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FOR PUBLIC RELEASE

Quarterly Activities Report to 30 September 2010

Heritage Gold is pleased to present its quarterly report for the period ended 30 September 2010.

HIGHLIGHTS:

- **BHPL IPO under way; priority entitlement**
- **Talisman more attractive**
- **Drilling planned at Golden Valley**

BROKEN HILL PROSPECTING LIMITED - NSW, AUSTRALIA (Heritage 28%)

THACKARINGA

Early in the quarter Broken Hill Prospecting Limited (BHPL) finalised a round of pre-IPO funding to raise approximately A\$890,000.

After the end of the period BHPL lodged a prospectus with ASIC in Australia, relating to the issue of up to 25 million shares of A\$0.20 each with 1 free attaching option for every 2 shares allotted, exercisable at A\$0.20 each at any time within 3 years from the date of listing of BHPL on the ASX.

BHPL plans to distribute the prospectus in New Zealand under the Mutual Recognition of Securities regulations following the expiry of relevant statutory disclosure periods and shareholders in Heritage Gold have been granted a priority entitlement to take up shares in the issue.

The current surge of interest in exploration in Broken Hill region reflects the enormous size and significance of the Broken Hill ore bodies and the fact that they have been mined continuously for well over 100 years.

BHPL has an exploration licence and 2 mining leases situated about 20km southwest of Broken Hill.

The more recent discovery of significant base metal deposits at the Pinnacles Mine is about 9km east of the Thackaringa tenements.

At the end of the quarter BHPL commenced a RAB drilling programme of approximately 4,000 metres to test extensions of previously identified surface mineralisation, beneath shallow soil cover.

A comprehensive drill-testing programme is planned on completion of the IPO.

Previously reported inferred mineral resources³ at Pyrite Hill and Big Hill include:

Project	Cut-off (lb/t Co)	Mt	lb/t Co
Pyrite Hill	1.1	10.6	2.2
Big Hill	1.1	4.4	2.0

There is considerable potential to discover extensions of these cobalt deposits and new cobalt mineralisation, similar to that encountered during the 2008-09 drilling programme at Pyrite Hill South.

BHPL has identified numerous base metal gossans and other evidence of near-surface mineralisation within its tenements, which warrant extensive testing to evaluate their economic significance.

The IPO will enable this work to be undertaken without any further obligation on Heritage to provide funding, while still retaining a significant equity in the company.

An earlier report on the assets of BHPL by Snowden Mining Industry Consultants can be found on the Heritage Gold website www.heritagegold.co.nz

Full details of the offer can be obtained from BHPL by phone (+612 9252 5300) or from the website at bhpl.biz.

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

TALISMAN

Negotiations with potential joint venture partners have continued with further support provided by Auckland investment bank Campbell McPherson in undertaking a global search for a suitable partner.

The company's consultants are reviewing the scoping study to take into account increases in the gold price since the study was last reviewed 10 months ago, with expected improvements in the financial analysis.

RAHU

The Rahu exploration permit lies north of the Talisman mining permit and includes the extensions of the major north-northeast trending mineralised system. Along Rahu ridge, the Waipupu and Rahu rock formations are cross-cut by several zones of gold-bearing hydrothermal breccias and quartz veining.

Two main breccia zones flank the western and eastern margins of the north-northeast trending ridge. The breccia zones are closely associated with two strong linear resistivity anomalies and represent the upper levels of a significant hydrothermal system.

Heritage Gold has drilled a number of drill holes into this mineralised system, encountering low to moderate grades of gold in most holes, over broad intervals.

The draft report of a structural study by the Company's consulting structural geologist has highlighted features which are attractive drill targets. The draft report is now being reviewed by the Company's geologists with the objective of refining the geological model and selecting the most favourable drill targets for testing.

Heritage Gold believes that deeper drilling within the Rahu area will intersect high grade feeder veins similar to the high grade quartz veins in the Talisman Mine under Mount Karangahake, immediately to the south.

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

GOLDEN VALLEY

The exploration permit lies between the Waihi gold mine and the coast. Much of the area is covered in thick ignimbrite and rhyolite volcanic flows, which obscure the underlying prospective andesite.

Aeromagnetic data over the permit, previously revealed large areas of demagnetized rock believed to be caused by focused hydrothermal activity. Similar hydrothermal activity at nearby Waihi resulted in the formation of a number of gold-rich quartz veins which have seen more than a century of mining activity, resulting in the recovery of over 7 million ounces of gold.

Heritage Gold believes that deep hydrothermal activity in the Golden Valley area may also have resulted in the formation of gold-bearing veins in the basement andesite.

A geochemical survey using very low detection techniques, targeted areas where hydrothermal activity at depth appears to be at its strongest. The survey has located gold anomalies at the surface, which Heritage Gold plans to test further by a seismic geophysical survey followed by deep drilling.

OTHER PROSPECTS

As outlined by the Chairman at the annual meeting of shareholders, the company is looking offshore for possible large-scale high grade epithermal gold targets in which, together with our consultants, we have significant expertise.

The company is currently reviewing a project which we believe could be very attractive and would add value to Heritage Gold's shares.

Competent Person's Statement³

The information in this report that relates to cobalt mineral resources is based on information compiled by Mr Alex Trueman, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Trueman who is no longer an employee of Snowden and is acting as an independent consultant has consented to this report. Mr Trueman 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 Trueman 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 Gold (NZ) Limited is a leading New Zealand, dual listed (NZSX: HGD, ASX: HTM) minerals exploration company with over 1600 Australasian shareholders and a portfolio of high quality mineral prospects in both countries.

Its gold tenements in the Coromandel region of New Zealand include the historic Talisman Mine at Karangahake which has an inferred mineral resource² of 205,000 oz gold and 800,000 oz silver. The mine produced over 1 million oz gold and 3 million oz silver during its peak mining period.

Heritage Gold owns 28.13% of Broken Hill Prospecting Limited (BHPL), which is planning to develop a cobalt project at Thackaringa, about 20 km southwest of Broken Hill in New South Wales. BHPL has identified several new Broken Hill-style base metal occurrences, as well as a near-surface cobalt deposit.

NOTES:

1. 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.
2. The inferred mineral resource of 205,000 oz gold and 800,000 oz silver was reported on 11 May 2005.

Learn more about the company at www.heritagegold.co.nz