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News Release

Listed exploration company Heritage Gold recorded a \$807,000 loss for the year to 31 March 2007, compared with a \$2.6 million loss in the previous corresponding period.

The change from last year can be attributed to the write-off of approximately \$2.4 million from the Onemana project in 2006.

Heritage Gold managing director Peter Atkinson says: "Exploration expenditure for the current year is strong and reflects the expansion of our mineral interests."

Shareholder investment during the year was \$1.8 million compared to \$1.1 million in the previous financial year. The purpose of the funding was for advancing exploration of Heritage Gold's current projects, investigation of the uranium proposal, and for working capital.

This year's expenditure included an exploration write-off of an additional \$200,418 for the Onemana project and exploration expenditure of \$750,818 was capitalised.

Mr Atkinson says Heritage Gold's income is predominantly derived from interest earned on investments. "Income results for the period are consistent with the previous period, after an adjustment for a one-off revenue item in the previous year."

Earnings/(loss) per share for the year to 31 March 2007 improved from (0.0224) to (0.0051) cents per share.

During the year Heritage expanded both its mineral targets and areas of interest. "Exploration work undertaken this year focused on the company's gold and cobalt projects," Mr Atkinson says. "In addition, the company has recently entered into an agreement to earn 50% equity in a Northern Territory uranium prospect."

Mr Atkinson says the current level of exploration activity is expected to continue into the 2008 financial year.

Karangahake Project (100%)

Heritage's three exploration permits lie about 15 kilometres (km) west of Waihi within a prominent hydrothermal alteration system covering 16 square km. Mineralised veins, which have been mined at Talisman in the southern part of the area, have been traced along strike for 4km, based on surface outcrop, strong soil and rock geochemical anomalies, and geophysical signatures. Drilling commenced in early 2007.

At the Talisman mine a JORC compliant resource of 205,000 ounces (oz) gold and 800,000oz silver has been estimated. The mine has recorded production of 1Moz of gold and 3Moz of silver.

Other Gold Projects (100%)

Heritage has two other major gold projects in the district, within a 10 km radius of Newmont's Waihi treatment plant.

Waihi North extends from the boundary of the Martha open pit mine and north for 10 km to the southern boundary of the Golden Cross mine. The permit covers the northern part of the Waihi hydrothermal alteration system that hosts the Martha gold deposit and the Favona deposit. In the Waihi North permit, several alteration systems have been identified by exploration using mapping, geophysics, and geochemical techniques.

At Golden Valley, along the eastern boundary of Newmont's Martha and Favona mines near the Waihi treatment plant, Heritage has a 50 square kilometre area that contains major structures and geophysical anomalies, similar to those associated with the Martha and Favona gold deposits. Work on the Golden Valley permit has given encouraging results and further surveys are scheduled, along with drilling in 2007.

Drilling commenced on the Rahu project in the last quarter and is continuing into the 2007/2008 year. Six holes have already been reported with the results supporting the company's understanding that gold is consistently present in the areas targetted.

Northland Projects (100%)

Heritage has applied for prospecting permits in the Northland region over ground favourable for epithermal gold-silver deposits, porphyry copper-gold deposits and gold-rich volcanogenic massive sulphide base metal deposits.

Thackaringa Cobalt Project, New South Wales (33%)

Heritage has an interest in cobalt through its 33% equity in Broken Hill Cobalt Ltd, which holds the Thackaringa cobalt project.

Broken Hill Cobalt Ltd (BHCL) has completed several phases of metallurgical test work to examine options for future processing of the mineralisation. Market surveys have been undertaken for cobalt and by-product minerals in the deposits, which have been test drilled to 100 metres below surface.

This year a drilling programme is being undertaken to test extensions of the known mineralisation. In addition, the Company's consultant's have been assessing metallurgical test work to determine which processing options warrant further investigation to achieve potential economic viability of the proposed project.

BHCL plans to explore in 2007 for additional cobalt resources to underpin potential development.

Dunmarra Basin

As part of its strategy to expand its interests to include uranium in Australia, Heritage entered into a joint venture project in the Dunmarra Basin, comprising three exploration licences for an area totalling 1,250 square kilometres.

Following 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". Geoffrey Hill, Chairman of Heritage said "The due diligence has confirmed our view of the Dunmarra Basin opportunity. It appears to be a significant but overlooked geological environment that could host valuable uranium resources. We look forward to an exciting exploration programme once the licences are granted".

Heritage can earn 50% interest by the expenditure of A\$2 million over three years.

For more information please refer to Preliminary Full Year Report (Appendix 1) lodged with the NZSE on Wednesday 30 March 2007. The financial statements upon which this report is based are in the process of being audited.

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About Heritage Gold

Heritage listed on the NZX in 1986 and has a current market capitalisation of approximately \$18 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. Heritage recently entered into a joint venture to explore for uranium in the Dunmarra Basin of the Northern Territory.