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FOR PUBLIC RELEASE

Quarterly Activities Report to 30 September 2008

Heritage Gold is pleased to present this quarterly report for the period ended 30 September 2008.

Highlights:

- **Scoping Study for Talisman Mine completed in September**
- **Diamond core drilling completed at Martha North**
- **Drilling of reconnaissance holes at Beetaloo uranium exploration licence completed**

SCOPING STUDY ON TALISMAN PROJECT

During September, Heritage Gold completed a Scoping Study of its Talisman Mine project. A Critical Appraisal was undertaken by Gemell Mining Engineers Pty Ltd., of Australia, and recommendations from this appraisal are being incorporated in the study.

The Scoping Study, in addition to the previously announced resources of 204,000 oz gold, 797,000 oz silver, targets geological potential ranging between 827,000 oz gold and 2.47 million oz silver to 3.3 million ounces gold and 9.88 million oz silver. Geological potential is conceptual in nature and insufficient exploration has to date been completed to allow estimation of a mineral resource, as defined in the JORC code. It is uncertain whether further exploration will result in the determination of a mineral resource. (Refer to disclosure 2).

A number of mining extraction and treatment options were assessed. The study was based on progressively developing the project to a sustainable annual production of 50,000 oz gold p.a. over three years, with an upside objective of up to 100,000 oz gold.

The company will use the Scoping Study as a basis for discussions with prospective Talisman Project joint venture partners and to map the development of a Feasibility Study.

WAIHI DISTRICT GOLD EXPLORATION

Waihi Gold Tenements (Heritage 100%)

The high-resolution aeromagnetic survey of the Waitete, Waihi North and Golden Valley tenements undertaken in mid February revealed several significant zones of demagnetization that are often associated with areas of hydrothermal alteration and gold deposition

Martha North Prospect (Waihi North EP40-346)

During the quarter, Heritage completed 542m of diamond core drilling of two high-ranking targets at Martha North.

The holes were designed to drill test resistivity, magnetic and geochemical anomalies defining the NE trending Martha North alteration zone that parallels the Martha vein system. Both holes intercepted zones of hydrothermal alteration, quartz veining and anomalous gold and silver values. The first hole (WNDDH-03) was designed to drill test a highly-ranked resistive anomaly from the CSAMT survey that coincided with an area of demagnetization identified from the ground magnetic survey and anomalous gold values derived from the soils sampling of the area. The anomaly was interpreted as a zone of mineralised silicification and/or quartz veining. Owing to difficult drilling conditions the hole failed to reach target depth and had to be abandoned at 230 metres.

However, the hole did intersect 2m grading 1.01g/t Au and 0.81g/t Ag from 153m in a hydrothermally altered fault zone and exhibited a general increase in tenor of alteration toward the target zone. This mineralised fault is interpreted as representing a compressional structure opening the potential for mineralised quartz veining in a deeper portion of the same fault zone.

The second hole (WNDDH-04) tested a deep, high-resistivity envelope at the southern end of the Martha North alteration zone which coincided with surface gold anomalism, strong demagnetization (indicative of hydrothermal alteration) and outcropping altered andesite.

The hole intersected weak alteration in the upper sections but passed into strong clay-pyrite alteration with quartz calcite and quartz veining from 277m to the end of hole at 312m coinciding with the mineralised system in the adjoining Martha pit.

The company is encouraged that this zone is gold anomalous (up to 0.25g/t Au and 0.91g/t Ag) associated with quartz veining. The programme also has proven the predictive accuracy of the geophysical data in geospatially identifying zones of alteration and resistivity (silicification) which represent potential mineralization.

The Company has lodged an application for an Appraisal Extension of Duration over the Waihi North permit.

Mataura Prospect (Waihi North EP40-346)

Ground-based magnetic and geochemical (soils) surveys were carried out over the Mataura magnetic anomaly during June and further interpretative work on the zones of demagnetization has highlighted a connection between the structural lineaments at Martha North, which in turn correlate well with the Martha vein systems.

Waitete Permit

During the past three months, Heritage Gold undertook a trial programme to drill test an area of demagnetization in the south east portion of the Waitete exploration permit, that had been identified in the February geophysical surveys. Using an open-hole rotary air blast (RAB) drilling over 130 metres of drilling was completed. The drill holes successfully penetrated the underlying andesite to depths of up to 60 metres. Nine samples were submitted for assay but failed to produce anomalous precious metal values.

However, the programme proved that open hole drilling could be a cost effective tool in preliminary drilling of geochemical anomalies to define diamond drill targets.

Golden Valley Permit

During the quarter, the data from the high-resolution aeromagnetic survey that was undertaken over the Waihi tenements in February was incorporated into the Company's GIS database. Structural modelling of the imagery is in progress to identify targets for further ground based exploration follow up to define drill targets.

