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PAGES: 3

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Quarterly Report to 30 September 2007

Heritage Gold is pleased to present this quarterly report for the period ended 30 September 2007.

Highlights of the last quarter include:

- Appointment of a new Managing Director
- Granting of three prospecting permits in the Northland region, New Zealand
- Completion of a comprehensive geochemical soil sampling programme at Dominion Knoll
- Granting of two exploration licences in the Dunmarra Basin, Northern Territory proceeding

New Managing Director

In September, Trent Lash, a Mining and Civil Engineer with 15 years experience in the international mining industry, accepted the position of Managing Director.

The Board and new management have been diligently crafting a strategy of corporate renewal and shareholder growth over the next three years. This includes a strong commercial focus on solid development of the company's exploration programmes in 2008 with the objective of building shareholder value in the key gold properties around Waihi.

Three Prospecting Permits For Gold And Base Metals In Northland

The total area that the company now holds under permit is 338,800 ha. In 2008 the company plans to undertake ground reconnaissance exploration in each of the permit areas.

Gold Tenements In Waihi Region Of New Zealand

During August and September a detailed ground geochemical survey was carried out in the Dominion Knoll permit, part of the Karangahake group of permits that includes: Talisman, Rahu and Dominion Knoll.

The soil sampling programme was designed to delineate the surface expression of the St Patrick's Vein Zone. Results to date have outlined a NE trending strongly gold-in-soil anomalous zone over a strike length of approximately 1km. In the course of the programme, sampling of an old mine dump at the northern extension of the zone assayed 17.6g/t Au and 23g/t Ag.

The results of this first phase of the soil sampling programme are encouraging and will be extended to better define geochemical anomalies and help delineate drill targets in what the Company regards as the southern extensions of the vein systems in the Talisman Mine.

Comprehensive Exploration Programme Planned For Waihi Region

Beginning November 2007, the company plans to carry out extensive high resolution airborne and ground geophysical surveys over its tenements to the north and east of Newmont's Martha and Favona mines at Waihi.

Heritage Gold's Waihi North tenement lies immediately adjacent to the Martha open pit, near its northern pit wall and extends approximately 10 km to the north and north-east. Previous low resolution airborne magnetic surveys have indicated that the zone of hydrothermal alteration that hosts the Waihi gold deposits extends into Heritage's property.

Two holes that were drilled within 200m of Newmont's Mining Licence boundary by Heritage in 2003 intersected strong hydrothermal alteration of the same type as that at Martha. This confirmed the company's belief in the potential for the continuation into Heritage's ground, of similar mineralised structures to those found at Martha.

The company plans to follow up the airborne magnetic and radiometric survey with advanced, ground-based resistivity and magnetic techniques and geological mapping to target potentially mineralised structures at depth. This work will allow Heritage to define drill targets for a deep diamond drilling programme that it plans to carry out in the immediate vicinity of the Martha Pit. It is envisaged that approximately 1,500m of drilling will be undertaken and completed by mid 2008.

Heritage also intends to carry out similar surveys on the Golden Valley tenement that lies on the eastern boundary of Newmont Gold's permits. This land holding of 5,000 ha contains a number of anomalies that indicate potential for gold-bearing, hydrothermally-altered zones beneath post mineral cover. Deep drilling of these anomalies will also be carried out.

Dunmarra Basin Licence Applications In Process Of Granting

No objections were raised to the granting of two of the company's applications for exploration licences in the Dunmarra Basin in Australia's Northern Territory and it is expected that exploration licences 25871 and 25872 will be granted shortly.

Heritage plans reconnaissance drilling of these tenements in early 2008, in the vicinity of water bores in the area, to test identified radiometric anomalies.

Thackaringa Cobalt Project (33% interest)

Heritage has a 33% equity in the owner of this project, Broken Hill Cobalt Limited.

Broken Hill Cobalt has advanced the project through the final stages of resource assessment; evaluating a treatment process and identifying a process for commercializing the project. A valuation of the project has been prepared to assist listing of Broken Hill Cobalt on the ASX by December 2007.

There has already been strong interest from a number of Chinese parties in taking the cobalt as pyrite or cobalt concentrate.

A geological report prepared by Eaglehawk Geological Consulting (EGS) on the exploration licence that forms part of the Thackaringa project suggests excellent potential for Broken Hill style base metal deposits, with some gold and tungsten.

Geological evaluation of the area beyond Pyrite Hill and Big Hill has outlined highly anomalous values for lead/zinc/copper/tungsten in surface gossans. EGS believe that the area is under-explored and that the geological structures in the vicinity of Pyramid Hill and Himalaya represent significant potential for Broken Hill style orebodies.

DISCLOSURE: The information in the report to which this statement is attached that relates to gold and base metals Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Murray Ronald Stevens who is a Member of The Australasian Institute of Mining and Metallurgy (The AusIMM). Mr Stevens is self-employed.

Mr Stevens has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking 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' and Mr Stevens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to uranium exploration results is based on information compiled Mr Wolfgang Leyh. Mr Leyh is employed by Eaglehawk Geological Consulting Pty Ltd and is a Member of The AusIMM. Mr Leyh 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 Leyh consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About Heritage Gold

Heritage listed on the NZSX in 1986 and is listed on the ASX in 1987.

The company has valuable gold assets in the Waihi district of New Zealand, where it is a major tenement holder.

Heritage also owns 33 percent of Broken Hill Cobalt Ltd in Australia and has three permits to prospect for gold, silver, copper, and base metals in Northland, about 150km north of Auckland.

Heritage has entered into a joint venture to explore for uranium in the Dunmarra Basin of the Northern Territory, Australia.

Please explore our website at www.heritagegold.co.nz