

13 December 2002

Newcastle Stock Exchange  
384 Hunter Street  
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AUSTRALIA

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**FOR PUBLIC RELEASE**

**Half Yearly Report to 30 September 2002**

Heritage has made significant advances at its key projects in the Waihi mining district, New Zealand.

The Waihi mining district has been the largest and richest gold producing area in New Zealand.

The potential for further mines has been confirmed in the past 18 months by the Favona high grade discovery by Newmont, about 1km south of their Waihi open pit mine.

Further high grade gold discoveries are expected from systematic exploration of this district, in which Heritage has the largest land position.

Drilling of several target areas is being planned for the first half of 2003.

**Gold (New Zealand)**

*Karangahake Project*

Interpretation of Heritage's recent exploration results has been encouraging.

- **Rahu Ridge / White Rocks**

This is the near surface expression of a major epithermal system. The 2km long zone shows widespread hydrothermal alteration. Chip sampling gave strong gold/arsenic anomalies in this zone, which is the northern extension of the major Karangahake vein systems.

- **Taukani Hill**

Northern extensions of the Maria, Woodstock, Welcome and Crown vein zones were mapped and can be traced for about 1000m along strike. The Buck Reef was also mapped and chip sampled, yielding 4m at 12.0g/t Au, 34.3g/t Ag.

- **Maria / Welcome veins southern extension**

An extensive zone of hydrothermal alteration with silicification and quartz veining was mapped along strike. A 2m channel sample of colloform banded quartz returned 3.6g/t Au and 36.0g/t Ag.

Almost 16sq km of hydrothermal alteration highlights the Karangahake epithermal system. Prominent structural trends and faulting, identified by mapping and geophysical surveys, control the gold mineralisation.

The Company has so far digitised about 95% of historic and recent exploration data for the project in order to develop a 3D model which will aid selection of drill targets.

#### *Waihi North Project*

Mapping, geophysical surveys and geochemical sampling have enabled identification of two high level hydrothermal alteration zones, about 2 and 5 sq km in area.

Structural features in the alteration zones appear similar to those which host gold mineralisation to the south at Waihi.

#### *Onemana Project*

A new exploration permit was granted over Heritage's previous discovery at Onemana, where drilling intersected gold/silver mineralisation in hydrothermal breccia.

A full review of the exploration data will be directed to identifying drill targets.

#### *Golden Valley Project*

The Company has applied for a Prospecting Permit to the east of Newmont's Waihi gold mine and their Favona high grade deposit.

### **Cobalt (Australia)**

Heritage has a 33% interest in Broken Hill Cobalt Limited (BHC) which owns two mining leases at Thackaringa, NSW. BHC is exploring two surrounding exploration licences in a joint venture with Western Metals Limited, with Heritage as operator.

Several opportunities for reducing potential operating costs by using recently developed processes to extract cobalt are being investigated.

The resource base of 10.6M tonnes at 0.10% cobalt, including 5.0M tonnes at 0.14% cobalt, lies within 100m of the surface. Previous explorers also inferred a resource of about 5M tonnes at a similar grade. There is potential to increase the resource base at depth and along strike.

### **Compensation**

The Company previously lodged a claim against the Crown for expenditure incurred on projects sterilised by a 1997 amendment to the New Zealand Crown Minerals Act.

Prior to the amendment Heritage had spent approximately NZ\$8 million in the region.

Heritage's legal advisors are seeking court approval to hear the claim on the basis of a case study of one of the affected projects.

### **Investments**

The Company has a substantial interest in Cadmus Technology Limited, listed on the New Zealand Stock Exchange (NZSE: CTL), and also owns shares in listed company E-cademy Holdings Limited (NZSE: ECH).

The combined value of these holdings at current prices is around NZ\$1.25 million.

### **Funding**

The Company raised gross funds of NZ\$367,263 during the period and further funding is being considered for the drilling programmes planned for the first half of 2003.

### **Stock Exchange Listing**

Heritage continues to be listed on the New Zealand Stock Exchange (NZSE: HGD).

The Company moved from an Exempt Foreign Listing to a General Listing on the Australian Stock Exchange on 1 July 2002 (ASX: HTM) and was also listed on the Newcastle Stock Exchange (NSX: HTM) on that date.

### **Executive Director**

Mr Ralph Stagg has been appointed Executive Director, with responsibility for fund raising and investor relations.

Mr Stagg is a professional geologist with over 25 years experience in the minerals industry in several countries.

Based in Sydney, he will establish regular contact with Australian stockbroking firms and investors.

### **Website**

Shareholders wanting to access copies of the Company's previous reports to the Stock Exchange should visit the Heritage website: [www.heritagegold.co.nz](http://www.heritagegold.co.nz)

**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.

A handwritten signature in dark ink, appearing to be 'Alison Griffiths', with a stylized, cursive script.

Alison Griffiths  
**Company Secretary**