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23 June 2003

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

Dear Sir / Madam

**RE: HERON RESOURCES LIMITED and GOLDEN STATE RESOURCES LIMITED,
NICKEL LATERITE SALE AND PURCHASE LETTER AGREEMENT**

Following the announcement by Heron Resources Limited ("Heron") on 23 May 2003 in respect of its Offers to purchase the Golden State Resources Limited ("Golden State") nickel laterite assets, being Golden State's 51% interest in the Helix Resources NL Menzies Nickel Joint Venture Agreement, 87.5% interest in the Dalrymple Resources Limited Menzies Purchase and Joint Venture Agreement, Golden State's right to earn a 70% interest in the Gilt-Edged Mining NL Comet Vale Joint Venture Agreement, and Golden State's 100% interest in the Comet Vale and Menzies West Projects, Heron advises that there has been no pre-emption of the Offers by any of the above joint venture partners.

The parties will now proceed to completion of the Offers.

With these current Golden State acquisitions, the previously announced Centaur Nickel Pty Ltd (Receiver and Manager Appointed)(In Liquidation) Siberia acquisitions, Heron pegging in the Siberia district, and recent exploration successes by Heron at Mineral Patch Hill southeast of Laverton and Windanya south of Goongarrie, Heron now controls a diluted **Inferred Mineral Resource of 605 million tonne at 0.7% Ni and 0.05% Co** (0.5% Ni cut-off grade, polygonal estimation method, 1m selvedge dilution at 0.25% Ni).

With this substantial resource base, Heron is able to evaluate high grade ore supply to existing plants as its immediate priority, and also continue its on-going and longer term feasibility programs for a standalone processing operation based at Goongarrie.

Yours sincerely

Ian Buchhorn
Managing Director