's wholly owned subsidiary **Regent Resources Limited** ("Regent") has moved to full IPO preparation, with part of the Bulong purchase consideration being satisfied by the issue of Regent shares and options. The aim is to list Regent on ASX (or possibly AIM) prior to 31 December 2004.

Field exploration is current at the Yindarlgooda Project, targeting Volcanogenic Massive Sulphide ("VMS") mineralisation. As well as having base metal prospectivity, the project represents a potential sulphuric acid source for the Kalgoorlie Nickel Project.

Regent has applied for 750km² project area in the Warburton district 730km NE of Kalgoorlie. The area is highly prospective for Proterozoic copper mineralisation. Over 150 copper mineralised occurrences have been previously documented, and drilling conducted in the early 1970s intersected high-grade copper/silver mineralisation in a number of drill holes, including:

- 3.5m at 8.2% Cu and 16.4g/t Ag from 73m;
- 3.1m at 2.2% Cu and 19.1g/t Ag from 99m;
- 3.5m at 2.2% Cu and 5.3g/t Ag from 59m.

Virtually no exploration has been conducted in the area since the 1970s, and with modern geophysical techniques used in conjunction with the existing geochemical and drilling database, the area can be quickly explored for major base-metal deposits.

Regent's Mt Elvire Project and non-iron ore mineral rights at the 100% owned Bungalbin Project were sold to Scimitar Resources Limited ("Scimitar") during the Quarter.

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

2. OPERATIONS REVIEW

2.1 KALGOORLIE NICKEL PROVINCE

Kalgoorlie Nickel Project

QAQC reviews continue for the Kalgoorlie Nickel Project drill data base. Comparisons of initial composite sample assays with the mean Ni and Co grade of the individual metre re-splits was completed and has confirmed good correlation.

A detailed multi-element ore characterisation study was completed, to standardise the variety of ore identification interpretations for the various resources which Heron has purchased over the last two years (three different ore logging systems).

The three main Kalgoorlie Nickel Project ore styles are:

- Goethitic Heron CUP/CUF/CUS
- Nontronitic Heron CUN/CLN
- Saprolitic Heron SLM

The resource inventory is being re-estimated in terms of the three basic ore types, and it is aimed to ultimately distinguish twelve distinct ore sub-types. The distinguishing of separate ore types will allow more accurate prediction of metallurgical performance and blending requirements.

2.1.1 Bulong

Heron right to acquire 100% of all mineral rights. Nickel - gold - base metals.

The Bulong 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 key strategic holding adjoining Heron's existing nickel laterite resource inventory.

Detailed due diligence was completed during the Quarter, following which Heron entered into an agreement for the purchase of all mineral rights for mining tenements in the Bulong Project beneficially owned by Bulong Operations Pty Ltd and Bulong Nickel Pty Ltd (both with Receivers and Managers Appointed and In Liquidation), together termed the "Vendor".

The consideration to be paid by Heron to the Vendor for the Bulong Project mineral rights is as follows:

- i. A\$50,000 as a non-refundable cash payment to secure an exclusivity period in which to complete the purchase of the Tenements, to be completed on or before 31 December 2004.
- ii. A\$50,000 as a refundable cash payment.
- iii. Issue of ordinary fully paid Shares in Heron at an issue price such that the value of those Shares issued equals A\$1,450,000.

iv. Either:

if Heron's wholly owned subsidiary Regent lists on ASX on or before 31 December 2004:

- a. the issue of 7,000,000 ordinary fully paid shares in Regent at an issue price of A\$0.25; and
- b. the issue 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:

if Regent is not listed on ASX on or before 31 December 2004, then the issue of Heron Shares to the value 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.

The Bulong plant and infrastructure assets were separately purchased by LionOre Mining International Ltd.

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 for High Pressure Acid Leach ("HPAL"). Bulong is now a key strategic asset of the Kalgoorlie Nickel Project, being the main source of saprolite ore for atmospheric acid leaching ("AAL") and neutralisation. This is the basis of Heron's proposed Enhanced Acid Leach processing flow-sheet.

Extensive site visits were completed in conjunction with due diligence for the Bulong purchase, including environmental assessment. In particular, validation re-logging of old nickel laterite drill holes was completed, which now forms part of the Kalgoorlie Nickel Project Scoping Study.

