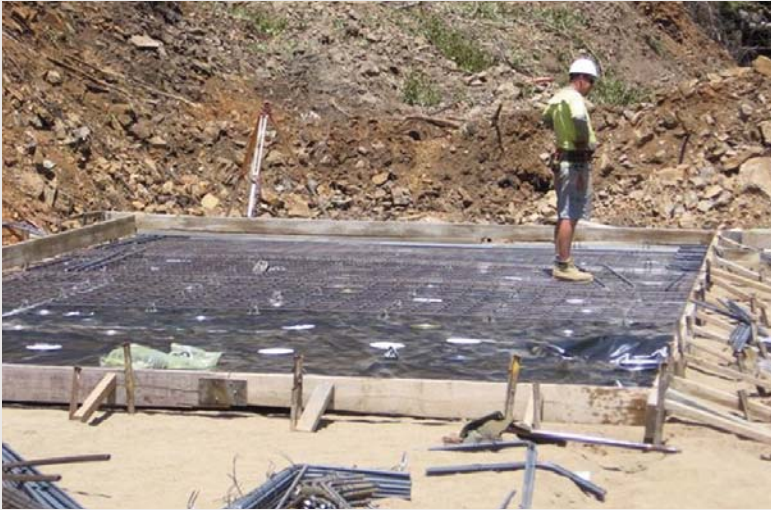


A1 Gold Mine



The A1 Gold Mine is located 120km east north east of Melbourne in Victoria. Heron acquired a 24 month option to purchase the mine in August 2009. During the 24 months Heron will undertake an evaluation program including driving a decline to the 14 Level, 18,000 metres of diamond drilling and extensive mapping and bulk sampling within old workings.

The evaluation is anticipated to take up to 24 months. The main area of work is driving the decline from the surface adjacent to the 7 Level adit down to the 14 Level approximately 260 metres vertically. The decline is primarily to provide drill and personnel access for the evaluation and a second means of egress from the mine. Should a decision to mine be made the decline is of a scale capable of meeting the ore and waste haulage requirements for the scale of operation envisaged.

Work has commenced on the A1 Mine Site. Minimal clearing has been done to prepare the site for an office, crib room and change house and workshop.



Pictured are site works at the A1 Gold Mine