

An insight from Heron's new Exploration Manager, **Dave Von Perger**



How long have you been with Heron?

I have been with Heron since February 2004.

What is your background?

I began my working career as a geologist in January 1993 and my first position was involved with drilling out the Bronzewing gold deposit. After some 5 months of pin cushioning the area with drilling we turned one of the rigs around to a new direction and intersected 168 metres grading 12.1 grams per tonne gold from 214 metres depth with large slugs of visible gold all through it. This was the discovery of the Shoot 39 Lode and I was pretty well hooked on exploration. From there I moved on to various exploration roles with Normandy Mining based at Big Bell and later at Kalgoorlie where I was involved with base-metal exploration in the Pilbara. In 1998 I took up a position as a Business Analyst based in Melbourne before taking on a role as Business Development

Manager for a group of mineral companies. In 2002 I came back to Kalgoorlie as Exploration Manager for this same group and we managed to make an interesting gold discovery near Laverton shortly before I took up the position with Heron.

I have always gravitated towards mineral exploration and have always been fascinated with the potential for generating billions of dollars of value for the country through a small area of ground.

With the remarkable current upturn in commodity prices we are seeing a much needed renewed focus on mineral exploration and mining. For several years the industry has been in survival mode and it is only now that the minerals industry can make reasonable returns. I would like to think we are in a new economic phase where we will see exploration and mining companies making significant and sustained returns to investors and also the broader Australian community.

What are your duties at Heron?

The key duties at Heron include:

- Managing Heron's exploration programs with a focus on making significant discoveries.
- Project generation work looking for Heron's next major project. This is for a range of commodities including: nickel, gold, iron-ore, copper, uranium and other energy minerals.

It must be difficult with such a large tenement holding to keep them in good standing?

Heron has a large tenement holding, however, we have several excellent systems in place to effectively manage it. A large part of the holding has been farmed out to other companies, including Inco who conduct the required work programs. Heron also conducts considerable exploration in its own right from our base here in Kalgoorlie.



Heron Explorer

A quarterly communication from Heron Resources, keeping you informed of our latest projects, initiatives and business opportunities.

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Given that Inco has assumed responsibilities for exploration at the KNP, what is the main focus of your activities currently?

Heron is a multi-commodity resource company. We have a world-class nickel resource with the KNP that is being developed in partnership with Inco. Heron also has considerable nickel assets outside the KNP that we have reviewed and will be advancing. These are both nickel laterite and nickel sulphide targets. We plan to drill one of these targets in the coming weeks.

Heron has a large package of iron-ore tenements with good potential for at least modest mineral resources. We are currently looking to divest this package through a third party that can focus 100 percent on these projects and generate growing value from them.

In addition to the iron-ore we have a large package of copper and gold projects that we plan to divest through our wholly owned subsidiary Regent Resources Ltd. This is progressing well and we are continuing to acquire suitable projects for this. One of the lead projects will be the Warburton copper project where several small scale copper mines were worked in the late 1960s with virtually no exploration since that time. A review of the area indicates similarities with iron oxide copper gold (Olympic Dam) type mineralisation and this will be the key focus for exploration in the area.

Heron also has a very interesting project near Balladonia that has known brown coal and lignite deposits that were drilled by CRA in the 1980's. The area is in a very similar setting to the Mulga Rocks uranium deposit where the uranium (and plethora of other commodities) is hosted by

lignite horizons in old palaeo-valleys. With this and some other uranium projects we plan to spin out another vehicle that can focus solely on these assets. In addition to the uranium, the coal and lignite deposits are also very interesting in their own right with technology steadily advancing, along with the oil price, to a point where these deposits may become viable.

Heron is currently discussing its nickel sulphide assets with Inco. These assets are often talked about as offering near term development potential. What kind of resources or reserves could these assets potentially offer?

Heron is one of the largest holders of ultramafic rocks in Australia which offer substantial scope for significant nickel sulphide discoveries. Heron has nickel sulphide targets both within and outside the KNP area that we are actively progressing. These targets could potentially result in the discovery of large scale Mt Keith style disseminated mineralisation or smaller scale Kambalda style nickel mineralisation. At this stage we would be happy to discover either style; however, it is fair to say that the Mt Keith style offers a much larger target for exploration. A lot of Heron's ultramafic belts have been picked over for nickel sulphides in the late 1960s and early 1970s. These early explorers did a remarkable job given their limited resources at the time. In many cases they have left behind significant results that we can now quickly follow up with modern geophysical techniques. Heron is well aware that we have good potential to make an economic nickel sulphide discovery on our land holdings and considerable effort is being put into achieving this.



Heron Resources Limited