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Rahu Drilling– Karangahake Project Results of Final Four Drillholes

Results of holes RHRC-1 to RHRC-4, in the northern part of the Rahu Ridge grid, were reported on 4 August 2003. Highlights of that announcement were as follows:

- **RHRC-2: 10 - 16m downhole; 6.0m at 2.41g/t Au and 63.6g/t Ag, including 14 - 15m downhole; 1.0m at 7.80g/t Au and 198.0g/t Ag.**
- **RHRC-3: 13 - 18m downhole; 5.0m at 1.73g/t Au and 3.6g/t Ag.**

Heritage has now completed and assayed the final four RC (reverse circulation) drillholes, RHRC-5 to RHRC-8, in the central and southern part of the Rahu grid.

All drillholes in the programme have intersected anomalous gold values in quartz vein zones interpreted to have a near vertical dip.

Samples of drill chips were taken at 1m intervals and analysed for gold by fire assay. The more significant zones in these final four holes are as follows:

- **RHRC-6: 15 - 18m downhole; 3.0m at 0.61g/t Au.**
- **RHRC-7: 1 - 4m downhole; 3.0m at 0.55g/t Au.
14 - 21m downhole; 7.0m at 0.71g/t Au, including
15 - 16m downhole; 1.0m at 1.19g/tAu.**
- **RHRC-8: 11 - 44m downhole; 34.0m at 0.34g/t Au.**

This preliminary programme has partially tested, to shallow depths, a 1200m strike length of coincident geochemical and resistivity anomalies. The results support the

Company's geological model of gold/silver grades improving at greater depth, below a weakly mineralised surface zone. They provide additional evidence that the better precious metals grades are associated with vein zones in andesitic rocks at lower topographic levels.

Samples from the drill holes are currently undergoing petrographic examination to provide additional data to aid interpretation.

Full evaluation of results from this highly encouraging first drilling programme is under way and plans for the Karangahake project, of which Rahu forms part, are now being formulated.

Details of results from the final four holes are as follows:

Hole	Grid Co-ords	Brg (True)	Dip	Depth (metres)	Downhole Intersections
RHRC-5 (850m south-south west of Hole 1)	910m E 1126m N	110°	-60°	14.0	0 – 14m: 14.0m of anomalous gold values ranging from 0.03 to 0.15g/t Au; grade increasing at bottom of hole.
RHRC-6 (1000m south-south west of Hole 1)	948mE 999mN	110°	-60°	29.8	0 – 29.8m: 29.8m of anomalous gold values ranging from 0.10 to 0.68g/t Au; including 15 – 18m: 3.0m at 0.61g/t Au.
RHRC-7 (1150m south-south west of Hole 1)	984m E 851m N	110°	-60°	31.0	0 – 31m: 28.0m (no samples recovered 11 – 14m) of anomalous gold values ranging from 0.10 to 1.19g/t Au; including 1 – 4m: 3.0m at 0.55g/t Au; 14 – 21m: 7.0m at 0.71g/t Au; and 15 – 16m: 1.0m at 1.19g/t Au.
RHRC-8 (1150m south of Hole1)	1030m E 838m N	110°	-60°	45.8	0 - 45.8m: 45.8m of anomalous gold and silver values ranging from 0.08 to 0.54g/t Au and up to 6.5g/t Ag; including 11 – 44m: 34.0m at 0.34g/t Au.

For completeness the results from the first four holes in the Rahu Ridge drilling programme, which were reported on 4 August 2003, appear on the following page.

Results released on 4 August 2003.

Hole	Grid Co-ords	Bearing (True)	Dip	Depth (metres)	Downhole Intersections
RHRC-1	994mE 2028mN	120°	-60°	25.5	14 – 25.5m: 11.5m of anomalous gold values ranging from 0.08 to 0.32g/t Au; including 23 – 25.5m: 2.5m at 0.25g/t Au and 3.0g/t Ag.
RHRC-2 (300m south of Hole 1)	861mE 1722mN	110°	-60°	24.0	3 – 24m: 21.0m of anomalous gold and silver values, ranging from 0.09 to 7.80g/t Au and 1.7 to 198.0g/t Ag; including 10 – 16m: 6.0m at 2.41g/t Au and 63.6g/t Ag; including 14 – 15m: 1.0m at 7.80g/t Au and 198.0g/t Ag.
RHRC-3 (80m north of Hole 1)	1180mE 2099mN	110°	-60°	30.0	0 – 30m: 30.0m of anomalous gold and silver values ranging from 0.18 to 2.56g/t Au and up to 6.1g/t Ag; including 7 – 30m: 23.0m at 0.94 g/t Au and 2.0g/t Ag; including 13 – 18m: 5.0m at 1.73g/t Au and 3.6g/t Ag.
RHRC-4 (130m east of Hole1)	1117mE 2035mN	290°	-60°	32.0	0 - 32m: 32.0m of anomalous gold and silver values ranging from 0.04 to 0.80g/t Au and up to 4.7g/t Ag.

DISCLOSURE: Relevant sections in the above statement are based on information compiled by a corporate member of The Australasian Institute of Mining and Metallurgy with over five years relevant experience.

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