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ASX Release – 17 June 2010

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## A1 GOLD MINE DELIVERS HIGH GRADE GOLD INTERCEPT

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Heron Resources (ASX:HRR) is pleased to announce a high grade drill intercept from hole L7\_0049 at the A1 Gold Mine in Victoria. Drilling underground from the historic mine adit on the 7 Level returned an intercept of 10.4m at 11.2 g/t gold from 11 metres down hole, within a broader zone of 19m at 6.83 g/t gold.

Heron is evaluating the A1 Gold Mine through underground development and drilling supported by bulk sampling to determine the potential to establish an operation based on mining approximately 100,000 tonnes of ore per annum through mechanised methods to produce between 25,000 and 30,000 ounces of gold per year. The Heron target is a bulk tonnage gold stockworks system, hosted by a Dyke (as opposed to the traditional Victorian "saddle reefs"). The current drill results demonstrate the presence of significant widths of mineralisation and are an important step to determining the viability of any proposed operation.

Heron's Managing Director Mathew Longworth noted this was the first drill hole from the systematic drilling on the 7 Level testing the stock work target to return these exciting grades. It is an early indication of the good potential still remaining in the A1 upper mine levels, despite these levels having been subject to over a Century of intense mining activity.

"We are particularly pleased to see individual samples running grades of between 19 and 30 grams per tonne gold, further drilling is underway to evaluate this target with initially 60 holes planned" said Mr Longworth.

"It is also encouraging that the good grades are extending from the Dyke into the altered sediment country rock, which is somewhat unexpected, since historical mine records interpreted the Dyke as the preferred gold host rock, and indeed the Level 7 Adit closely follows the Dyke."

"These are preliminary results from our exploration program in what was not a priority target area, and are an excellent start to the evaluation of the A1. It certainly confirms that high grade stockwork mineralisation as shown on old mine plans remains at A1. To find this high grade mineralisation adjacent to existing mine development means accessing it for further evaluation and future mining is low cost."

Drilling was testing the northern extensions of the 7 Level stockworks target and was located 10 metres north along the adit from hole L7\_0019 which returned 8m at 2.3g/t gold including 0.5 m at 6 g/t gold and 1m at 7g/t gold. This also included 1.3m of dilution for an old mining void.

Currently the drill rig on the 7 Level is drilling 20 metres south of L7\_0049 and has intersected 27 metres of visually encouraging stock work mineralisation, which is yet to be assayed. In addition to the stock work targets on the 7 Level, the Company has two drill rigs drilling deep holes from underground on the 7 Level to test the stockworks target on the 14 Level. These deeper holes are typically 350m to 400m in length, with results expected in the coming weeks. The host Dyke tends to be relatively narrow on the 7 Level, whereas it is 60m wide on the 14 Level, providing bulk tonnage targets.

A program of 100kg bulk samples from the 7 Level are being processed through the onsite sample scale gravity plant to provide additional information on grade distributions.

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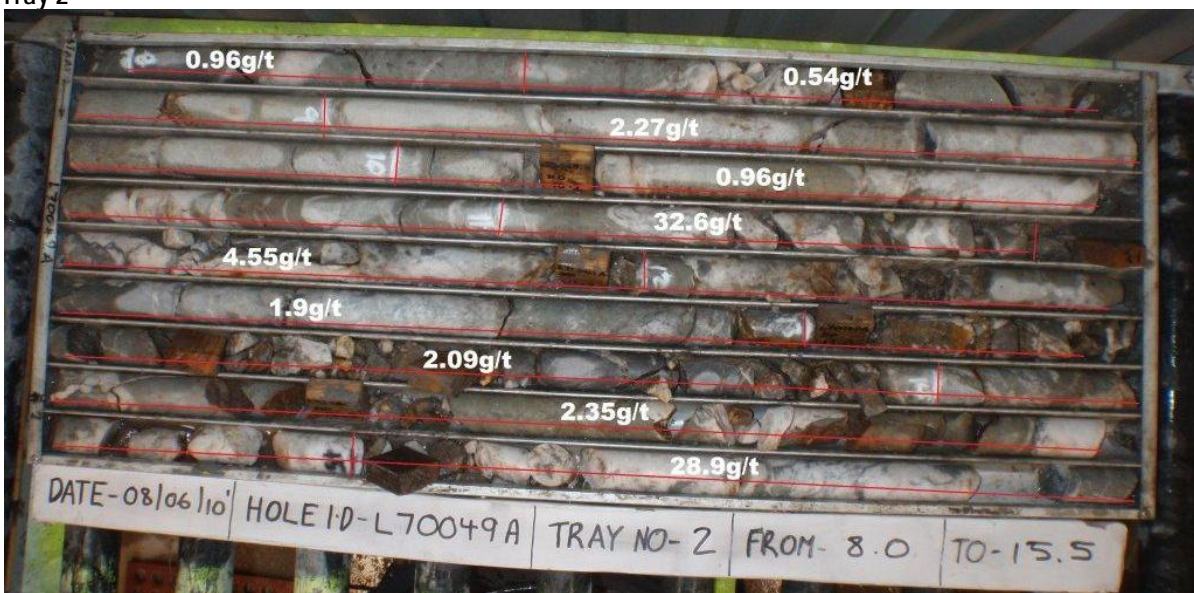
The information in this report that related to Exploration is based on information compiled by Owen Browne who is a member of Australian Institute of Geoscientists. Owen Browne is a full time employee of Woods Point Gold Mines a wholly owned subsidiary of Heron Resources Limited. Owen Browne has sufficient 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. Mr Browne consents to the inclusion in this report of the matters based on his information in the form and context that it appears.