The Company's resource consultant has completed a Bulong field visit and data base audit, and is modelling the Bulong ore body for resource estimation.

2.1.2 Goongarrie

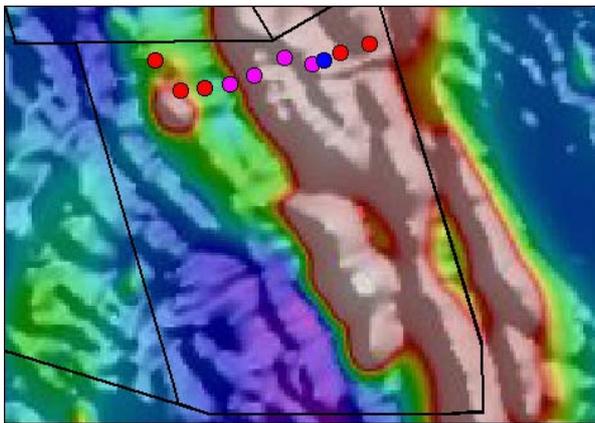
Heron 100%.
Nickel - gold.

Validation re-logging of selected nickel laterite drill holes was completed as part of the Kalgoorlie Nickel Project Scoping Study. Preliminary concepts were presented to the independent engineer for materials transport, ore characterisation and process flow sheet. Data bases on all world-wide PAL nickel laterite operations were compiled, to assist in flow sheet optimisation.

Goongarrie Nickel Sulphide and Gold Study

A Eastern Goldfields nickel sulphide field study was completed, analysing komatiite volcanology.

Two prospective nickel sulphide targets have been identified and field checked at **Vettersberg**, being discrete komatiite lava channels at the base of the Walter Williams Formation. Soil geochemical programs have commenced, utilising Heron's multi-element pathfinder suite.



regional_soils by Ni_ppm

1,180 to 2,210	(4)
450 to 1,180	(10)
240 to 450	(11)
150 to 240	(13)
100 to 150	(9)
70 to 100	(27)
20 to 70	(17)

Figure 2 Vettersberg Soil Nickel Traverse

In the Vettersberg nickel assay suite, there is a 587ppm Ni soil anomaly indicative of komatiite, with Ni/Cu ratio of 10. There is a well formed symmetrical nickel anomaly over a 300m width. A follow up 70 sample program of 100m spaced GPS controlled soil sampling confirmed the nickel anomaly, prioritising future TEM surveying and possible drilling.

At **Slug Hill**, an anomaly of 1550ppm Ni against a 100ppm Ni background was identified. There is also a displaced 48ppb Au anomaly, being at the basalt-ultramafic contact (Sand Queen mineralised structure). Again, follow up TEM survey of the target is required.

2.1.3 Siberia

Heron 100%.
Nickel - gold.

Validation re-logging of selected nickel laterite drill holes was completed as part of the Kalgoorlie Nickel Project Scoping Study. A uniform mine stratigraphy is present, consisting from surface to end-of-hole of transported laterite, brown siliceous ore (Heron CUS), white-yellow magnesitic footwall (Heron CLM) and variable green and white magnesitic saprolite (Heron SLM).

At Siberia North, old gold exploration drill holes reveal a strongly developed goethite ore profile in an area where Heron has not yet drilled. Good potential exists to increase the resource inventory from this new zone.

2.1.4 Highway

Heron 51% (Highway) and 87.5% (Highway Extended).
Nickel - gold.

A 6,600m RC drill program has commenced, based on a 400x80m pattern over 24 drill lines targeting previously defined nickel laterite intercepts and high intensity magnetic anomalies.

Significant results at a 0.75% Ni cut-off grade include:

Hole	North	East	From (m)	To (m)	Thick (m)	Ni (%)	Co (%)
HWRC04	99760	3720	10	18	8	0.80	0.05
HWRC05	99760	3800	10	24	14	1.01	0.09
HWRC13	99360	4360	0	2	2	1.02	0.18
HWRC14	99360	4280	4	8	4	1.36	0.09
			16	20	4	1.12	0.02
HWRC15	99360	4200	8	11	3	1.01	0.05
HWRC24	98960	4520	12	20	8	0.84	0.03
HWRC25	98960	4440	14	27	13	0.90	0.08
HWRC30	98960	4040	15	27	12	0.98	0.20

Note: Preliminary composite results, intervals approximate thickness.