Karangahake Gold Tenements (Heritage 100%)

Rahu Permit

Diamond core drilling was undertaken at Rahu between March and June 2008. Two holes were drilled to test deeper targets beneath holes drilled in 2007 that had shown encouraging gold results in high level hydrothermal breccias.

Final assay results for this drilling were received in September.

The first hole, RHDD-10, was designed to test for mineralization in a quartz vein feeder system that is believed to occur at depth. The hole encountered several weakly anomalous zones, but passed through a major fault zone and did not intersect the volcanic rock that would normally host mineralized quartz veins.

The second hole, RHDD-11, was sited about 550 metres to the south of the first, closer to the White Rocks area of Rahu Ridge where Heritage Gold had previously found anomalous gold values near the surface and indications of higher gold grade at depth. The hole was designed to test about 70m below the depth reached by the previous diamond drill hole in the area, RHDD-04.

From 65.7m the hole passed through a 116.5m sequence of quartz veining, hydrothermal brecciation and silicification.

This sequence was generally gold anomalous and from 99m down-hole, included 66m that averaged 0.49 g/t Au. Within this zone there were several intervals of higher gold values ranging from 0.71 g/t to 1.90 g/t Au. The average gold values in this hole were at the higher end of the values from RHDD-04 that tested the same zone approximately 70m above.

These results indicate increasing grade within favourable host rocks with depth, which supports Heritage Gold's model for a deeper feeder zone of economic mineralization.

BASE METALS PROJECT (NORTHLAND, NEW ZEALAND)

Between July and September, Heritage Gold undertook extensive literature research on its Northland permits which are located between Whangarei and the Bay of Islands and is in the process of compiling a GIS database of information pertaining to these permits.

During the same period, the company commenced reconnaissance geological sampling and mapping of the most prospective areas in each permit.

DUNMARRA BASIN URANIUM, (NORTHERN TERRITORY, AUSTRALIA)

Open hole drilling of exploration licence EL 25872 on the Beetaloo pastoral lease was undertaken during July. A total of 402 metres was drilled. Samples from the drillholes were tested for radioactivity at site using a scintillometer and 133 chip samples were submitted for laboratory assay. The company is still awaiting these assay results.

The highest reading recorded with the scintillometer was 6.8 ppm.

Owing to this drilling result, Heritage Gold intends to relinquish its three exploration licences in the Dunmarra Basin.

BROKEN HILL COBALT LIMITED (Heritage 33%)(NSW, AUSTRALIA)

Broken Hill Cobalt Limited's exploration licence over the cobalt prospect at Thackaringa was renewed in June, for a further two years. Preliminary open hole drilling of surface gossans which show potential for Broken Hill style base metal (lead, zinc) mineralization is planned for early in 2009.

CORPORATE AND FINANCE

At 30 September Heritage Gold had cash at bank position of \$1,627,000. The company is actively seeking joint venture partners for its Karangahake Gold Project, which includes the historic Talisman mine and adjoining exploration tenements of Dominion Knoll and Rahu.

DISCLOSURE:

1. The information in this report that relates to exploration results is based on information compiled Mr Murray Stevens. Mr Stevens is an independent consulting geologist who is a corporate member of the AusIMM. Mr Stevens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stevens consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.
 2. The statement referring to geological potential in the Talisman Project Scoping Study is based on the recognition that only part of the geological potential will be realised. The figures quoted range from 25% realisation to full realisation of the geological potential. This gives the range of 3.84 million tonnes @ 6.7 g/t Au and 20 g/t Ag, for 827,000 ounces of gold and 2.47 million oz of silver to 15.37 million tonnes at 6.7g/t gold and 20g/t silver, for 3.3 million oz gold and 9.88 million oz silver.
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About Heritage Gold

Heritage Gold (NZ) Limited is a leading New Zealand, dual listed (NZSX: HGD, ASX: HTM) minerals exploration company that has a portfolio of high quality gold, base metal and uranium tenements in Australia and New Zealand.

Heritage's gold tenements in the southern Coromandel region of New Zealand include the historic Talisman Mine which produced over 1 million oz of gold and 3 million oz of silver during its peak mining period.

Heritage Gold owns 33 percent of Broken Hill Cobalt Ltd ('BHCL'), a company that is planning to develop a cobalt project at Thackaringa, New South Wales. BHCL holds mining and exploration licences in the area, located about 25km south-west of Broken Hill, which appear to host Broken Hill style base metal occurrences.

The company also holds exploration licences for uranium in Australia's Northern Territory, historically a major uranium producing area and currently the focus of extensive exploration.

To learn more about our company please explore our website at www.heritagegold.co.nz