A1 GOLD MINE 14 LEVEL STOCK WORKS TARGET

HOLE L7_0010A CONFIRMS NORTHERN EXTENSION

Highlights

Results for L7_0010A in the Level 14 North Stock Works Target:

45.2m @ 7.87g/t gold from 279.8m to 325m

Including 19.2m @ 15.4g/t gold from 279.8m

Screen Fire assay method repeated on hole L7_0023 in the South Stock Works Target returned 26.55m @ 10.11g/t gold from 290.1m to 316.65m validating earlier 50g fire assays (previously reported) which returned 26.45m @ 9.62g/t gold over the same interval.

Heron Resources (ASX:HRR) is pleased to announce results from hole L7_0010A drilled at the A1 Gold Mine in eastern Victoria.

Hole L7_0010A intersected 19.2m @ 15.4g/t gold from 279.8m within a broader zone of 45.2m @ 7.87g/t gold from 279m. Figure 1 depicts the Level 14 stock works target with the trace of L7_0010A located to the north of Garratt’s fault. This hole was designed to demonstrate the continuity of the stock work mineralisation north of the fault.

Heron is evaluating the A1 Gold Mine through its 100% owned subsidiary Woods Point Gold Mines Pty Ltd under a 2 year option commenced in August 2009. The Heron target at A1 is a stock works system exploited as a decline-based mechanized bulk mining operation with head grade of 8-10g/t gold.

On 14 September 2010 the company reported a narrow quartz vein exhibiting coarse gold in hole L7_0010 at 266 metres. This vein was sampled as a 0.4 metre interval which returned 147.2g/t gold which demonstrates the narrow but high grade nature of the reefs within the A1 which were the target of historic mining.

Screen fire assays for Hole L7_0023 returned 26.45m @ 10.11 g/t gold from 290.1m to 316.65m, which compares favourably with the previously reported results for this hole, based on 50g Fire Assays of 9.62 g/t gold over the same interval. Screen fire assay is used to confirm the initial results where coarse gold is identified. The close comparison between these results suggest while coarse gold is present it is well sampled by the 50g fire assay analytical technique.

Heron’s Managing Director Mathew Longworth said, “Drilling has now extended the zone of known mineralisation to the North, past Garratt’s fault. We have drilling in progress to test further extensions of this zone.” Pleasingly, the more intensive screen fire assay technique has validated the routine 50g fire assay technique, indicating that analytical sampling is not unduly influenced by coarse gold,” said Mr Longworth.
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.

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About the A1

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 stock works 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. The A1 Gold Mine is the second largest of the mines hosted by the Walhalla to Woods Point dyke swarm and produced over 450,000 ounces of gold over its history. The evaluation is being conducted by Heron’s wholly owned subsidiary Woods Point Gold Mines under a two year option commenced in August 2009.

Screen Fire Assay and 50g Fire assay explained.

Core from the A1 is sawn in half with a consistent side of the core sent for assay to ensure the sample is not biased. Sample intervals are selected on the basis of the observed geology including veining and alteration. The samples are crushed in a jaw crusher prior to being pulverised in a ring mill to P80 at minus 75 microns or 0.075mm (fine powder). For 50g fire assay a 50g sub sample is taken from this powder to fire assay for gold. In a screen fire assay a 1 kg sample is taken and screened with a 105 micron screen all the powder that does not pass through the screen (screen oversize) is weighed and assayed as are two 50g subsamples of the fine powder that passes through the screen. Based on the three assays and the weight of the starting sample (1000g) and the weight of the screen oversize the grade of the original sample is calculated. Gold being soft and malleable is very difficult to pulverise and often reports to the screen oversize. By assaying all this screen oversize, variability in the assay results is greatly reduced and a superior estimate of the original gold grade is possible. Screen fire assays are very costly and time consuming, the A1 team use this style of analysis to evaluate samples where initial assays indicate there may be a “coarse gold issue”. A review of the assays from the 14 level stock work zone indicates a very well behaved sample population which is very surprising and pleasing to see in a Victorian gold deposit.

Table 1 Drill hole details

<table>
<thead>
<tr>
<th>Hole No</th>
<th>MGA East (m)</th>
<th>MGA North (m)</th>
<th>RL (m)</th>
<th>Hole Dip</th>
<th>Hole Azi</th>
<th>EOH Depth (m)</th>
<th>From To</th>
<th>Intersections (Gold)</th>
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<tbody>
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<td>L7_0010A</td>
<td>429482</td>
<td>5848879</td>
<td>1688.7</td>
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<td>145</td>
<td>395.3</td>
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<td>279.8</td>
<td>325</td>
<td>45.2m @ 7.87g/t</td>
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<td>incl</td>
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Assays by 50g fire assay by OSLS Bendigo on sawn half core.
Figure 1 Drill hole locations
Figure 2 Detail of Main Stock Work Zone