2.1.5 Ghost Rocks

Heron 100%.
Nickel - gold.

Validation re-logging of selected nickel laterite drill holes was completed as part of the Kalgoorlie Nickel Project Scoping Study. A consistent mineralised stratigraphy is present consisting from surface of brown siliceous ore (CUS), white/yellow magnesitic ore (CLS) and basal saprolite (SLM).

Nickel sulphide exploration occurred during the "Nickel Boom", with widespread areas of old nickel costeaning. Additionally, old gold shafts are present, suggesting good regional gold prospectivity.

Additional ground was pegged at Ghost Rocks South, located 11km NW of Menzies and adjacent to Heron's existing Ghost Rocks prospect. This tenement acquisition further consolidates Heron's Ghost Rocks resource position, and covers a 2km strike extent of the Walter William Formation ultramafic sequence.

2.1.6 Kalpini

Heron 100%.
Nickel - gold.

Validation re-logging of selected nickel laterite drill holes was completed as part of the Kalgoorlie Nickel Project Scoping Study.

Bulk samples were prepared and lodged for metallurgical testing.

Kalpini Nickel Sulphide Study

Previous work by Heron has identified coincident nickel and palladium anomalism in soil sampling at Wellington North and Wellington East Zone 4.

Kalpini East Prospect

A Ground Disturbance Application was lodged with DoIR to enable drill exploration to commence. Approval is awaited.

Wellington North Prospect

High grade nickel sulphide mineralisation has been intersected at the Image Resources NL Emu Lake project, at the Gossan Zone locality (refer Figure 3 following).

Heron has a significant ground holding immediately surrounding Image's Gossan Zone, termed the Wellington North and Binti Binti South Prospects. Aeromagnetics demonstrate the magnetic package of rocks within Image's tenements continue northwest and southeast along strike into Heron's tenement holding. In particular, the Image Emu Lake magnetic anomaly is inferred to correlate with Heron's Wellington North Prospect, located 2km NW along strike from the Gossan Zone on the same komatiite unit.

The Company commenced nickel sulphide exploration within its Kalpini belt in the December 2003 Quarter, including the Wellington North, Wellington East and Acra North Prospects (respectively 2km NW, 17km SE and 24km SE along strike from the Emu Lake massive sulphide occurrence, within the Kalpini Western Ultramafic).

Heron completed gossan float sampling at **Wellington North**, with **peak gossan assays 0.57% Ni, 0.09% Cu, 364ppb Pt, and 674ppb Pd**. This is an unequivocal boxwork gossan, and has a low Mn value of 221ppm, confirming an absence of base metal scavenging.

The Wellington North gossan zone quite clearly demonstrates a nickel sulphide endowed komatiite sequence (as strongly confirmed by the Image Emu Lake mineralised intercept), confirming that systematic and blanket ground TEM survey is warranted at Kalpini, to locate nickel sulphide drill targets.

Wellington North reconnaissance soil sampling was completed, with **peak soil assays 939ppm Ni, 61ppm Cu and 6ppb Pt**. The prospectivity inferred from the gossan sampling is confirmed by the soil sampling.

Acra North Prospect

Results were received from the Acra North gossan sampling, with an ironstone marker horizon assaying up to **623ppm Ni, 224ppm Cu**, 74ppm Co, 826ppm Cr and 1,030ppm S, with 13ppb Pt and 6ppb Pd. The host horizon is a discrete low order magnetic anomaly associated with interflow cherty sediments, so is not a "classic Kambalda model". The data confirms elevated nickel sulphide pathfinder elements. Acra North is definitely added to the inventory of targets requiring ground TEM.

Kurnalpi West

Reconnaissance rock chip and soil sampling was undertaken at Kurnalpi West. Significant results were returned from ferruginous outcrop on Lake Yindarlgooda, including **1180ppm Ni and 186ppm Cu**. These Ni/Cu ratios indicate a non lateritic enrichment source for the nickel.

Kalpini Nickel Sulphide Forward Program

Heron has been in discussion with third parties evaluating opportunities to further advance its Kalpini Nickel Sulphide targets.

