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**ANNOUNCEMENT BY HERITAGE GOLD NZ LIMITED (ASX: HTM, NZSX: HGD)  
FOR PUBLIC RELEASE**

**Quarterly Activities Report to 30 June 2011**

Heritage Gold is pleased to present its quarterly report for the period ended 30 June 2011.

**HIGHLIGHTS**

- **Bonanza gold values found at Taukani Hill**
- **Talisman joint venture due diligence progress**
- **Encouraging data from Rahu**
- **Thackaringa cobalt potential expands**

**KARANGAHAKE GOLD PROJECT – Coromandel, NZ (Heritage 100%)**

**TALISMAN**

***Taukani Hill***

On Taukani Hill recent rock sampling includes most of the veins identified by Heritage's surface mapping and includes extensions of the Maria/Woodstock and Welcome veins north of the Waitewheta Gorge as well as the Buck Reef and subsidiary veins.

Impressive results have, for the first time, confirmed surface bonanza gold grades in northern strike extensions of the Talisman mine veins. This highlights the potential for defining gold resources at Taukani Hill.

Sampling focussed on outcropping quartz veins and to a lesser extent on rock float considered to be near in situ. Some 40 samples weighing 1-2kg each were collected.

Gold values range from <0.02 g/t to 345 g/t (previous channel sample on the Buck Reef that recorded 12.0 g/t Au over 4 metres is shown on the plan).

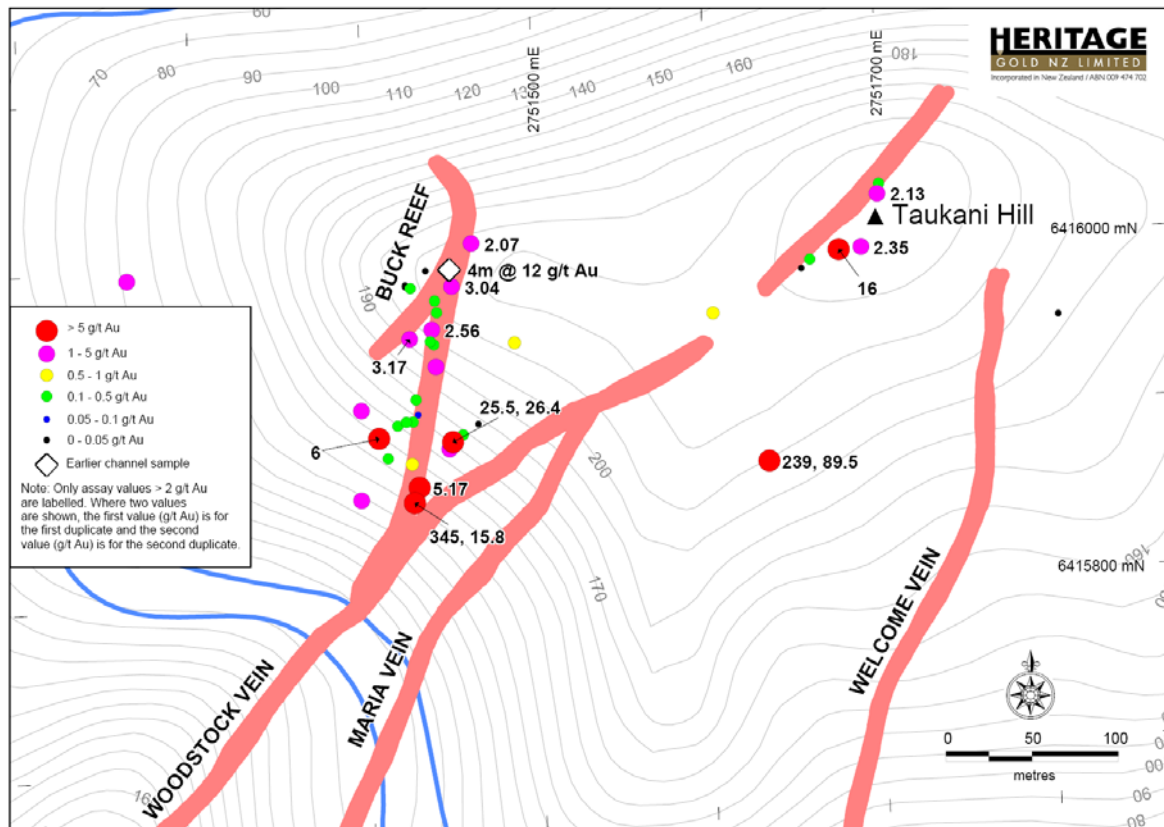
Highest gold assays are:

- 16.0 g/t (and >100 g/t Ag),
- 25.5 g/t (and 12.5 g/t Ag) (check assay 26.4 g/t Au and 13.1 g/t Ag),
- 239.0 g/t (and >100 g/t Ag) (check assay 89.5 g/t Au),
- 345.0 g/t (check assay 15.8 g/t Au).

Repeat assaying of the two highest grade samples shows the typical variability or "nugget effect" of bonanza gold mineralisation at Karangahake and similar deposits in Coromandel.

