Heron Resources Limited (ASX:HRR) is pleased to announce that an agreement has been signed with Simulus Engineers (Simulus) to undertake metallurgical testwork on Kalgoorlie Nickel Project (KNP) nickel laterite ores and to produce a Scoping Study on the applicability of Simulus’ innovative reagent recovery technology to the KNP.

**Simulus Process**

Simulus is a Perth-based metallurgical engineering firm specialising in developing innovative and cost effective solutions to complex metallurgical processes. Simulus has a team of some 20 engineers and has a proven track record of innovative design and cost-effective execution. They have added significant value to several nickel, cobalt, gold, copper and other base metal projects over the last nine years.

Within its subsidiary Carbon Friendly Nickel Processing (CFNP), Simulus has developed a new process technology able to be applied towards the extraction and refining of nickel and cobalt from nickel laterite ore.

The essence of the process is the recovery and re-use of the key reagents used in leaching and purification. The Simulus reagent recovery process can be matched up with any front-end leach process such as high pressure acid leach, atmospheric tank leach, or heap leach. A range of intermediate products or refined metal can also be produced as required.

CFNP has the potential to offer substantial benefits compared to existing processes including reduction in reagent costs, tailings production and water consumption, leading to the potential for significant improvements in operating costs.

**Applicability to Heron’s KNP**

There is an increased focus on new nickel laterite extractive technologies which in part reflects the tightening situation of traditional sources of nickel supply from nickel sulphides. Heron has a multi-disciplinary strategy to match these various technologies to specific ore types within the KNP with the ultimate aim of enhancing and crystallising value from the KNP through the application of such innovative technology.

Heron believes that the technology Simulus is seeking to apply to the KNP nickel laterite processing flowsheet has significant potential to catalyse a “step change” in the project economics of the KNP.

If successful, this initial testwork and Scoping Study is intended to lead into a closer partnership between Heron and Simulus through CFNP under which the technology will be further developed.

**Resource Inventory**

The KNP has a nickel laterite Mineral Resource totalling **727 million tonnes grading 0.72% nickel and 0.044% cobalt.** For a full statement of Mineral Resources, please refer to page 12 of the “Quarterly Report – March 2013”, available from Heron’s web site or from the ASX.
Delivery of Representative KNP Bulk Samples

Three bulk samples of nickel laterite ore have been delivered to Simulus Engineers in Kewdale, Western Australia. The samples represent the three main ore type within the KNP:

- Goethite ore from sonic core drilled at Siberia North
- Saprolite ore mined by Heron from Heron’s Boulder Block pit at Bulong
- Nontronite ore from the stockpiles at the Heron Jump Up Dam trial pit (Yerilla Project)

These samples are designed to represent the three end members of the dominant material types recovered from the Heron KNP nickel laterite resource inventory and will demonstrate the viability of the Simulus process over the spectrum of metallurgical variability.

The work is expected to be completed in about three months.

The testwork and Scoping Study are promising avenues for development of Heron’s KNP, and we look forward to the initial results. Heron remains committed to extracting significant value from its extensive nickel resources in Western Australia, and to this end will continue to pursue multiple avenues.

Ian Buchhorn
Managing Director

The information in this report that relates to Exploration is based on information compiled by David von Perger who is a Member of the Australasian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited. David von Perger has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. David von Perger has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.