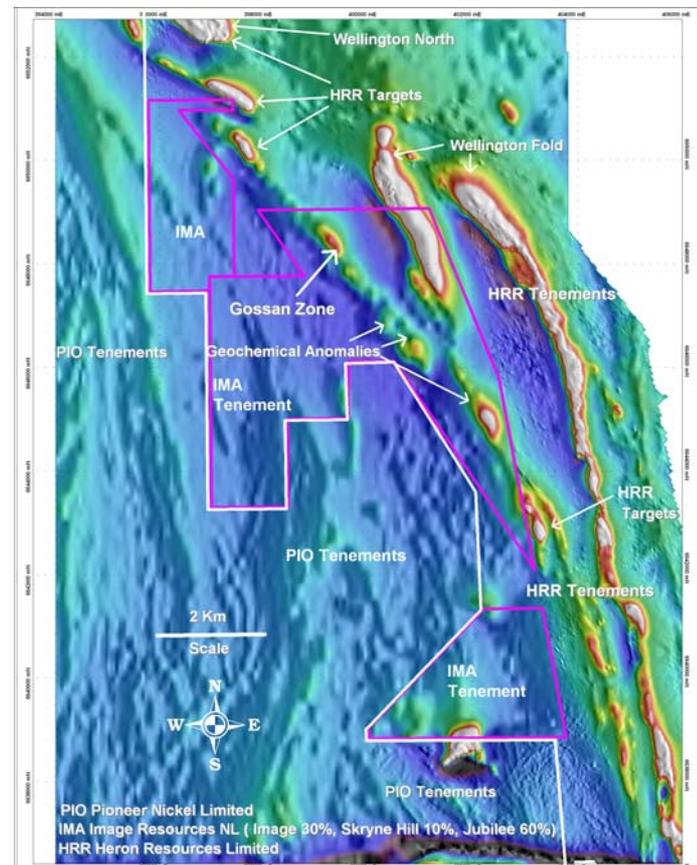


Figure 3 Emu Lake-Wellington North Aeromagnetics and Tenement Holdings

2.1.7 Lake Rebecca

Heron 100%.
Nickel - gold.

An additional 4km of strike of the Lake Rebecca nickel-hosting komatiite unit has been secured. Both nickel laterite and nickel sulphide targets have been defined.

Validation re-logging of selected nickel laterite drill holes was completed as part of the Kalgoorlie Nickel Project Scoping Study. A consistent mineralised stratigraphy is present consisting from surface of brown siliceous ore (CUS), grey nontronite (CUN) and basal saprolite (SLM).

On the basis of komatiite flow interpretation, the base of the Lake Rebecca flow is the eastern side of the komatiite lava channel, confirming this to be the prospective nickel sulphide contact. Of interest, previous nickel sulphide exploration was focussed at the western (being upper) contact, and was thus largely ineffective.

2.1.8 Edjudina

Heron 100%.
Nickel - gold.

Heron has acquired a further 22km² of nickel laterite resource tenements through pegging at Jump Up Dam northeast of Kalpini. The tenements contain a "bullseye" magnetic anomaly associated with an ultramafic channel considered prospective for both nickel sulphide and nickel laterite mineralisation.

The laterite mineralisation is siliceous, of the style amenable to upgrade through screening. No resource estimate is at this stage possible, due to an absence of reliable drilling.

2.2 KALGOORLIE GOLD PROVINCE

2.2.1 Mount Catherine Gold Joint Venture Project

Heron 100%. Sons of Gwalia right to earn 75%.
Gold - nickel. Heron retains all Nickel Rights.

Heron has concluded the terms of a joint venture with Sons of Gwalia Limited ("SOG") whereby SOG may earn a 75% interest in gold and silver minerals through expending \$600,000 within four years. The **Banjo** (55,000t at 2.0g/t Au), **Yarri** (240,000t at 2.6g/t Au) and **Nils Desperandum** (267,000t at 2.4g/t Au) gold resources are included in the joint venture, providing Heron with an opportunity for gold production income through the SOG Carosue plant.

