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FOR PUBLIC RELEASE

Initial Drilling Results - Talisman Phase 2

- **Best intercept 2.8m @ 40.86g/t gold and 91.7g/t silver, including:**
- **1.0m @ 85.00g/t gold and 117g/t silver, and**
- **0.8m @ 36.70g/t gold and 141.0g/t silver.**

Heritage Gold advises that assays from the main quartz veins intersected to date in the first two underground diamond drill holes in the Talisman Mine near Waihi (NZ) have been received.

Hole 2 had a drill intercept in the Maria Vein of 2.8m (true width 2.4m) at 40.86g/t gold and 91.7g/t silver. The interval included 1.0m at 85.00g/t gold and 117.0g/t silver, and 0.8m at 36.70g/t gold and 141.0g/t silver.

Hole 1 intersected geochemically anomalous gold values in a 2.8m wide (true width 2.0m) faulted quartz vein breccia that will be further interpreted in light of results from later holes.

Heritage sited the holes on the No 8 level to test extensions of the Dubbo Shoot near the BM37 high grade zone. The Dubbo Shoot is the southern-most of 4 ore shoots known in the Talisman Mine and the least explored.

Hole 1 tested beyond the interpreted southern margin of the Dubbo Shoot and Hole 2 tested the extension of the shoot down dip, 25m below the No 8 level and the BM37 zone.

The Phase 2 underground diamond drilling/channel sampling programme is aimed at raising the resource base categories, and more than doubling the existing resource of 109,600oz of gold and 438,400oz of silver.

Results for the Maria Vein intersection in Hole 2 appear in Appendix 1 attached.

Sue Sangster
Company Secretary

DISCLOSURE: Technical information in this report relating to geology, geochemistry and exploration results has been compiled by Mr. Murray Ronald Stevens, MAusIMM, a Competent Person with over 25 years relevant experience. Mr. Stevens consents to the inclusion of this information in the form and context in which it appears.

APPENDIX 1 : Talisman Underground Diamond Drill Hole 2 - Maria Vein Assays

Hole No	Location	NZMG mEast	NZMG mNorth	Azimuth	Dip	From (m)	To (m)	Inter-section Width (m)	True Width (m)	Au (g/t)	Ag (g/t)
TM002	Collared on No. 8 level. Intercept is 25m vertically below BM37 zone in Dubbo Shoot	51371	14694	288°	-29°	46.3 47.1 48.1	47.1 48.1 49.1	} } 2.8 }	} } 2.4 }	36.70 0.06 85.00	141.0 27.0 117.0

NOTE: Drill hole collar co-ordinates based on New Zealand Map Grid. Sample intervals are nominally 1m, or less where defined by geological boundaries. Determination of gold by fire assay using 50g charge, at SGS Laboratory, Waihi. A system of standards and check assays is used by Heritage to confirm integrity of sample assays.

ABOUT HERITAGE GOLD NZ LTD

Heritage is an ASX, NZX and NSX listed company with major gold exploration and development interests in the Waihi District, North Island, New Zealand. The areas are highly prospective for epithermal gold deposits and the Company is the largest tenement holder within a 15 kilometre radius of Newmont's Waihi treatment plant.

Heritage is actively pursuing development opportunities and its immediate focus is the development of the Talisman underground mine at Karangahake, where indicated and inferred resources total 109,600oz of gold and 438,400oz of silver. Heritage holds the mineralised northern and southern extensions of the Talisman vein systems over a total length of 4 kilometres.

A conceptual mining study undertaken by Tennent, Isokangas Pty Ltd, consulting mining engineers, was based on underground mining of 150,000 tonnes of ore annually to recover 50,000oz of gold, initially by toll treatment. The study estimated the capital cost at NZ\$24M (including a 20% contingency factor) and cash operating costs of NZ\$379 per oz, for a potential cash operating profit of around NZ\$12M per annum at current gold prices.