



Incorporated in New Zealand ABN 009 474 702

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Dear Shareholder

Attached is notice of a Special Meeting of Shareholders to be held at the Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand on Thursday 12 April 2007 commencing at 12 noon.

The meeting is being called to ratify the issue of up to 20,000,000 fully paid ordinary shares in the recently announced placement at a price of AU\$0.035 to professional investors for the purpose of:

- funding the investigation of the uranium proposal (announced on 12 March 2007);
- advancing further exploration on Heritage Gold's current projects; and
- providing working capital for the company.

Ratification is also sought for a 29 September 2006 placement of shares to professional investors in accordance with the requirements of ASX Listing Rule 7.4.

The Company will disregard any votes cast by persons who received shares in the September 2006 placement and any associates of those persons, or by persons who may receive shares in the proposed March 2007 placement and any associates of those persons.

Full details of the resolutions and background to them is attached, in accordance with the relevant stock exchange listing rules.

The Board recommends shareholders vote in favour of the 3 resolutions, each of which requires a simple majority.

If you have any queries concerning the content of the notice, or any other matter involving the Company, please contact our office on phone: +64 9 303 1893 or email: office@heritagegold.co.nz.

Yours sincerely

Geoffrey Hill
Chairman

**HERITAGE GOLD NZ LIMITED
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

Heritage Gold NZ Limited ("the Company") advises that a Special Meeting of Shareholders will be held in the Knox Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand on Thursday 12 April 2007 commencing at 12.00 noon.

The business of the meeting will be to consider and, if thought fit, pass the following ordinary resolutions of the Company:

1 Ratification of previous issue of shares on 29 September 2006

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 16,667,000 ordinary fully paid shares in the capital of the Company at an issue price of A\$0.025 per share to the parties and on the terms set out in the Explanatory Notes accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution 1 by persons who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2 Ratification of issue of shares to be undertaken in the period between 26 and 30 March 2007

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the issue undertaken during the period 26 and 30 March 2007 of 8,500,000 fully paid shares in the capital of the Company at an issue price of A\$0.035 per share to the parties and on the terms set out in the Explanatory Notes accompanying this Notice of Meeting."

The Company will disregard any votes cast on this resolution 2 by persons who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3 Issue of Equity Securities

To consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company pursuant to NZSX Listing Rule 7.3.1 and ASX Listing Rule 7.3:

"That the Company be authorised to issue up to 11,500,000 ordinary shares in the Company to sophisticated investors (in Australia) and/or professional or habitual investors (in New Zealand) selected by the Board of the Company (provided that no Director of the Company will be issued such shares), at an issue price of A\$0.035 per share (or a New Zealand dollar equivalent amount per share at any time as determined by the Board of the Company in its sole discretion), on the terms set out in the Explanatory Notes."

The Company will disregard any votes cast on this resolution 3 by persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Directors' recommendation

The Directors recommend you vote in favour of all resolutions.

Proxies and representatives

You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. A proxy need not be a shareholder of the Company. A body corporate shareholder may appoint a representative to attend the meeting on its behalf.

A proxy form is attached to this notice. If you wish to vote by proxy you must complete the form and produce it to the Company at its registered office, Nathan House, 541 Parnell Road, Parnell, Auckland, New Zealand so as to ensure that it is received at least 48 hours before the meeting.

By order of the Board.

Sue Sangster
COMPANY SECRETARY
23 MARCH 2007

EXPLANATORY NOTES

Resolutions 1, 2 and 3 are ordinary resolutions requiring a simple majority of votes.

Resolution 1

On 29 September 2006, the Company undertook a placement (*the September Placement*) of 16,667,000 ordinary shares in the Company to sophisticated investors in Australia selected by the Board of the Company. The September Placement was approved by shareholders at the Annual Meeting of the Company on 29 September 2006 pursuant to NZSX Listing Rule 7.3.1. However, the ASX has since indicated to the Company that it considers that the formulation of the original shareholder resolution is such that ASX would not treat the resolution as having been approved by shareholders pursuant to ASX Listing Rule 7.1 and that the ASX would treat the September placement as having occurred under the Company's 15% placement capacity in ASX Listing Rule 7.1 (i.e. the provision in ASX Listing Rule 7.1 that allows an issuer to issue in any 12 month period a number of shares without shareholder approval that is, broadly, less than or equal to 15% of its existing issued securities).

The reason given by the ASX for this view is that the original resolution did not specify that the September Placement had to occur within 3 months of the original shareholder approval as required by ASX Listing Rule 7.3.2 (notwithstanding that the Explanatory Notes to the resolution indicated that the Company intended to complete the September Placement within 60 calendar days of the date of the annual meeting and that the September Placement in fact occurred on the date the resolution was passed by shareholders). It is also noted that the original resolution did not explicitly refer to shareholder approval being sought pursuant to ASX Listing Rule 7.1.

