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**ASX Release – 17 February 2011**

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## **EXPLORATION UPDATE**

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### **Highlights**

#### **Bare Hill follow up gold results**

- 72 follow-up RAB holes for 2,250m completed;
- Confirmation of a gold mineralised shear zone with best results of:
  - 12m @ 0.8g/t from surface;
  - 6m @ 0.6g/t from 52m;
- Follow-up RC drilling planned.

#### **Shay Gap detrital iron ore project**

- **Two key tenements granted**
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Heron Resources Limited (ASX:HRR) is pleased to provide the following exploration updates:

#### **Bare Hill follow up gold results**

The results of a follow-up rotary air blast (RAB) drill program at its wholly owned Bare Hill Gold Project, located 60 kilometres south-east of Kalgoorlie were received from the laboratory. RAB drilling was recently conducted on 320m and 160m spaced lines with a total of 72 holes for 2,250m being completed. The drilling highlighted the southern area (Figure 1) as being the most prospective with a number of significant intercepts that both confirmed and extended the previous results:

- BHRB048: 8m @ 0.24g/t gold from 40m
- BHRB048: 6m @ 0.60g/t gold from 52m
- BHRB053: 3m @ 0.14g/t gold from 64m
- BHRB062: 12m @ 0.80g/t gold from surface

Previous RAB drill results from Bare Hill, reported in Heron's December 2010 Quarterly Report included:

- BHRB03: 23m @ 0.42g/t gold from 36m
- BHRB09: 4m @ 0.23g/t gold from 48m
- BHRB011: 12m @ 0.25g/t gold from 44m and
- BHRB039: 4m @ 0.44g/t gold from 24m

These results came from strongly sheared basalt with quartz veining and alteration consisting of sericite, carbonate and minor sulphides. Zones of massive gabbro and porphyritic basalt are present in the shear zone and these may provide local zones of focus for the mineralising fluids. Linear trends in the aeromagnetic data (Figure 1) are delineating the zones of shearing and will be used to assist with future drill planning.

The prospect lies on the eastern side of the Bulong Anticline, some 10km east of Integra Mining Ltd's Salt Creek Gold operation, an area that has received only relatively minor previous exploration. Heron is currently planning a reverse circulation drilling program to test below the zone of weathering where there is potential for more significant mineralisation.

Heron Managing Director Mathew Longworth commented "these are encouraging early stage RAB results from an area of limited previous exploration in close proximity to Integra's Salt Creek gold mine. We look forward to undertaking the first round of RC drill testing of the anomalies"

### Shay Gap Detrital Iron Ore Project

Two key tenements at its wholly owned Shay Gap Iron Ore Project are now granted. The Shay Gap project is located 160 kilometres east of Port Hedland, Western Australia and directly adjacent the Yarrie iron ore mine, operated by BHP Billiton Ltd.

The newly granted tenements cover some 290 square kilometres adjacent to the Shay Gap Iron Ore Ranges where previously reported Heron rock chip samples returned iron grades up to 68% from surficial detrital material (see Figure 4). The most prospective area is in the south-east, where detrital iron-ore material occurs in colluvial lobes directly down slope from bedded iron ore within the range on BHP Billiton tenure (Figure 5) and will be the key area for follow-up exploration.

The Company aims to delineate detrital iron ore deposits along the range front through a program of drilling in areas adjacent to the range and also towards the valley floor where such deposits may have been transported and covered by younger alluvial/colluvial sediments.

Heron is planning a heritage survey for the area and while there are some registered sites in the broad area there are no known sites in the area of planned drilling. Once heritage clearance is obtained the Company will commence drilling in the forthcoming field season.

Mr Longworth noted "once the heritage clearance was complete and access after the wet was possible would undertake a program of RC drilling to test the potential of these targets to host substantial tonnages of detrital iron ore"

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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 Significant Intercepts on Aeromagnetic Image

