Heron Resources Limited (ASX: HRR) (Heron) is pleased to announce three initial diamond drill holes (ZNDD001-3) intersected massive sulphides at the Company’s wholly owned Mt Zephyr Project, located 75 kilometres north-east of Leonora, Western Australia.

The drilling targeted Volcanogenic Massive Sulphide (VMS) mineralisation associated with a suite of felsic volcanic, mafic and sedimentary rocks. VMS deposits host zinc, copper, lead, silver and gold mineralisation. Three existing VMS mines in Western Australia include Scuddles, Gossan Hill and Jaguar.

Heron Managing Director, Mr Mathew Longworth, said the results from the initial drill holes have encouraged the Company to design a follow up drill program. A detailed review of drill core, geochemistry and alteration mapping is underway.

“These encouraging results indicate the presence of a VMS mineralising system, and augur well for future exploration of the Mt Zephyr project,” Mr Longworth said.

Mr Longworth said exploration conducted by ESSO in the early 1980s, which focussed on an area some 4 kilometres to the south-east of Heron’s current drilling, suggests a prospective horizon of over 10 kilometres in length which is 100% owned by Heron.

The existing target zone (identified through EM surveys) is defined over some 600m, within a broader 1.4 kilometre long conductive zone. Generally, VMS deposits often occur in clusters, but the actual ore-bodies may only be a few hundred metres in strike-length.

An overview of the three drill hole results include:

- ZNDD001 was targeting an electromagnetic (EM) conductor down dip from a recently identified sub-cropping gossan and intersected sulphides over a 4.2m down-hole width from 165m, and 2.8m width from 174m.

- ZNDD002 intersected a single 7.8m zone of brecciated and bedded sulphides from 277.3 to 285.1m down-hole depth. The sulphide intercept in ZNDD002 was located nearly 100 metres down dip from the intercept in ZNDD001 and is interpreted to be part of the same sulphide sequence with improving mineralized characteristics.

- ZNDD003 was drilled 160m to grid-north of ZNDD001-2 and intersected a number of sulphide zones, similar to those in holes ZNDD001-2, between 258m and 300m down-hole depth. These sulphides occurred over 1 to 5 metres down-hole thickness and varied from being essentially massive sulphide to being thinly bedded in carbonaceous sediments.

The VMS system appears to be improving in mineralized tenor to the north, as well as down-dip. The system is open to the north along strike from Heron’s last hole, this will be a key area for further drilling and exploration. A ground based gravity program was completed to assist drill targeting within the mineralised horizon.

The sulphide mineralised zones are associated with carbonaceous sediments which lie within a package of felsic volcanic breccias with strong sericite, silica, pyrite, pyrrhotite and carbonate alteration (the typical alteration associated with VMS systems).

Sulphides are dominated by the iron sulphides pyrite and pyrrhotite; Niton XRF results indicate these semi-massive to massive sulphides zones are weakly enriched in zinc and copper. Assay results are awaited.
Exploration Update Mt Zephyr VMS Project

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The information in this report that related to Exploration is based on information compiled by David von Perger who is a member of Australian 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 that he is undertaking to qualify as 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 consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

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Figure 1 Location Map
Figure 2: Prospect scale geology map showing drill hole location and EM conductors.
Figure 3 Drilling cross section showing ZNDD001-2 with key geology and alteration.

- **Gossan at surface**
- **Target Horizon**
- **Hanging Wall breccia in felsic volcanics**
- **Mixed felsic volcanic with minor carbonaceous shales and other sediments**
- **Base of weathering**
- **Thin BIF units**
- **100mRIL**
- **200mRIL**

**Key Data Points**:
- **220m EOH**
- **174.2-177m semi-massive bedded sulphide**
- **165.3-169.5m massive to semi-massive sulphide**
- **277.3-285.1m semi-massive bedded sulphide**
- **Foot Wall pyrite-sericite-carbonate alteration**
- **318m EOH**
**Figure 4**  
ZNDD01 Diamond core with semi-massive to massive sulphides from approximately 167m depth (core length is approximately 20cm)

![Figure 4](image1)

**Figure 5**  
ZNDD02 Hangwall felsic breccia with pyrite clasts

![Figure 5](image2)
Figure 6
ZNDD02 Sulphide zone – pyrite and pyrrhotite and minor chalcopryite

Figure 7
ZNDD003 Sulphide zone at approximately 258m depth showing strong sericite/silica alteration in adjacent felsic volcanic rocks at the top of the photo
Figure 8
ZNDD003  Detail of sulphide zone at approximately 260m depth