Resolution 1 therefore seeks shareholder approval to ratify, in accordance with ASX Listing Rule 7.4, the issue of the 16,667,000 shares issued under the September Placement.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided that the issue did not breach the 15% threshold set by ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval under ASX Listing Rule 7.1.

Additional Information

The following information is provided to shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the number of shares allotted was 16,667,000;
- (b) the price at which the shares were issued was \$A0.025 each
- (c) the shares allotted were fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (d) the names of the allottees are Lighthouse Mortgages P/L, Fortis Clearing Sydney Pty Ltd, Montagu Capital Ltd, Gregorach Pty Ltd and Slipline Pty Ltd. The allottees are "sophisticated investors" in Australia pursuant to the Corporations Act 2001 (Cth) and were selected by the Board of the Company. None of the allottees are directors or related parties of the Company; and
- (e) the funds raised have been applied towards:
 - o financing further exploration of the Company's current exploration targets;
 - o advancing the spin-off of the Company's New Zealand gold properties;
 - o progressing the Thackaringa cobalt project; and
 - o providing working capital for the Company.

If Resolution 1 is not approved, the Board of the Company will need to seek shareholder approval to further issue shares under NZSX Listing Rule 7.3.1 and ASX Listing Rule 7.1.

Resolution 2

Between 26 and 30 March 2007, the Company will undertake a placement (*the March Placement*) of 8,500,000 ordinary shares in the Company to sophisticated investors in Australia selected by the Board of the Company.

Resolution 2 therefore seeks shareholder approval to ratify, in accordance with ASX Listing Rule 7.4, the issue of the 8,500,000 shares issued under the March Placement.

ASX Listing Rule 7.4

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided that the issue did not breach the 15% threshold set by ASX Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval under ASX Listing Rule 7.1.

Additional Information

The following information is provided to shareholders for the purposes of ASX Listing Rule 7.5:

- (f) the number of shares allotted will be 8,500,000;
- (g) the price at which the shares are to be issued will be \$A0.035 each
- (h) the shares allotted to be fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (i) the names of the allottees are Trindis Pty Ltd, Blackmort Nominees Pty Ltd, Michael William Atkins, Inswinger Holdings Pty Ltd, Adam Stuart Davey, Yatesbury Pty Ltd, Nikam Investments P/L, Eastern Porphyry Pty Ltd and Evolution Master Fund Ltd. The allottees are "sophisticated investors" in Australia pursuant to the Corporations Act 2001 (Cth) and were selected by the Board of the Company. None of the allottees are directors or related parties of the Company; and
- (j) the funds raised will be applied towards:
 - o funding the investigation of the uranium proposal;
 - o advancing further exploration on Heritage Gold's current projects; and
 - o providing working capital for the company

If Resolution 2 is not approved, the Board of the Company will need to seek shareholder approval to issue further shares under NZSX Listing Rule 7.3.1 and ASX Listing Rule 7.1.

Resolution 3 – Issue of Equity Securities

Introduction

The Company intends to undertake a placement (*the April Placement*) of up to 11,500,000 ordinary shares (the *Shares*) in the Company to sophisticated investors (in Australia) and/or professional or habitual investors in New Zealand selected by the Board of the Company.

Additional Information

The following information is provided to shareholders for the purposes of ASX Listing Rule 7.5:

- (k) the number of shares to be allotted is 11,500,000;
- (l) the price at which the shares are to be issued is \$A0.035 each (or a New Zealand dollar equivalent amount)
- (m) the shares to be issued and allotted are fully paid ordinary shares which will rank equally with all other fully paid ordinary shares on issue;
- (n) the allottees will be "sophisticated investors" in Australia pursuant to the Corporations Act 2001 (Cth) and or professional or habitual investors under the New Zealand Securities Act 1978 to be selected by the Board of the Company;
- (o) the parties will not be Related Parties within the meaning given to that term in the NZSX Listing Rules (Rule 9.2.3), and in any event no Directors of the Company will be issued Shares under the April placement;
- (p) the shares will be issued and allotted before 16 April 2007;
- (q) the funds raised will be applied towards:
 - o funding the investigation of the uranium proposal;
 - o advancing further exploration on Heritage Gold's current projects; and
 - o providing working capital for the company

Requirements for shareholder approval

Under NZSX Listing Rule 7.3.1(a) and ASX Listing Rule 7.3.2, the Company may issue Equity Securities if the precise terms and conditions of the specific proposal have been approved by separate ordinary resolutions of each class of Quoted Equity Securities whose rights or entitlements could be affected by that issue, and that issue is completed within 3 months of the passing of the resolutions.