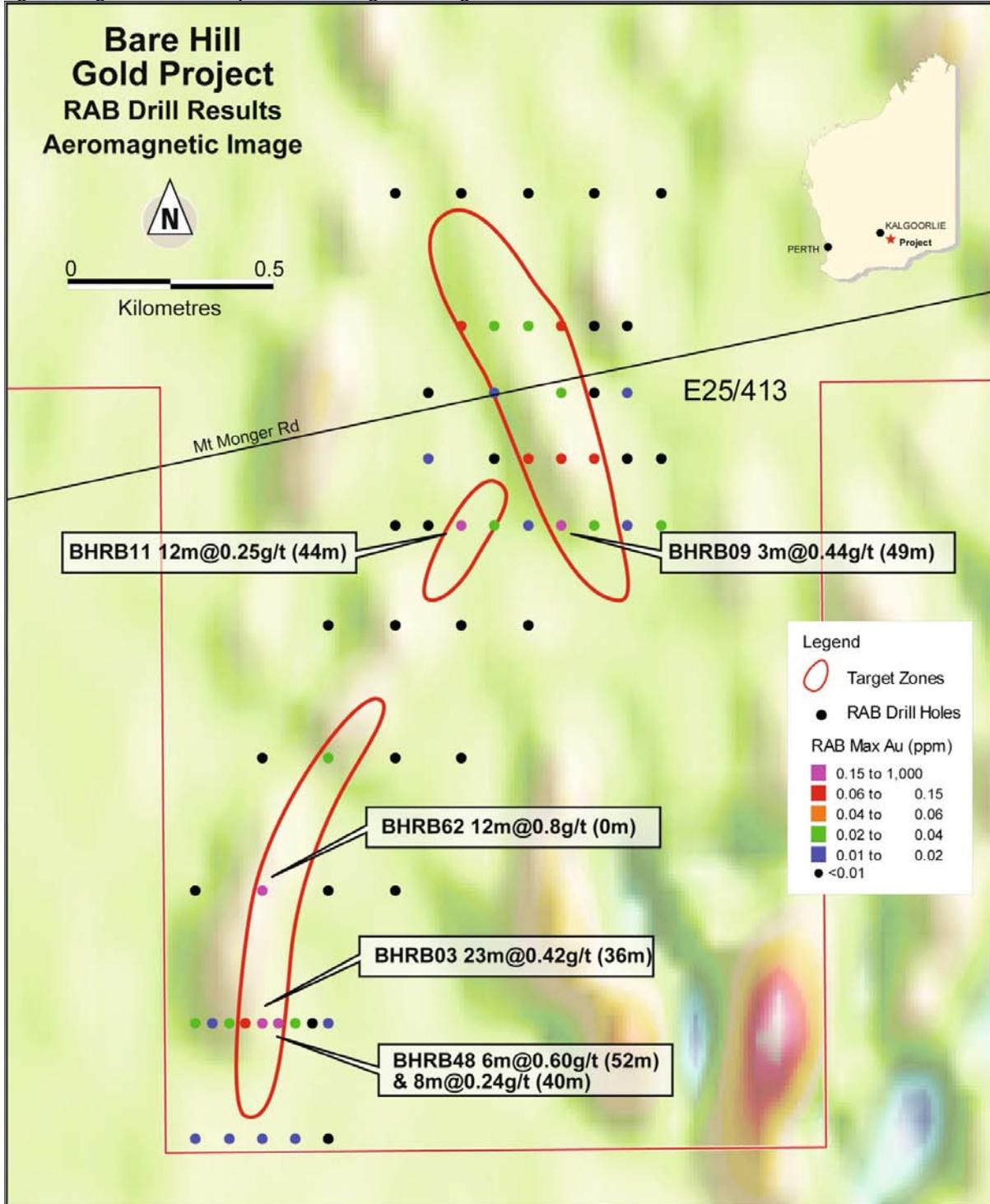


Figure 2 Cross Section 6559280N

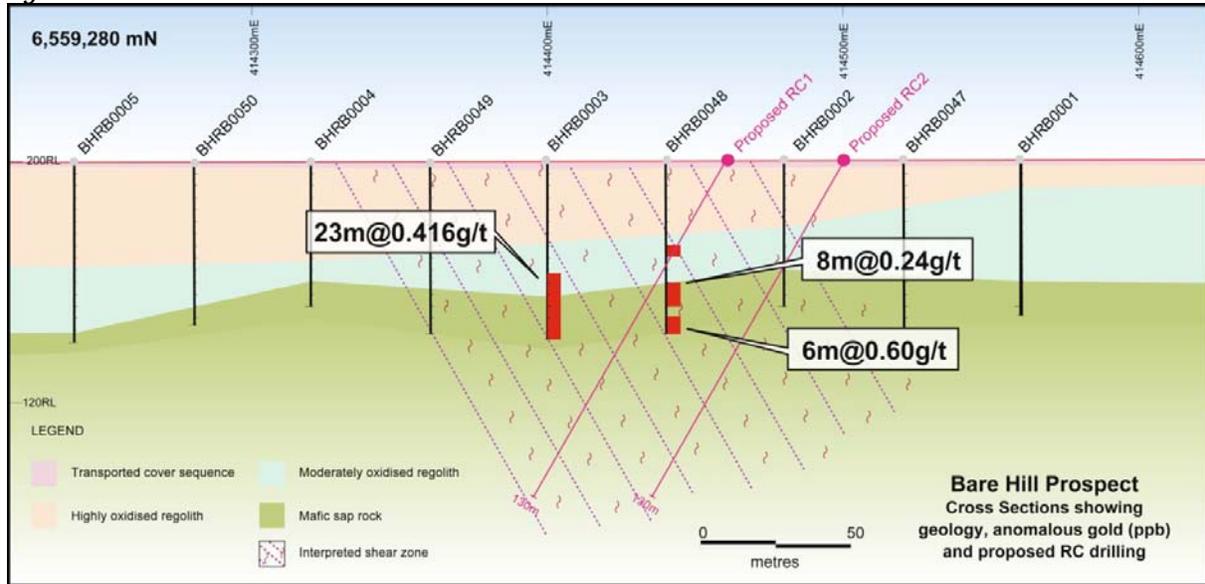


Figure 3 Bare Hill RAB Hole Sample Piles and Typical Country



TABLE 1 Significant RAB Drilling Intercepts

Hole	Easting	Northing	From	To	Width	Gold grade	Comment
BHRB0003	414400	6559280	36	59	23	0.42 g/t	Initial program
BHRB0009	415120	6560480	49	52	3	0.44 g/t	Initial program
BHRB0011	414880	6560480	44	56	12	0.25 g/t	Initial program
BHRB0039	413760	6564400	24	28	4	0.44 g/t	Initial program
BHRB0048	414440	6559279	40	48	8	0.24 g/t	Follow-up program
BHRB0048	414440	6559279	52	58	6	0.60 g/t	Follow-up program
BHRB0053	415040	6560640	64	67	3	0.14 g/t	Follow-up program
BHRB0062	414400	6559600	0	12	12	0.80 g/t	Follow-up program

Figure 4 Map showing location of Heron's granted tenement area and samples sited adjacent to the range at Shay Gap (background is Landsat TM image)

