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FOR PUBLIC RELEASE

Tennent, Isokangas Pty Ltd ("TIP"), consulting mining engineers, has reported to Heritage on a conceptual mining study at the Talisman mine at Karangahake near Waihi, New Zealand.

The conceptual study was based on mining 150,000 tonnes of ore annually from underground operations to produce 50,000 oz of gold equivalent (gold+silver) per year, initially on a toll treatment basis.

The study found "no fatal flaws" in the mining concept, subject to Heritage identifying the gold (+silver) resource needed to support such an operation.

The initial capital cost indicated by TIP is approximately NZ\$23.5M. Heritage would expect to fund the majority of this through an appropriate loan and/or by contracting the underground mining development and operations.

The indicative annual gross margin is approximately NZ\$11.5 – 12.0M at a gold price of US\$380/oz, based on the TIP study

Heritage is now preparing for the Phase 2 underground sampling/drilling programme at Talisman. This is aimed at substantially increasing the existing (JORC Code compliant) indicated and inferred resource of 109,600 oz gold and 438,400 oz silver (as previously reported on 31 May 2004), by December 2004.

Mr. S Solomons and Dr B White of Tennent, Isokangas Pty Ltd ("TIP") confirm that the information contained in this Report, that is based on their report relating to the programme of work carried out by them on the Conceptual Mining Study at the Talisman Mine at Karangahake near Waihi, New Zealand, is correct and accurate.

Mr. Solomons and Dr White formally consent to the inclusion in this Report of the matters based on their information in the form and context in which it appears.

Sue Sangster
Company Secretary