In the current circumstances, under NZSX Listing Rule 7.3.1(a) and ASX Listing Rule 7.3.2, the approval of an ordinary resolution of the holders of the ordinary shares in the Company (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting) is required in respect of the April Placement. Accordingly, the Company is seeking the consent of its shareholders pursuant to NZSX Listing Rule 7.3.1(a) and ASX Listing Rule 7.3.2 in order to undertake the April Placement. The Company has the ability to issue shares without such approval in certain circumstances (for example under NZSX Listing Rule 7.3.5 – whereby the Company can issue shares up to a prescribed threshold (in summary, up to 15% of the issued share capital of the Company, subject to certain adjustments/exclusions)). In the current circumstances, however, given that the proposed issue price of the Shares is at a discount (as described in more detail below), NZSX Listing Rule 8.1.3 precludes the issue of the Shares under NZSX Listing Rule 7.3.5 (i.e. in short, the proposed discounted issue price of the Shares is less than 90% of the volume weighted average market price of ordinary shares in the Company over the period of 20 business days prior to the date of this Notice). Accordingly, approval of the shareholders is being sought under NZSX Listing Rule 7.3.1(a).

At the date of this Notice, there are 185,312,165 ordinary shares on issue in the Company. 8,500,000 shares will be issued in the March Placement during the week ending 30 March 2007 giving a total of 193,812,165 ordinary shares on issues in the Company. In the event that all of the Shares (11,500,000) in the April Placement are issued, the Shares would represent 5.6%(rounded) of the fully diluted ordinary share capital of the Company.

The issue price for the Shares of A\$0.035, and the terms on which the Shares will be issued, has been determined by the Board of the Company to be fair and reasonable to the Company and to all existing shareholders. The volume weighted average market price for the ordinary shares of the Company on the ASX in the 20 business day period prior to 12 March 2007, the date that the uranium proposal was released to the market, was AU\$0.041 (rounded). This would give an equivalent A\$ volume weighted average market price of A\$0.041. The proposed issue price of A\$0.035 represents a discount of 14.6% (rounded) to that volume weighted average market price. Whilst the proposed issue represents a discount to that volume weighted average market price, the Board of the Company considers that the issue price is the best price that can be negotiated in respect of the April placement of the Shares.

If Resolution 3 is not approved, the Board of the Company will need to seek alternative sources of finance to fund the matters that the proceeds of issue of the Shares are intended to be applied towards (as mentioned above). The Board considers that no assurance can be given that alternative sources of finance can be found on more favourable terms (or within the 60 calendar day period referred to above).

PROXY FORM

Special meeting of shareholders – Thursday 12 April 2007 at the Knox Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand and commencing at 12 noon

SECTION 1: SHAREHOLDER DETAILS (PLEASE PRINT CLEARLY)

Full name:

Full address:

If shares are held jointly, enter details of other joint holders:

Full name:

Full address:

SECTION 2: APPOINTMENT OF PROXY (This section must be completed)*

I appoint: Full name:

Full address:

as my proxy to exercise my vote at the Special Meeting of the shareholders of the Company to be held on Thursday 12 April 2007 in the Knox Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand, and at any adjournment of that meeting. If the person I have appointed is unable to be my proxy then I appoint

Full name:

Full address:

In the event I/we have not expressed any intention or the intention is unclear, me/our intention is to abstain.

SECTION 3: VOTING INSTRUCTIONS

I direct my proxy to vote in the following manner: (If a box relating to a resolution is not ticked, the direction on that resolution is to abstain)

(Tick the box that applies) For Against Abstain Proxy Discretion

Table with 5 columns: Resolution, For, Against, Abstain, Proxy Discretion. Rows include: 1 To ratify the share placement 29 Sep 2006, 2 To ratify the share placement 26-30 Mar 2007, 3 Issue of equity securities.

SIGNED BY EACH SHAREHOLDER NAMED IN SECTION 1

Date:

Notes

- 1 As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting. A proxy need not be a shareholder of the Company.
* The Chairman of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose, if so please indicate that in section 2 above.
2 If you are joint holders of shares each of you must sign this proxy form. If you are a company this proxy form must be signed on behalf of the company by a person acting under the company's express or implied authority.
3 For this proxy form to be valid, you must complete it and produce it to the Company at the Company's Registered Office, Nathan House, 541 Parnell Road, Parnell, Auckland, New Zealand by 12 noon on Tuesday 10 April 2006.
4 If you tick the "proxy discretion" box you are directing your proxy how to decide to vote on that resolution on your behalf.