

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

**Heritage Gold NZ Limited ("the Company") advises that its Annual Meeting of Shareholders will be held in the Titoki Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand on Wednesday 29 August 2007 commencing at 3.00 pm.**

The business of the meeting will be:

**ITEM A - PRESENTATIONS**

- (a) The Chairman's address to shareholders and shareholder discussion.
- (b) To receive and consider the Annual Report including the Financial Statements and the Auditor's Report for the year ended 31 March 2007.

**ITEM B – RESOLUTIONS**

To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

**1 Re-election of Directors**

- (a) James Murray McKee retires by rotation under clause 27.2 of the Company's constitution and, being eligible, offers himself for re-election.
- (b) Matthew Geoffrey Hill retires under clause 26.2 of the Company's constitution and, being eligible, offers himself for re-election.
- (c) Warwick Robert Grigor retires under clause 26.2 of the Company's constitution and, being eligible, offers himself for re-election.

In terms of the NZSX Listing Rules the Board of the Company has determined that James Murray McKee is an Independent Director; Matthew Geoffrey Hill is not an Independent Director; and Warwick Robert Grigor is an Independent Director.

Brief biographies for James Murray McKee, Matthew Geoffrey Hill and Warwick Robert Grigor are set out in the Explanatory Notes.

**2 Increase Director Fees**

That, for the purposes of Listing Rule 3.5.1 of the NZSX Listing Rules and Listing Rule 10.17 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the maximum aggregate Directors' fees payable to Directors be increased from \$15,000 to \$50,000 per annum, with such fees to be allocated on a basis determined by the two Independent Directors.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by any Director of the Company and any associate of a Director. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the express directions on the proxy form; or
- it is cast by the person chairing the meeting as a 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 Re-appointment of Auditors**

To record the re-appointment of Carlton-DFK as the Company's auditors under section 200 of the Companies Act 1993, and to authorise the Directors to settle their remuneration.

**Explanatory Notes**

The Explanatory Notes accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of terms used both in this Notice of Annual General Meeting and Explanatory Notes.

## **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**

13 August 2007

## EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at the Company's 2007 Annual General Meeting.

The purpose of these Explanatory Notes is to provide shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

These Explanatory Notes should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in these Explanatory Notes are defined in the Glossary.

### **Resolution 1**

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 1 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

Brief biographies of each of the Directors retiring by rotation and offering themselves for re-election pursuant to resolutions 1(a), 1(b) and 1(c) in the Notice of Annual Meeting are as follows:

#### ***James Murray McKee BA (Hons)***

##### **Deputy Chairman and Non-executive (Independent) Director**

Murray McKee practices as a public policy and risk management adviser in Wellington. He previously held operations management positions with a US offshore oil and gas exploration company (1975-1987) and senior management positions with Coal Corporation of New Zealand Limited (1987-1995). He was chairman of the Coal Research Association of New Zealand (1995) and a councillor on the New Zealand Minerals Industry Association (1993-1995).

He was a ministerial appointee to the New Zealand Conservation Authority for two terms and has served on both the West Coast and Tongariro/Taupo Conservation Boards.

Mr McKee has served on the Heritage Gold Board for 11 years, being appointed a director on 16 March 1996.

#### ***Matthew Geoffrey Hill MBA, MAICD***

##### **Non-executive Director**

Matthew Hill has extensive experience in the South Pacific region specialising in telecommunications and internet publishing. He completed an MBA at the University of the South Pacific while working as managing director of Pacsat Telecommunications Limited.

Mr Hill has previous experience as a director of Message Media, an online customer relationship company that was a joint venture between Softbank Partners and News Limited.

Mr Hill was most recently Business Development Manager for Aspermont Limited a leading publisher of news related services to the mining and investment community.