2.3 REGENT RESOURCES LIMITED

Senior Geologist Dave von Perger has assumed responsibility for managing and advancing the Regent IPO project portfolio. Dave is responsible for the outstanding tenement acquisitions during the Quarter. Review and ranking of all projects is current.

2.3.1 Yindarlgooda Base Metals

Regent 100%.
Gold - copper - zinc.

Numerous historical gold workings are present on Regent's tenements, including the **Queen Lapage** gold mining centre, with a gold resource estimated by a previous explorer at 130,000t at 4g/t Au.

Extensive gossanous horizons are recorded from the Yindarlgooda project. These have been confirmed by field checks during the Quarter, aimed at assessing their sulphur potential for use in nickel laterite processing. Open file research has shown that significant work programs have been previously completed at the Yindarlgooda gossans. The model is Canadian style Archaean Volcanogenic Massive Sulphide ("VMS") deposits that include copper and lead-zinc sulphides.

To date only pyrite is recorded at Yindarlgooda, over a 4km strike length, however turquoise is present, indicating an elevated background copper.

2.3.2 Bungalbin

Regent 100%.
Nickel - gold.

Heron has reached agreement with Scimitar Resources for the sale of the Mt Elvire Project and non-iron ore mineral rights at Heron's 100% owned Bungalbin Project. The sale is subject to the execution of a formal Heads of 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 \$4m.

2.3.3 Bungalbin Iron Ore

Regent 100%.
Iron Ore.

The project is currently subject to joint venture negotiations in respect of an Iron Ore development.

The two excellent Algoma-style Iron Ore occurrences are present, one in-situ haematite and the second kanga (near transported and enriched), that together have a potential iron ore resource of up to 13 million tonne. The immediate shipping target is 4 million tonne.

An information memorandum for the Iron Ore potential was prepared and dispatched to potential investors.

2.3.4 Musgrave Base Metal Province

Regent 100%.

Gold - copper.

Regent has applied for Exploration Licences covering some 750km² in the Warburton area of Western Australia, located 730km NE of Kalgoorlie. The area applied for is considered to be highly prospective for Proterozoic sedex/IOCAD copper mineralisation, hosted within Proterozoic sediments and volcanic sequences on the western margin of the Musgrave Block. The area was explored for copper in the late 1960s and early 1970s by a multi-national explorer who recorded over 150 copper mineralised occurrences and successfully intersected high-grade copper/silver mineralisation in a number of diamond-core drillholes, including:

- 3.5m at 8.2% Cu and 16.4g/t Ag from 73m;
- 3.1m at 2.2% Cu and 19.1g/t Ag from 99m;
- 3.5m at 2.2% Cu and 5.3g/t Ag from 59m.

With the mid 1970s discovery of the massive Olympic Dam copper deposit in South Australia, interest in the area was diverted and little base metal exploration has taken place since this time. With modern geophysical techniques, used in conjunction with the existing geochemical and drilling database, the area can be quickly explored for major concentrations copper mineralisation.

IOCAD target generation will largely be effected through regional magnetic-gravity modelling, aimed at identifying high level intrusive systems with haematite alteration.

Potential also exists for Voiseys Bay style magmatic copper-nickel mineralisation, in view of the well documented nickel sulphide occurrences in the central and eastern Musgrave Block.



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.

2.3.5 New Gold Tenement Acquisitions

Regent continues to maintain a policy of competitive tenement pegging concentrating on prospective greenstone belt areas in the Eastern Goldfields. The following significant new ground positions, beneficially held 100 percent by Regent, were applied for during the Quarter:

- **Kanowna Racetrack:** 1,000ha located 7km SE of Kanowna Belle on splay structures off the main White Feather mineralised structure, excellent alteration targets.
- **Mulwarrie:** 22ha located at the Mulwarrie gold mining centre containing several significant gold workings on quartz lodes and mineralised porphyry intrusives. Initial wide spaced reconnaissance soil sampling by Regent returned anomalous results up to 20ppb Au.
- **Gibraltar:** 9.7ha located at Gibraltar gold mining centre and 1km NW along strike from the Bill's Gossan nickel sulphide occurrence. A compilation of past exploration results in the tenement area revealed a strong soil gold anomaly of up to 235ppb Au.
- **Barwidgee:** 4km² located 300m N from the now closed Bill's Find opencut gold deposit near Barwidgee.
- **Melita:** a further two tenements were applied for in the Melita area that is considered prospective for VMS base metal and gold mineralisation. The Melita felsic volcanic pile is a southern extension of the Teutonic Bore VMS mineralised centre. The acquisitions further consolidate Regent's Melita ground position.
- **Darlot North:** some 16km² located 10km N of the Darlot gold mining centre which adds to Regent's growing land position in this centre.

