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Limited Company Relations
New Zealand Stock Exchange
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FOR PUBLIC RELEASE

Quarterly Activities Report to 31 December 2008

Heritage Gold is pleased to present this quarterly report for the period ended 31 December 2008.

Highlights:

- **Mining Permit applied for at Talisman and Dominion Knoll**
- **Reconnaissance drilling of Thackaringa planned for early 2009**

MINING PERMIT APPLICATION OVER TALISMAN AND DOMINION KNOLL

In November, Heritage Gold applied for a Mining Permit over its Talisman and Dominion Knoll exploration permits. This application followed the completion of the Talisman Scoping Study in September.

The Scoping Study identified a preferred development path for the project and provided an economic assessment.

During December, geologists from Crown Minerals visited Karangahake and met with Heritage Gold senior management and geological staff to discuss the application.

The Company has contacted those iwi in the region who may be affected or have an interest in the application and met with a number of groups to discuss the application.

WAIHI DISTRICT GOLD EXPLORATION

Waihi Gold Tenements (Heritage 100%)

Waihi North EP40-346

The application for an Appraisal Extension of Duration over the permit is under review by Crown Minerals.

During the quarter the Company arranged an X-Ray Diffraction (XRD) analysis of diamond core from its Waihi North drilling programmes.

Karangahake Gold Tenements (Heritage 100%)

Dominion Knoll EP 40521

In October, rotary air-blast (RAB) drilling of two holes was undertaken in difficult terrain at Dominion Knoll to test targets in the vicinity of the historic St Patricks workings. The RAB rig successfully negotiated the narrow access tracks and two holes were drilled for a total of approximately 99m.

Rahu EP 40117

XRD analysis of diamond core from previous drilling programmes was completed and a report prepared by the University of Auckland Geology Department.

This information, relating to the mineralogy of the core, will be invaluable in determining regional gold mineralization models and for indicating proximity of drilling to mineralized veins.

BASE METALS PROJECT (NORTHLAND, NEW ZEALAND)

During the period, Heritage Gold geologists undertook reconnaissance geological sampling and mapping of selected areas of the Northland prospecting permits.

This information was compiled in a GIS database along with other data that had been collected previously from a literature survey.

At the completion of the current work programme, the Company advised Crown Minerals of its intention to undertake an airborne magnetic survey of the tenements in 2009.

DUNMARRA BASIN URANIUM, (NORTHERN TERRITORY, AUSTRALIA)

In December, Heritage relinquished its exploration licences in the Dunmarra Basin on the basis of the results of reconnaissance drilling at its Beetaloo licence area and withdrew from the joint venture.

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

An inspection of the cobalt licence at Thackaringa with the company's consultant geologist provided field validation for a RAB drilling programme to test the numerous sulphide gossans in the area.

BHCL proposes to undertake a shallow drilling programme within the gossanous zones by May 2009 to assess their prospectivity for base metals.

CORPORATE AND FINANCE

At 31 December Heritage Gold had cash at bank position of \$1,012,693.

The company is in continuing discussions with a number of overseas, potential joint venture partners for its Karangahake Gold Project, which includes the historic Talisman mine and adjoining exploration tenements of Dominion Knoll and Rahu.

At the end of September, 23,490,000 options that were issued under prospectus in September 2005 expired without conversion.

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 and, base metal tenements in Australia and New Zealand.

Heritage's gold tenements in the southern Coromandel region of New Zealand include the historic Talisman Mine at Karangahake 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 about 25km south west of Broken Hill, which appear to host Broken Hill style base metal occurrences.

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