For media inquiries, please contact: Paul Downie, FD Third Person, 0414 947 129, (08) 9386 1233

Tray 1

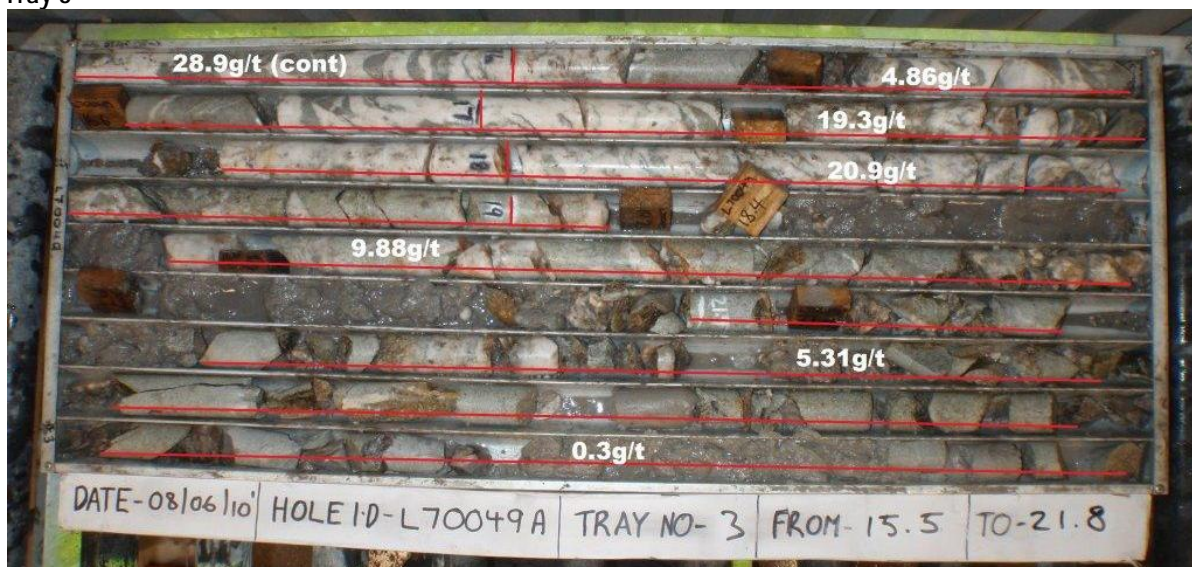


