

26 November 2013

Exploration Update – Emu Lake Nickel Sulphide Targets

Heron Resources Limited (ASX:HRR) is pleased to provide an update on new nickel sulphide targets generated at its wholly-owned Emu Lake Nickel Project at the western boundary of the Kalpini Nickel Laterite Project.

Heron Resources Limited	The Emu Lake Nickel Project tenure has been recently consolidated by Heron and contains a 15km long ultramafic belt with several historic high-grade "Kambalda-style" nickel sulphide drill intercepts. Only a small portion of this belt was effectively drilled by previous owners and several new targets have been generated by Heron for drill testing.
ASX:HRR	
Issued Shares 253M	
Share Price \$0.14	Recent detailed auger sampling by Heron has defined coincident nickel- copper-PGE soil geochemical anomalies associated with discrete magnetic anomalies which are indicative of ultramafic flow channels.
Market Cap \$35.7M	
Cash (Sep 2013) \$38.6M	An agreement with KalNorth Gold Mines Limited has secured additional
Investments \$ 5.0M	ground within the prospective binti Gossan zone at Emu Lake.
	Heron is systematically exploring the belt for high-grade nickel sulphide deposits. RC drilling is planned as soon as approvals are obtained.
Total \$43.6M	

Emu Lake Nickel Project (Heron 100%)

The Emu Lake Nickel Project is located 70km northeast of Kalgoorlie, Western Australia and is prospective for highgrade nickel sulphide deposits associated with a 15km strike length NNW trending unit of komatiitic ultramafic flows (see Figures 1, 2). Previous work in the area up until 2011 by Image Resources Limited, Emu Nickel NL (now Emu NL), and Xstrata Nickel Australasia Pty Ltd identified several high-grade, albeit thin (0.1-0.3 metre) massive nickel sulphide horizons, notably along the Binti Gossan zone. In recent months Emu and Xstrata have surrendered their tenements in this area and their drill areas have now been acquired by Heron within existing granted Heron tenure, Exploration Licence 28/1224.

The nickel sulphides in the Emu Lake area are associated with the east-dipping overturned contact between a younger ultramafic flow and an older sulphidic felsic volcanic substrate. A best result of **2 metres grading 6.2% nickel, 1.78% copper and 2.17g/t Platinum Group Elements** in hole ELD015 has been reported by the previous explorers. The high-grade nature of the previous intercepts, but short strike length of the zones (~100 metres), has drawn comparisons with the high-grade Silver Swan nickel deposit located in a similar stratigraphy some 30km to the west.

The Emu Lake Nickel Project lies directly to the west of Heron's Kalpini nickel laterite project (Figure 2), however the Emu Lake ultramafic is a distinct younger ultramafic unit with high prospectivity for nickel sulphides. The Emu Lake ultramafic has a distinctive "string of pearls" magnetic signature, considered indicative of multiple discrete ultramafic flow channels, which are the target host for nickel sulphide accumulations.

All previous Emu Lake drilling and other data has now been released to public file and Heron has acquired digital versions of this data and is in the process of compiling and reviewing potential target areas. Previous deeper drilling by Emu and Xstrata focussed very much on the 1,200 metre strike Binti Gossan zone and minimal deeper drilling was done outside this zone. Heron is now stepping back and assessing the broader picture and focussing on a number of geochemical anomalies in the south of the project area that have not been previously followed up.

Target 1 (Figures 3 to 5) is one such initial target, based on recent detailed infill auger sampling by Heron, that has generated a typical nickel sulphide signature (nickel, copper, gold and PGE anomalism) over some 150 metres of strike. Previous diamond core drilling by Heron directly to the south of Target 1 in 2009 returned a highly significant intercept of disseminated nickel sulphides above an interflow unit with intercept of 16 metres at 0.32% nickel, 445ppm copper, 27ppb platinum and 60ppb palladium from 246 metres depth (diamond drill hole KPDD001).

A program of Reverse Circulation (RC) drilling is planned by Heron to test Target 1 and a number of other targets in this area, and is expected to commence as soon as the Department of Minerals and Petroleum approvals are secured. The drilling will directly target nickel sulphides on the basal eastern ultramafic contact below the anomalous auger geochemistry, but will also be used as a platform for down-hole ElectroMagnetic surveys to test for massive sulphide extensions at depth.

A number of other geochemical targets generated by the previous owners are being reviewed and will receive infill and check sampling once the review is completed.

Agreement with KalNorth

An agreement has recently been completed with KalNorth Gold Mines Ltd (KalNorth) for Exploration Licence 27/524, which covers parts of the northern extension of the prospective horizon. Under the terms of the agreement Heron has title to the tenement and all non-gold rights and KalNorth retains all gold rights. The agreement provides a simple mechanism for both parties to pursue their respective interests in this area.

Forward Program

The Emu Lake Nickel Project contains a highly fertile ultramafic unit with known high-grade nickel sulphide intercepts over some 1,200m of strike in the Binti Gossan Zone area. The prospective horizon within Heron's tenure is some 15km long and has received scant deeper drilling outside of the former Emu-Xstrata Binti Gossan Zone area. Heron has now acquired an outstanding exploration database and secured tenure over the prospective horizon with the intention of systematically exploring the belt for high-grade nickel sulphide deposits.

Planning for the initial RC drill program has been completed. This drilling will be an exciting first step as nickel sulphide vectors are defined and we look forward to providing exploration results as they become available.

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lan Buchhorn Managing Director

The information in this report that relates to Exploration is based on information compiled by David von Perger who is a Member of the Australasian Institute of Mining and Metallurgy. David von Perger is a full time employee of Heron Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the exploration activity that is being undertaking to qualify as a 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 has consented to the inclusion in this report of the matters based on his information in the form and context that it appears.



Figure 1 Emu Lake exploration model, Target 1 shown in a "Kambalda-style" nickel sulphide schematic geological cross section, indicating the likely disseminated sulphide intercept position of the previous 2009 Heron drill hole KPDD001, south of Target 1.

The dark purple colour on the cross section represents the target "Channel Ultramafic", with which massive nickel sulphide is interpreted to be most likely associated.

The new Heron massive nickel sulphide target is shown schematically at the base of the channel.

adapted from Cowden 1988

Figure 2 Heron tenements on aeromagnetic image showing key targets. Note the "string of pearls" magnetic pattern of the western-most magnetic feature, indicative of several discrete ultramafic flow channels along a specific geological contact. The basal contacts of such discrete channels are prospective for "Kambalda-style" nickel sulphide occurrences.

Note that Heron "Drill Target 1" only has four previous drill holes, in contrast to the detailed previous drilling by *Emu/Xstrata* on the five northern "string of pearls" magnetic anomalies.



Figure 3 Images of detailed soil auger geochemistry (hotter red colours indicate higher anomaly levels). The approximate strike length of the Silver Swan nickel deposit is shown to provide a scale for the size of ore body we are exploring for.



Figure 3b Copper (range to 228ppm)



Figure 3d Platinum (range to 50ppb)

I Approx strike of Silver Swan orebody (75m) Target 1 Heron 2009 DDH holes KPDD0004 KPDD0004 KPDD0001 Ultramafic outline





Figure 4 Target 1, Cross Section from previous Heron drill hole KPDD001, 16m at 0.32% nickel, collared on southern flank of channel style magnetic anomaly outside soil auger peak anomaly (peak tenure previously on a tenement boundary and so not available to Heron to drill).



Figure 5 Target 1 Cross Section showing modelled magnetic bodies (ultramafic) and planned drilling below strong surface geochemical anomaly.