

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

HERITAGE GOLD NZ LTD

ARBN

009 474 702

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 14,000,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The securities rank equally in all respects with ordinary fully paid shares	
5	Issue price or consideration	AU\$0.08 per share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The securities are to be issued pursuant to the placement of 14,000,000 shares at an issue price of AU\$0.08 each to raise funds for exploration work in the Talisman area and working capital	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	29 th December 2004	
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	Class
		108,009,400	Ordinary

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	Class
		22,662,680	Warrants exercisable on or before 27 June 2007 at NZ\$0.09 each
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

⁺ See chapter 19 for defined terms.

- | | | |
|----|---|-----|
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
 (tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	Class		
Number	Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.


- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company secretary)

Date: .29th December 2004

Print name:

Susan Lee Sangster

+ See chapter 19 for defined terms.

Heritage Gold Top Twenty Shareholders as at 29th December 2004

Southern Cobalt NL	Level 11	2 Bligh Street				AUS	2000	20,000,000
Mr Peter Robert Atkinson	P O Box 37 188	Parnell				NZL	1033	8,301,560
Bestfield Company	12/F China Merchants Tower	Shun Tak Centre				HKG		7,200,000
Prophecy Mining Limited	541 Parnell Road	Parnell				NZL	1001	4,000,000
RBC Global Services Australia	Nominees Pty Limited	<Bkcust A/C>	GPO Box 5430	SYDNEY NSW 2000		AUS	2000	2,500,000
ANZ Nominees Limited	GPO Box 2842AA	MELBOURNE VIC 3001				AUS	3001	2,268,000
Baron Nominees Pty Ltd	GPO Box 5135	SYDNEY NSW 2001				AUS	2001	2,200,000
Warwick McArthur Harvey	1 Amaru Road	One Tree Hill		AUCKLAND 1006		NZL	1006	2,000,000
Troyward Pty Ltd	PO Box 50	NORTHBRIDGE WA 6865				AUS	6865	2,000,000
Merrill Lynch (Australia)	Nominees Ltd	Level 41	120 Collins Street	MELBOURNE VIC 3000		AUS	3000	1,326,325
Ralph Nicholas Stagg	5 Creek Street	Forest Lodge	NEW SOUTH WALES 2037	AUSTRALIA		AUS	2037	1,000,000
Bluestar Management Pty Ltd	GPO Box 83	SYDNEY NSW 2001				AUS	2001	1,000,000
Relativity Pty Ltd	PO Box 44	COLLINS STREET WEST VIC 8007				AUS	8007	949,000
Clodene Pty Limited	Level 12	234 George Street		SYDNEY NSW 2000		AUS	2000	925,000
Basil Courtney McGirr	15 Bell Street	WANGANUI 5001		NEW ZEALAND		NZL		896,950
Basil Courtney McGirr	15 Bell Street	WANGANUI 5001				NZL	5001	774,107
Forbar Custodians Limited	Re: Residents - 33%	P O Box 97		AUCKLAND 1015		NZL	1015	717,511
Mallett Holdings Limited	PO Box 9124	HAMILTON 2001				NZL	2001	598,400
Peter William Hall	P O Box 141	THAMES 2815				NZL	2815	500,000
Michael North Constructions	Pty Ltd	<Superannuation Fund A/C>	C/- North Construct & Building	Suite 2 369 Mann Street	GOSFORD NSW 2250	AUS	2250	500,000
								59,656,853