

HERITAGE GOLD NZ LIMITED
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Heritage Gold NZ Limited (“the Company”) advises that a Special Meeting of Shareholders will be held in the Parnell Room, Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand on Thursday 4 November 2004 commencing at 10:00 am.

The business of the meeting will be:

Share Placement

To consider and, if thought fit, to pass the following ordinary resolution pursuant to NZX Listing Rule 7.3.1 and the Company’s constitution:

“That shareholders ratify, confirm and approve, for the purposes of NZX Listing Rule 7.3.5(b)(iii), the issue on 31 August 2004 of 12 million ordinary shares in the Company to sophisticated investors (in Australia) and habitual investors (in New Zealand) at an issue price of AU\$0.08 per share on the terms set out in the Explanatory Notes.”

Explanatory Notes

Explanatory Notes on the resolution are set out below.

Directors’ recommendation

The Directors recommend that you vote in favour of the resolution.

Voting Restriction

By virtue of NZX Listing Rule 9.3, any person who has been issued, or has acquired ordinary shares pursuant to the placement of ordinary shares referred to in the resolution shall not be entitled to vote in respect of the resolution and any votes cast by such persons will be disregarded by the Company (unless such votes are cast by such person acting as a proxy to a person entitled to vote on the resolution and in accordance with that person’s express instructions).

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

19 October 2004

EXPLANATORY NOTES

Resolution - Share Placement

On 31 August 2004 the Board issued 12 million ordinary shares in the Company to sophisticated and habitual investors (namely Armadale Trading Limited, Portfolio Custodian Limited (a/c 045096), Portfolio Custodian Limited (a/c 044008), Optimum Holdings Limited, Baron Nominees Pty Limited, Vedere Nominees Pty Limited, Clodene Pty Limited, Delfam Pty Limited, Ruthless Pty Limited (Emery Super Fund a/c), Pethol (Vic) Pty Limited (a/c MACDY No5 Super Fund) and RBC Global Services Australia Nominees Pty Limited) at a price of AU\$0.08 per share under NZX Listing Rule 7.3.5 (Issues within 15% limit). The placement was made to raise funds for exploration work in the Talisman area and for working capital. This placement represented 14.633% of the Company’s then 82,009,400 shares on issue and the Company now seeks shareholder ratification of the placement. The effect of shareholders ratifying and approving this placement will be to give the Company flexibility to issue further shares under NZX Listing Rule 7.3.5, should this be deemed necessary.

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:.....

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

I appoint: Full name:.....

Full address:

as my proxy to exercise my vote at the Special Meeting of the shareholders of the Company to be held on 4 November 2004 in the Parnell Room Jubilee Building, 545 Parnell Road, Parnell, Auckland, New Zealand, and at any adjournment of that meeting. If the person I have appointed is unable to be my proxy then I appoint

Full name:.....

Full address:.....

I acknowledge that the Company may rely on the vote or action of my proxy as being my vote or action, whether or not the proxy is acting in accordance with the instructions in Section 3 of this form.

SECTION 3: VOTING INSTRUCTIONS

I direct my proxy to vote in the following manner:

(Tick the box that applies)

Ratification of Share Placement

For
☐

Against
☐

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 indicated in section 2 above.**
- 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.