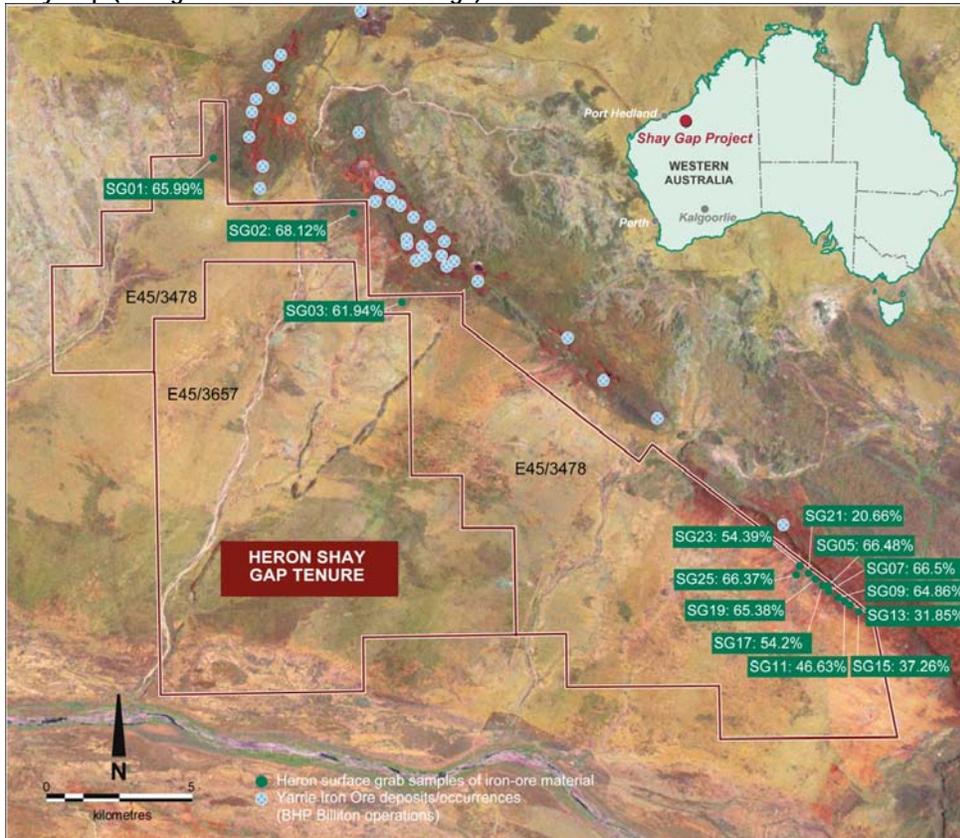


Figure 5 Aerial Photograph of the south-east area showing sample locations and outlines of potential detrital iron ore (DID) material

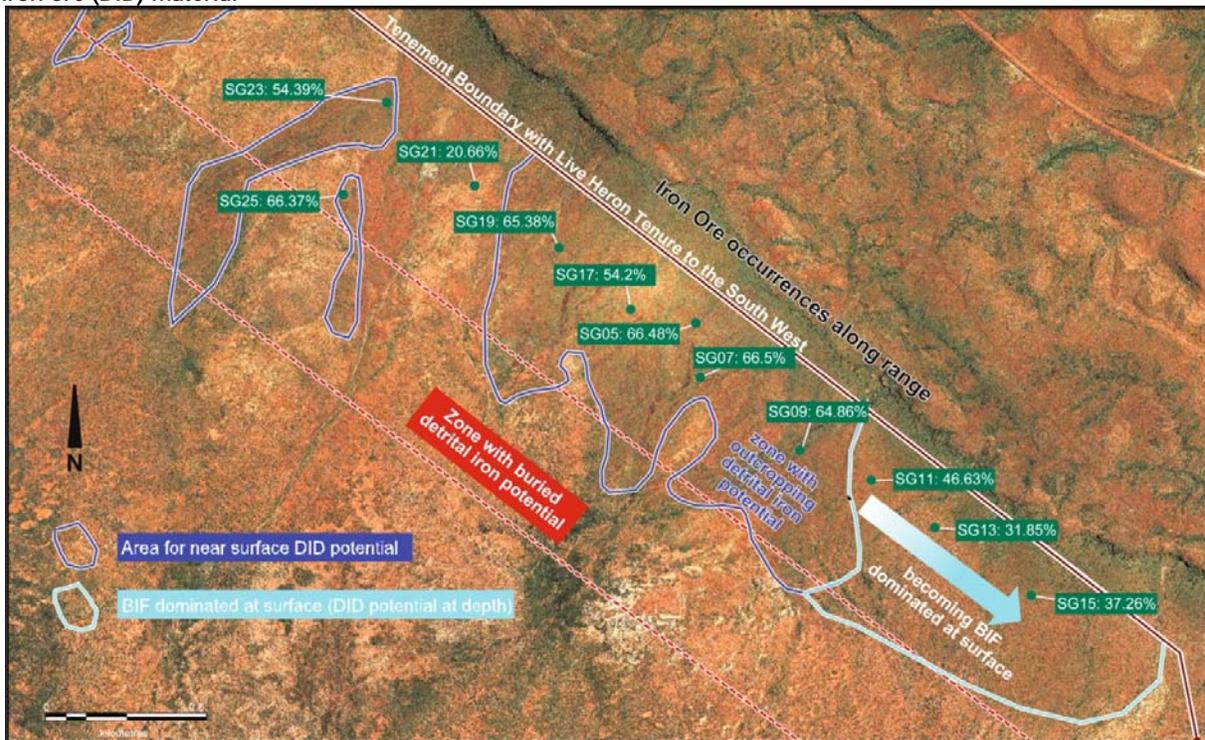


Figure 6 Sample SG05 area showing iron-ore dominated colluvial material with BIF and iron-ore range in the background



Figure 7 Detail of material from sample location SG05 showing dominantly good quality iron-ore fragments