Tray 2





Tray 3



Tray 4

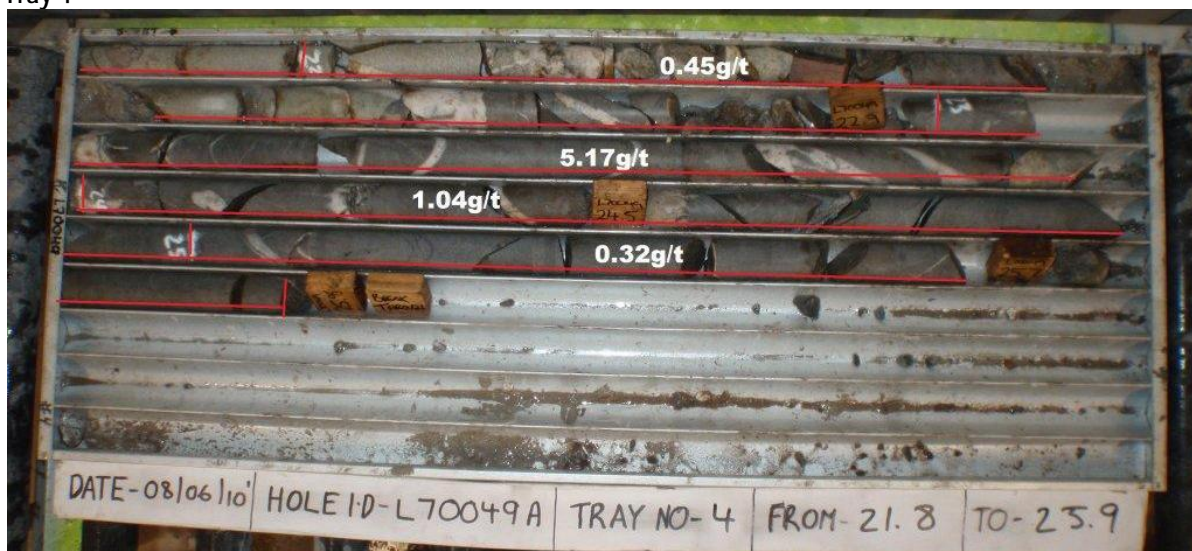
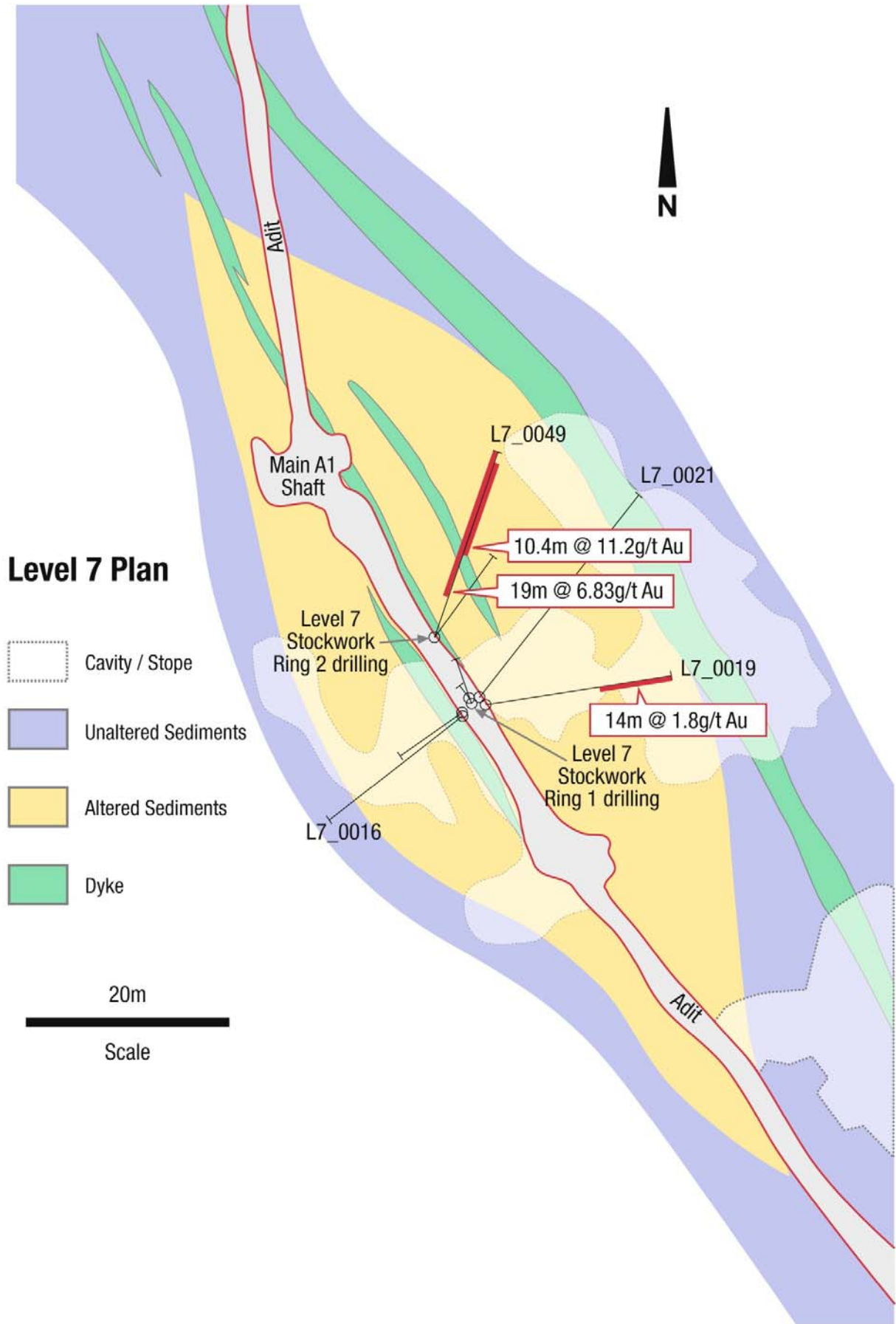