Mr Hill is currently Business Manager - Private Equity at Pitt Capital Partners Limited, he is responsible for the day-to-day evaluation of private equity investments for Souls Private Equity Limited. Pitt Capital Partners is the in-house merchant bank for W H Soul Pattinson group and managers of Souls Private Equity Limited a private equity fund with over AU\$160million in assets under management.

Mr Hill was appointed as alternate director to Geoffrey Hill on 1 December 1999, and has since been appointed a director on 10 October 2006.

#### ***Warwick Robert Grigor BEc, LLB, MAusIMM, FAICD***

##### **Non-executive (Independent) Director**

Warwick Grigor is a graduate of the Australian National University having completed degrees in law and economics. He went straight from university to Hamersley Iron Pty Ltd in Perth before being employed as a senior mining analyst and research partner with stockbroking firms in Sydney. Warwick retired from County Natwest Securities Australia in 1991 to found Far East

Capital Limited ("FEC"), a specialist research-based mining company financier and corporate adviser. More recently FEC has been concentrating on the publication of independent mining research and portfolio management activities. Warwick has two non-executive board positions; chairman of Monaro Mining NL and director of First Australian Resources Ltd, and he is an executive director of Peninsula Minerals Ltd. In 2002, Warwick was an inaugural inductee to the ANU Economics and Commerce Department Hall of Fame.

Mr Grigor was appointed a director on 19 April 2007.

## **Resolution 2**

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 2 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

The Company seeks approval under NZSX Listing Rule 3.5.1(a) and Listing Rule 10.17 of the Listing Rules of the Australian Securities Exchange to increase director fees from an aggregate of \$15,000 per annum to an aggregate of \$50,000 per annum. The maximum aggregate fees payable to Directors have not been increased since 2000.

The Board considers that it is reasonable and appropriate to seek an increase in fees in order to retain as Directors persons of high calibre in possession of the range of skills required in order to adequately meet the needs of the Company.

## **Resolution 3**

The approval of an ordinary resolution of the holders of the ordinary shares in the Company is required for Resolution 3 (i.e. a simple majority of votes cast at the meeting by shareholders entitled to vote and voting).

## **Glossary**

In these Explanatory Notes and the accompanying Notice of Annual General Meeting, the following terms have the following meaning unless the context otherwise requires:

<b>Board</b>	Board of Directors.
<b>Company</b>	Heritage Gold NZ Limited ARBN 009 474 702.
<b>Director</b>	A director of the Company.

## PROXY FORM

### 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: .....

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

I appoint: Full name: .....

Full address: .....

**OR**

The Chairman of the meeting (mark with an "X")\*  
or failing the person named, or if no person is named, the Chairman of the meeting, as my proxy to exercise my vote at the Annual Meeting of the shareholders of the Company to be held on Wednesday 29 August 2007 in the Titoki Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand, and at any adjournment of that meeting.

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### SECTION 3: VOTING INSTRUCTIONS

I direct my proxy to vote in the following manner:

*(Tick the box that applies)*

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
(1a) Re-election of James Murray McKee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(1b) Re-election of Matthew Geoffrey Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(1c) Re-election of Warwick Robert Grigor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(2) Increase Director Fees to an aggregate \$50,000 per annum	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(3) Re-appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 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.**

#### IMPORTANT:

With regard to Resolution 2, if you have appointed the Chairman of the meeting as your proxy, or the Chairman is appointed by default, then unless you have directed the Chairman how to vote in Section 3 by ticking the appropriate box in respect of Resolution 2, the Chairman will not cast your votes on Resolution 2 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 2. This is because the NZSX Listing Rules prevent a Director or an Associated Person from voting on Resolution 2 unless they cast the vote as proxy for a person who is entitled to voting, in accordance with the express directions on the proxy form.

The Chairman of the meeting intends to vote undirected proxies in favour of each other Resolution.

- 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 so as to ensure that it is received at least 48 hours before the meeting. If it has been signed under a power of attorney please send a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney with this proxy form.
- 4 If you return this form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit.