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**FOR PUBLIC RELEASE**

**Heritage Gold releases Quarterly Report to 31 March 2007**

Heritage Gold is pleased to present to shareholders its quarterly report for the three months to 31 March 2007.

During the quarter Heritage Gold undertook transactions to diversify its minerals portfolio and establish a solid platform for growth. The most significant was the announcement to enter into a joint venture for a uranium prospect in the Northern Territory, Australia.

The joint venture project in the Dunmarra Basin comprises three exploration licence applications for an area totalling approximately 1,250 square kilometres. "One recent development that we were very pleased to hear was the Australian Government's consideration of existing controls on uranium mining, processing and exporting. This may be a positive signal to investors," Heritage Gold managing director Peter Atkinson says.

Following extensive due diligence on Dunmarra Basin, consultants' engaged by Heritage Gold revealed that "considerable potential existed for the discovery of economic deposits in this part of the Northern Territory".

As part of its strategy to expand its interests to include uranium in Australia, Heritage Gold arranged a placement of 20,000,000 shares at A3.5 cents, raising A\$700,000. This capital raising was managed by Montagu Stockbrokers in Perth, Western Australia.

There were several Board changes during the quarter. Mr Ralph Stagg, Non-Executive Director, and Mr David Williams, founding Independent Director, indicated their intention to stand down as directors. They subsequently resigned their positions with effect from the Company's balance date, 31 March 2007.

Mr Geoffrey Hill assumed the role of Chairman from Mr Murray McKee, who took up the position of Deputy Chairman.

After the end of the quarter Mr Warwick Grigor was appointed an Independent Director of the Company.

Mr Atkinson also announced his intention to step down as managing director, as soon as his replacement has been identified. Mr Atkinson will then become a Non-Executive Director and consultant to the company. "The Board is reviewing several candidates for the managing director position and we look forward to giving investors an update as soon as possible," Chairman Geoffrey Hill says.

The Company's gold, base metals and cobalt projects are progressing well. The first 4 holes in the Rahu Ridge drilling programme near Waihi, New Zealand yielded positive results. Results of the programme will indicate whether a further gold resource is likely to be defined.

The Thackaringa Cobalt Project in New South Wales, Australia is currently in the final stages of planning for a drilling programme to test extensions of the known mineralisation.

Further details of each project can be found below.

For further information please contact:

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## **DUNMARRA URANIUM PROSPECT (Northern Territory, Australia)**

Heritage Gold signed a Binding Heads of Agreement (subject due diligence) for an offer to enter a joint venture to explore for uranium in the Dunmarra Basin, Northern Territory. The property consists of three exploration licence applications totalling approximately 1,250 square kilometres.

Based on the positive findings by the Company's consultants it was agreed to proceed with the Dunmarra uranium exploration initiative. Heritage Gold paid A\$10,000 to the licence applicant and issued 2,500,000 fully paid ordinary shares in Heritage as part consideration. Heritage will issue a further 2,500,000 fully paid ordinary shares on granting of the licences.

Heritage may earn up to 50% interest in the tenements by the expenditure of A\$2M over three years from granting of the licences, and may increase its interest to 75% upon the expenditure of an additional A\$2M. The minimum commitment by the Company is A\$100,000.

The licences are prospective for sandstone-hosted and roll front uranium mineralisation. The Company's consultants outlined six key findings from their investigations.

1. Erosion from three uraniferous areas to the north (Pine Creek Inlier), south west (Tennant Creek Block), and north east (McArthur Basin), offers good source potential for uranium that may have been eroded and re-deposited in sandstone, siltstone and shale beds.
2. Suitable aquifers may be present, allowing for the long term movement of possible uranium bearing groundwater to depositional sites.
3. The re-activated structural environment appears conducive to the re-deposition of basement derived uranium.
4. Analysis of radiometric data may lead to the definition of targets based on the re-activation of the structural features, regolith and outcrop boundaries as well as palaeostream channel positions in the better exposed areas.
5. Anecdotal evidence exists for the presence of radioactive elements in old grazing property bore holes and some water holes in creeks.
6. Conclusion – "...considerable potential exists for the discovery of economic deposits in this part of the Northern Territory."

The Company is currently reviewing geological and other data relating to the three application areas to determine the exploration programme.

## **GOLD PROJECTS (Waihi District, New Zealand) (100%)**

### **Karangahake Project (Rahu, Talisman, and Dominion Knoll permits)**

A diamond core drilling programme began at Rahu Ridge in late January. The 1,500m drilling programme was designed to test beneath strong gold mineralisation found in a previous reverse circulation drilling programme.

The current holes are designed to test the structures approximately 50m below the previous RC drill holes and other anomalies at a similar depth.

The Company reported initial assays on 28 February and 4 April 2007. The results are encouraging as they indicate strong areas of gold mineralisation within hydrothermal breccia, quartz veined rock and lake sediments over at least 1,000m strike length.

Hole 1 identified a strong zone of gold mineralisation from 13.85 to 46.0m down hole. The 32.15m interval averaged 0.46g/t gold.

Hole 2 encountered 4.15g/t gold and 33.5g/t silver over 2m, within a broader zone of 24m down hole (36.0 to 60.0m) that averaged 0.93g/t gold and 13.9g/t silver.

Hole 3 encountered 2.05g/t gold over 2m, within a broader zone from 32.0 to 89.0m down hole. The 57m interval averaged 0.39g/t gold and 3.3g/t silver. Another interval of 5m at 0.72g/t gold and 3.4g/t silver was intersected at 83m depth.

Hole 4 intersected 30m of mineralisation from 54.0 to 84.0m down hole, averaging 0.19g/t gold and 1.3g/t silver. The interval also included 5m at 0.32g/t gold and 1.3g/t silver at 79m depth. This hole showed strong leaching, which may explain the lower grades encountered.

Cross sections of the holes are attached to this report.

The features of the hydrothermal alteration system tested are consistent with it being at a high level in the epithermal system, which is extensively mineralised. Higher grade feeder veins are expected to occur below the hydrothermal breccia.

The programme will indicate whether a further gold resource is likely to be defined at Rahu Ridge by this and subsequent drilling.

### **Other Gold Projects (100%)**

At Waihi North and Golden Valley the Company has continued to compile further data to identify drill targets.

The effectiveness of an airborne low level geophysical survey is also under consideration to assist this work.

### **GOLD & BASE METALS (Northland, New Zealand) (100%)**

Heritage has expanded its target minerals to include base metals and its Northland prospecting permit applications cover favourable geological environments for porphyry copper deposits and gold-rich volcanogenic massive sulphide base metal deposits.

Following the end of the quarter the Company applied for an additional prospecting permit adjacent to the Hikurangi PPA 39-317, over geological terrain prospective for gold, silver and antimony.

Consolidation of the prospecting programmes on the three applications is being considered to improve the effectiveness of prospecting work and introduce economies of scale.

### **THACKARINGA COBALT PROJECT (New South Wales) (33%)**

Broken Hill Cobalt Limited holds the Thackaringa cobalt project under an exploration licence and two mining leases over the areas of known mineralisation and its possible extensions.

Heritage Gold has 33% equity in Broken Hill Cobalt Limited and is manager for the project.

Planning is being finalised for a drilling programme to test extensions of the known mineralisation in the current quarter.

In addition, the Company's consultants have been assessing previous metallurgical testwork to determine which processing options warrant further investigation to achieve potential economic viability of the proposed project.

**DISCLOSURE:** The information in the report to which this statement is attached that relates to gold and base metals Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Murray Ronald Stevens who is a Member of The Australasian Institute of Mining and Metallurgy (The AusIMM). Mr Stevens is self-employed.

Mr Stevens has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is 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' and Mr Stevens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to uranium exploration results is based on information compiled Mr Wolfgang Leyh. Mr Leyh is employed by Eaglehawk Geological Consulting Pty Ltd and is a Member of The AusIMM. Mr Leyh has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Mr Leyh consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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## **About Heritage Gold**

Heritage listed on the NZX in 1986 and has a current market capitalisation of approximately \$19 million. Heritage is also listed on the ASX and the National Stock Exchange of Australia (formerly Newcastle Stock Exchange). The company has valuable gold assets in the Waihi district of New Zealand, where it is a major tenement holder. Heritage also owns 33% of Broken Hill Cobalt Ltd in Australia and has applied for permits to prospect for gold, silver, copper, and base metals in Northland, about 150km north of Auckland. Recently Heritage has entered into a joint venture to explore for uranium in the Dunmarra Basin of the Northern Territory.