



Incorporated in New Zealand / ABN 009 474 702

19 September 2005

Newcastle Stock Exchange
384 Hunter Street
Newcastle
NSW 2300
AUSTRALIA

REGISTERED (HEAD) OFFICE

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FOR PUBLIC RELEASE

Pro Rata Rights Issue

Heritage Gold NZ Limited ("the Company") has registered a Short Form Prospectus in New Zealand and lodged Transaction Specific Prospectus under section 713 of the Australian Corporations Act 2001 with the ASIC for a pro rata renounceable Rights Issue of up to 23,500,000 New Shares with 23,500,000 New Options to be made to all shareholders with a registered address in New Zealand or Australia on the register at 5.00pm New Zealand time on 23 September 2005 in the ratio of New Share and one New Option for every five Existing Shares held. The minimum subscription amount is 400 New Shares and 400 New Options.

Shareholders with less than 10,000 existing ordinary shares in the Company will be entitled to apply for a minimum holding of 2,000 New Shares and 2,000 New Options.

NZ\$0.05 or AU\$0.46 will be payable for subscription for each New Share. NZ\$0.10 will be payable to convert each New Option to one fully paid ordinary share in the Company at any time after the issue date and on or before 5pm New Zealand time on 30 September 2008, or the New Options will lapse.

Subject to the ASX granting official quotation, the Company may allot and issue New Shares and attached New Options progressively under the Offer.

Application for New Shares and attached New Options will close at 5.00pm NZT on 25 October 2005.

The funds raised will be used for the next phase of work at the Talisman Mine at Karangahake, for advancing exploration on the Company's cobalt and other gold properties, and for working capital.

The disclosure document lodged with ASIC in Australia on 19 September 2005 and the Short Form Prospectus registered in New Zealand on the same date can be accessed through the Company's website at: www.heritagegold.co.nz.

Yours faithfully
Heritage Gold NZ Limited

Sue Sangster
Company Secretary