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Quarterly Report to 30 September 2003

GOLD PROJECTS (New Zealand)

The Company's main projects are within a 12km radius of Newmont's Martha Mine at Waihi, about 120km east of Auckland. The Waihi district is the largest and richest gold producing area in New Zealand.

Heritage's projects have favourable epithermal characteristics and good local infrastructure in this highly prospective gold district.

Karangahake

During the quarter an 8-hole reverse circulation drilling programme was undertaken at Rahu, the northern strike extension of the main Karangahake gold deposits.

The RC holes targeted coincident geochemical, resistivity and ground magnetic anomalies at three locations within the 1.7km long anomalous zone.

Hole depths ranged from 14 to 45.86m and all holes were drilled at an angle of 60° to the horizontal.

The programme tested the anomalies to shallow depths to confirm their validity, but the Company's geological model suggests gold / silver grades will improve at depth below a weakly mineralised surface zone, similar to other deposits in the district.

Samples were taken at 1m intervals and analysed by fire assay for gold and by AAS for silver.

The results support the geological model. The best assays came from holes drilled from the lowest topographic positions, although all holes intersected anomalous gold (±silver) values.

Highlights were:

- RHRC-2: 6.0m at 2.41g/t Au and 63.6g/t Ag from 10m, including 1.0m at 7.80g/t Au and 198.0g/t Ag from 14m
- RHRC-3: 5.0m at 1.73g/t Au and 3.6g/t Ag from 13m
- RHRC-6: 3.0m at 0.61g/t Au from 15m
- RHRC-7: 3.0m at 0.55g/t Au from 1m
7.0m at 0.71g/t Au from 14m, including
1.0m at 1.19g/t Au from 15m
- RHRC-8: 34.0m at 0.34g/t Au from 11m

Detailed results from the 8 holes appear below.

Hole	Grid	Bearing	Dip	Depth	Downhole Intersections
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	Co-ords	(True)		(metres)	
RHRC-1	994mE 2028mN	120°	-60°	25.5	14 – 25.5m: 11.5m of anomalous gold values ranging from 0.08 to 0.32g/t Au; including 23 – 25.5m: 2.5m at 0.25g/t Au and 3.0g/t Ag.
RHRC-2 (300m south of Hole 1)	861mE 1722mN	110°	-60°	24.0	3 – 24m: 21.0m of anomalous gold and silver values, ranging from 0.09 to 7.80g/t Au and 1.7 to 198.0g/t Ag; including 10 – 16m: 6.0m at 2.41g/t Au and 63.6g/t Ag; including 14 – 15m: 1.0m at 7.80g/t Au and 198.0g/t Ag.
RHRC-3 (80m north of Hole 1)	1180mE 2099mN	110°	-60°	30.0	0 – 30m: 30.0m of anomalous gold and silver values ranging from 0.18 to 2.56g/t Au and up to 6.1g/t Ag; including 7 – 30m: 23.0m at 0.94 g/t Au and 2.0g/t Ag; including 13 – 18m: 5.0m at 1.73g/t Au and 3.6g/t Ag.
RHRC-4 (130m east of Hole1)	1117mE 2035mN	290°	-60°	32.0	0 - 32m: 32.0m of anomalous gold and silver values ranging from 0.04 to 0.80g/t Au and up to 4.7g/t Ag.
RHRC-5 (850m south-south west of Hole 1)	910m E 1126m N	110°	-60°	14.0	0 – 14m: 14.0m of anomalous gold values ranging from 0.03 to 0.15g/t Au; grade increasing at bottom of hole.
RHRC-6 (1000m south-south west of Hole 1)	948mE 999mN	110°	-60°	29.8	0 – 29.8m: 29.8m of anomalous gold values ranging from 0.10 to 0.68g/t Au; including 15 – 18m: 3.0m at 0.61g/t Au.
RHRC-7 (1150m south-south west of Hole 1)	984m E 851m N	110°	-60°	31.0	0 – 31m: 28.0m (no samples recovered 11 – 14m) of anomalous gold values ranging from 0.10 to 1.19g/t Au; including 1 – 4m: 3.0m at 0.55g/t Au; 14 – 21m: 7.0m at 0.71g/t Au; and 15 – 16m: 1.0m at 1.19g/t Au.
RHRC-8 (1150m south of Hole1)	1030m E 838m N	110°	-60°	45.8	0 - 45.8m: 45.8m of anomalous gold and silver values ranging from 0.08 to 0.54g/t Au and up to 6.5g/t Ag; including 11 – 44m: 34.0m at 0.34g/t Au.

Waihi North

Two cored holes to test coincident geophysical anomalies and completed in the June quarter intersected strong hydrothermal alteration and anomalous gold values. The results confirmed that the mineralising system responsible for the Martha gold deposit extends into the Waihi North permit.

Subsequent x-ray diffraction analysis of core samples showed that the down hole response did not account for the size of the surface geophysical anomalies recorded, suggesting that the resistive zones are below the drill holes. The resistive zones are correlated with zones of silicification / quartz veins within the Waihi epithermal system.

Golden Valley

Preliminary processing of aeromagnetic data was carried out and base plans for the permit area were prepared.

Other Gold Tenements

Routine exploration work was undertaken on Heritage's other properties.

COBALT PROJECT (Australia)

Samples of drill hole material from the Thackaringa Project near Broken Hill were prepared and despatched to Micron Laboratories in Perth for preliminary test work.
The bioleach test work is aimed at reducing potential processing and capital costs.

COMPENSATION

The Company has completed its inspection of the Crown's documents and has provided an explanation of the proposal to use the Coromandel Project as a case study in its claim for compensation.

The claim is based on the effect on the Company's operations of a 1997 amendment to the Crown Minerals Act that affected projects involving approximately \$8M in expenditure by Heritage.

INVESTMENTS

During the quarter Heritage sold 1,000,000 shares in Training Solutions Plus Ltd.

ISSUE OF SHARES TO DIRECTOR

The Company issued 1,000,000 shares at a price of NZ5.5cents each to Mr. Ralph Stagg, under an approved service agreement dated 31 January 2003.

ANNUAL MEETING

At the Company's annual meeting on 4 August all resolutions were passed with the requisite majorities.

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.

Sue Sangster

COMPANY SECRETARY