1.13 Total operating and investing cash flows (brought forward)	(514)	(1,289)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.		2,646
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) - Refundable Bond		20
Net financing cash flows		2,666
Net increase (decrease) in cash held	(514)	1,377
1.20 Cash at beginning of quarter/year to date	2,591	700
1.21 Exchange rate adjustments		
1.22 Cash at end of quarter	2,077	2,077

**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	101
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\$12,000).
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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

Nil

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

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
Total	300

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	244	162
5.2 Deposits at call	1,728	2,324
5.3 Bank Overdraft		
5.4 Other (provide details) Environmental bonds	105	85
Total: cash at end of quarter (Item 1.22)	2,077	2,571

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.

	Total number	Number quoted	Issue price per security (see note 3) (\$)	Amount paid up per security (see note 3) (\$)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during Quarter (a) Increases through share issues (b) Decreases through returns of capital, buybacks, redemptions				
7.3 Ordinary securities	128,939,600	128,939,600		
7.4 Changes during Quarter (a) Increases through share issues (b) Decreases through returns of capital, buybacks	400,000	400,000	\$0.17	\$0.17
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during Quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise Price</i>	<i>Expiry Date</i>
	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
	4,243,172	Nil	\$0.25	30/06/2007
	1,900,000	Nil	\$0.25	16/12/2007
7.8 Issued during Quarter	100,000	Nil	\$0.25	16/12/2007
7.9 Exercised during Quarter				
7.10 Expired during Quarter	100,000 350,000	Nil Nil	\$0.25 \$0.30	04/04/2004 23/04/2006
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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 ("Portman") 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 ("Mount Burgess") 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. Sons of Gwalia Limited ("SOG") may earn a 75% interest in precious metals from Heron's Mount Catherine Project through expending \$600,000 within four years.
4. Bronzewing Gold NL ("Bronzewing") may earn a 70% interest in precious metals from Heron's King of Creation Project through expending \$250,000 within four years.
5. Jackson Gold Limited ("Jackson") may earn a 70% interest in gold and silver minerals through expending \$300,000 within four years. Once Jackson 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.

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>
E25/234	Registered Applicant	100	0
E31/374	Registered Holder	100	0
E31/377	Registered Holder	100	0
E31/430	Registered Holder	100	0
P24/3924	Registered Applicant	100	0
P25/1755	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>
E25/241	Registered Holder	0	100
E27/322	Registered Applicant	0	100
E28/1427	Registered Applicant	0	100
E28/1428	Registered Applicant	0	100
E31/664	Registered Applicant	0	100
E30/285	Registered Applicant	0	100
E37/782	Registered Applicant	0	100
E53/1119	Registered Applicant	0	100
E69/1931	Registered Applicant	0	100
E69/1932	Registered Applicant	0	100
E69/1933	Registered Applicant	0	100
E69/1934	Registered Applicant	0	100
E69/1935	Registered Applicant	0	100
M24/898	Registered Applicant	0	100
M27/430	Registered Applicant	0	100
P16/2249	Registered Applicant	0	100
P16/2250	Registered Applicant	0	100
P28/1004	Registered Applicant	0	100
P28/1005	Registered Applicant	0	100
P28/1006	Registered Applicant	0	100
P29/1827	Registered Applicant	0	100

Tenement	Nature of Interest	% Begin Quarter	% End Quarter
P29/1828	Registered Applicant	0	100
P29/1829	Registered Applicant	0	100
P29/1830	Registered Applicant	0	100
P31/1697	Registered Applicant	0	100
P31/1698	Registered Applicant	0	100

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 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: _____
Director

Date: 30/4/04

Print name: Ian Buchhorn

Notes

1. The Quarterly Report is to provide a basis for informing the market how the entity's activities have been financed for the past Quarter and the effect on its cash position. An 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. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.