



ASX Release – 4th December 2009

HERON STRENGTHENS ITS FINANCIAL POSITION

Heron is pleased to confirm the settlement of the committed 19.9% stake in Polaris Metals NL under the accelerated settlement terms of the improved share offer by Mineral Resources Limited (**MIN**), which the Board of Polaris has recommended in the absence of a superior offer.

Under the terms of the recommended offer, Heron has received ten cents cash for each Polaris share and one MIN share for every 10 Polaris shares. This equates to \$3,498,265.10 cash and 3,498,265 fully paid ordinary shares in MIN which based on the closing price of MIN on 3 December 2009 of \$6.78, have a value of \$23,718,236.70. Notwithstanding that settlement has occurred for Heron's 19.9% stake in Polaris, Heron will still receive the full benefit of any further increase in the MIN share offer for this stake.

Heron still controls 4,260,593 Polaris shares and 14,000,000 options in Polaris exercisable at \$0.281. These shares and options are not committed to either the Lion or MIN takeover offers.

Heron's cash balance is now \$29.5 million further strengthening its position to deliver its projects and continue to grow through exploration and acquisition.

A handwritten signature in blue ink that reads 'N. Mathew Longworth'.

N Mathew Longworth
Managing Director

For media inquiries, please contact: Paul Downie, FD Third Person, 0414 947 129, (08) 9386 1233

About Heron

Heron is a mining development Company with primary interests in the Eastern Goldfields of Western Australia and Eastern Victoria.

The Kalgoorlie Nickel Project (KNP) is one of the largest undeveloped nickel laterite projects in the world. The KNP has a large resource, good infrastructure, low sovereign risk and extensive studies.

The Yerilla Nickel Cobalt Project is located 140km north east of Kalgoorlie, where Heron's partner Shanshan Ningbo is undertaking piloting of Shanshan's technology as part of a feasibility study into developing the Project.

Heron has a two year option to purchase the A1 Gold Mine in eastern Victoria, where the Company is developing a decline to evaluate this large historic gold mine. The A1 Gold Mine offers the opportunity for near term cash flow through the project's low capital and operating costs and low entry cost.