Table 1. Drill intercepts for the 7 level stock work program

Hole ID	Easting	Northing	RL	Azi	Dip	EOH Depth	From	To	Int	Au (g/t)
L7_0016	429561	5848720	1687	232	-1	16.9	0	1	1	1.06
L7_0017	429561	5848720	1687	235	-43	10.25	0.8	1.7	0.9	1.6
L7_0018	429562	5848721	1686	341	-59	9.15	No Significant Assays			
L7_0019	429563	5848721	1686	81	-46	26.8	14	25.6	11.6	1.8
						incl	14	22	8	2.3
						incl void	15	16.3	1.3	0
L7_0020	429558	5848728	1687	25	3	7.9	Awaiting Assays			
L7_0021	429563	5848722	1689	38	36	31.7	8.5	9	0.5	1.36
L7_0022	429562	5848722	1689	326	53	2.6	Awaiting Assays			
L7_0045	429562	5848722	1686	140	-40	5.5	Awaiting Assays			
L7_0049	429558	5848728	1686	19	-41	25.95	6	25	19	6.83
						incl	11	21.4	10.4	11.2
L7_0050	429558	5848728	1687	35	3	10.2	Awaiting Assays			



**Level 7 Plan**

-  Cavity / Stope
-  Unaltered Sediments
-  Altered Sediments
-  Dyke

20m  
  
 Scale

L7\_0049

10.4m @ 11.2g/t Au

19m @ 6.83g/t Au

L7\_0021

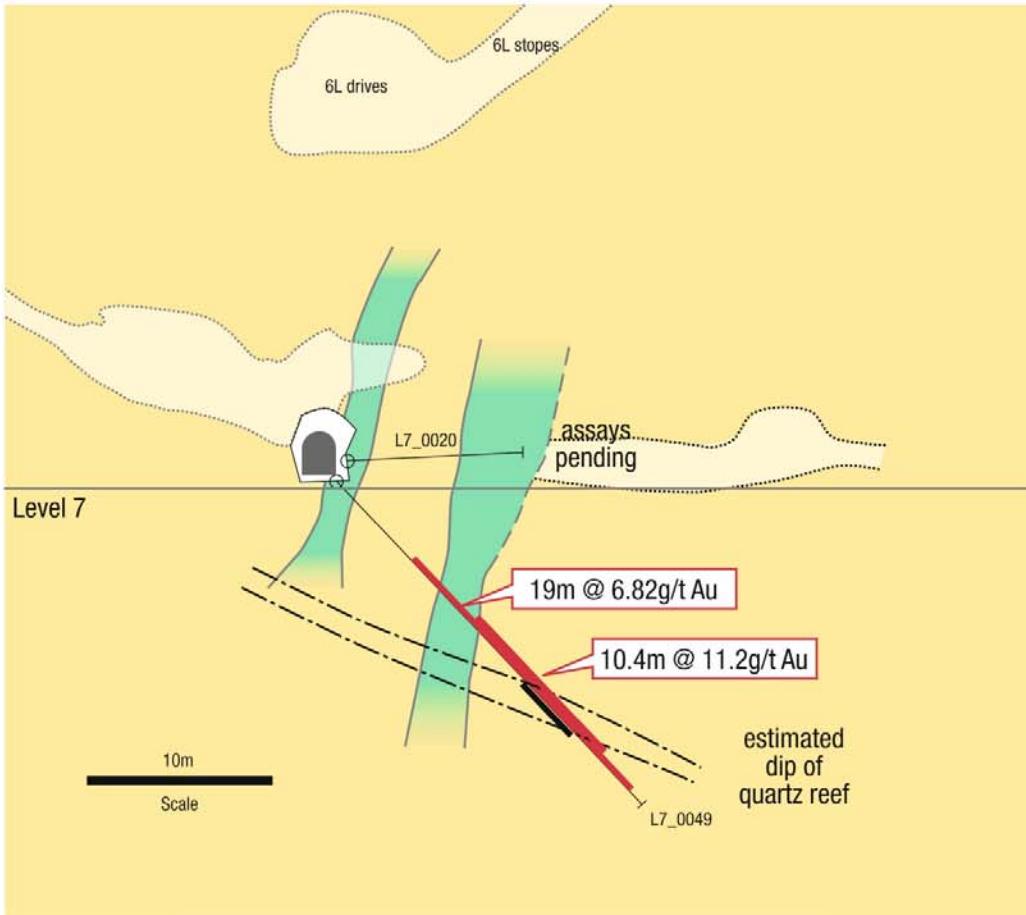
L7\_0019

14m @ 1.8g/t Au

Level 7 Stockwork Ring 2 drilling

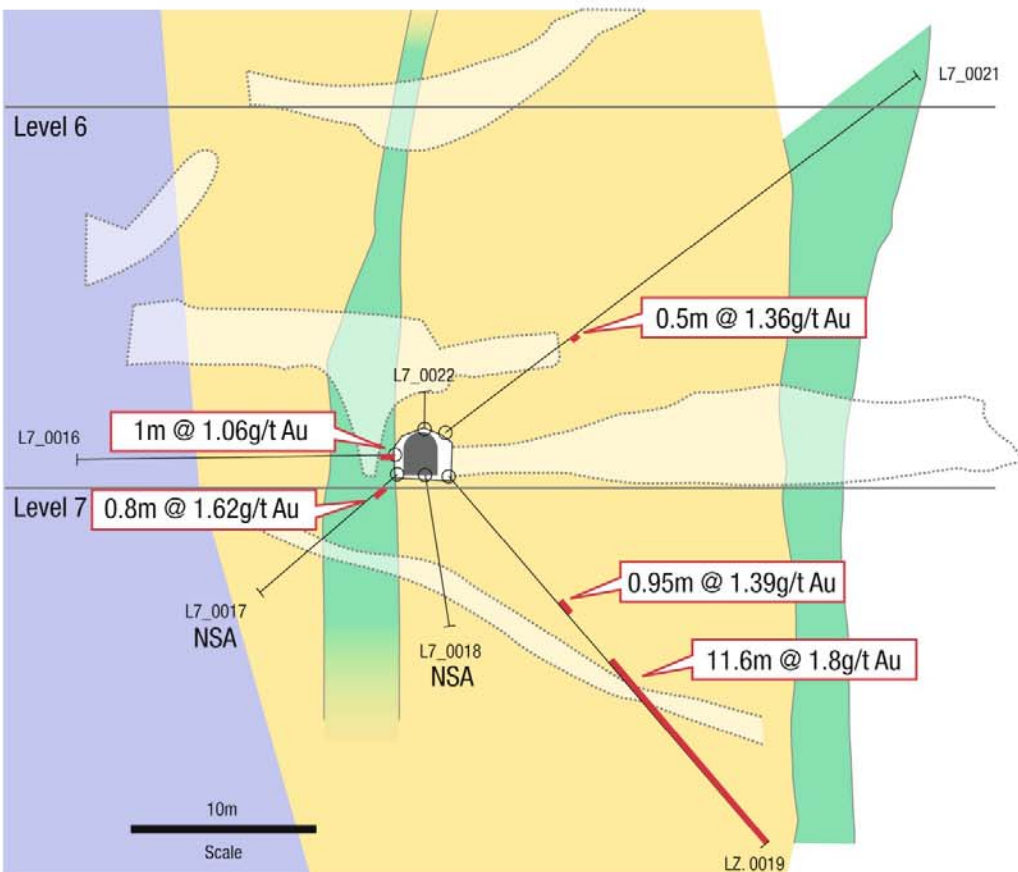
Level 7 Stockwork Ring 1 drilling

L7\_0016



**Level 7 Stockwork Ring 2**

- Diamond drillhole
- Adit
- Quartz Reef
- Altered Sediments
- Dyke
- Cavity / Stope



**Level 7 Stockwork Ring 1**

- Diamond drillhole
- Adit
- Unaltered Sediments
- Altered Sediments
- Dyke
- Quartz Reef
- Cavity