The programme included Heritage's standard quality assurance and quality control, (QAQC) procedures to ensure validity and reliability of the assay data. This includes a system of standards, blanks and duplicate samples all analysed at an accredited laboratory (SGS in Waihi).

Further detailed mapping is planned to aid correlation of the Taukani Hill veins with those in the Talisman area to the south.



Plan of Taukani Hill sampling locations, results and principal veins shown diagrammatically

### Joint Venture Discussions

Due diligence investigations by companies that have expressed interest in the Talisman mine continued during the quarter and discussions with companies interested in a joint venture were advanced.

This included detailed field inspections and meetings with the relevant government agencies.

Heritage is also considering other development options, including forming a mining alliance with a contractor to examine the possibility of an initial small scale operation capable of later expansion.

As part of this process the previous scoping study is being reviewed and updated, along with an access arrangement for the land.

A further announcement on the evaluation and development of the project will be made by the end of the September quarter.

### RAHU

The exploration permit covers the northern extension (beyond Taukani Hill and the Ohinemuri River) of the Talisman vein system.

Based on the geological model developed from structural geology and results of previous geochemical and geophysical surveys higher gold grades are expected at depth below previous shallow drill holes that intersected broad intervals of low grade mineralisation.

The University of Auckland carried out a Controlled Source Audio Magneto Telluric (CSAMT) geophysical survey over Rahu Ridge which was predicted to penetrate to about 300 metres depth and assist drill target definition.

Data from this survey and an MT (Magneto-Telluric) survey, delayed by weather conditions, will be available in early August.

Surface geological mapping was correlated with diamond drill core intersections from previous programmes and a study was made of the breccias intersected and their relationship to gold mineralisation, with the assistance of Professor Michel Jébrak from the University of Quebec, Montreal, Canada. This work identified breccia features in the drill core that may also guide selection of future drilling targets.

## **WAIHI GOLD EXPLORATION – Coromandel, NZ (Heritage 100%)**

### **GOLDEN VALLEY**

The Golden Valley permit covers about 25 square kilometres and lies along the east side of Newmont's Martha and Favona mines at Waihi.

From the results of seismic surveys, ground magnetic surveys and advanced geochemical exploration techniques completed by Heritage, several favourable drilling targets have been selected beneath 20-60 metres of barren cover rocks.

Due to heavy rain in the area no work was undertaken during the period.

## **BROKEN HILL PROSPECTING LIMITED - NSW, AUSTRALIA (Heritage 21.7%)**

### **THACKARINGA**

Heritage Gold has a strategic 21.7% interest in Broken Hill Prospecting Ltd (BPL), which is listed on the ASX and NZSX.

BPL has a number of attractive base metal prospects at Thackaringa and two cobalt deposits with a total inferred mineral resource estimated at 15 million tonnes with a combined average grade of more than 2.1 lb per tonne.

Initial RC drilling programmes at Pyramid Hill and Himalaya North encountered copper, gold, silver and base metal zones up to 40 metres thick in several drill holes and further drilling of the base metals prospects is planned.

Detailed mapping and sampling of the recently discovered Pyrite Hill South sulphide gossan zone has indicated significant cobalt bearing host rocks over a probable 500 metre strike length, with 3 smaller subparallel zones adjacent to it.

The main gossan zone has the potential to host a relatively large tonnage of mineralisation. Initial drilling is planned in this new zone in the September quarter to test the mineralisation to shallow depths.

A programme of 8 angled RC drill holes is planned to test the main Pyrite Hill zone at depth near the thickest portion of the deposit

### **OTHER PROSPECTS**

The Company is currently investigating gold prospects in Papua New Guinea in its search for potentially large high grade deposits in the south-west Pacific area of the "Ring of Fire".

One property has been reviewed and is under consideration, while another opportunity is in the early stages of assessment.

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### **Competent Person Statement<sup>2</sup>**

The information in this report that relates to gold exploration results is based on information compiled by or supervised by 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.

#### **Competent Person Statement**

The information in this report that relates to BPL base metal exploration results is based on information compiled by Mr. Wolfgang Rudolf Leyh MScApp; MScQual; BScApp. Mr Leyh is an independent consulting geologist who is a corporate member of the AusIMM. Mr Leyh has sufficient experience which is relevant to the style of mineralization 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.

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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 with 1800 Australasian shareholders and a portfolio of high quality mineral interests in both countries.

The Company has attractive gold properties at Karangahake and Golden Valley near Waihi in the Coromandel, New Zealand. The historic Talisman mine has a JORC compliant resource<sup>2</sup> of 205,000 oz gold and 800,000 oz silver within a granted mining permit and joint venture discussions are under way to develop the mine.

Heritage Gold owns 21.7 % of Broken Hill Prospecting Limited (BPL), which is planning to develop a cobalt project and has found Broken Hill type mineralisation at Thackaringa, about 25 kilometres southwest of Broken Hill in New South Wales. BPL is listed on the ASX (Code BPL) and NZSX (Code BPL).

More about Heritage Gold at [www.heritagegold.co.nz](http://www.heritagegold.co.nz)