



NEWS RELEASE

4 December 2009

## HERITAGE GOLD GRANTED TALISMAN MINING PERMIT

Listed mining company Heritage Gold ("Heritage") has secured the North Island's first commercial gold mining permit, outside of Waihi, in 18 years.

The permit paves the way for mining in an area which was a major gold producer historically and is expected to produce much more in future years.

The permit was approved by the Minister of Energy and Resources, Hon Gerry Brownlee, and covers the Talisman mine which previously produced a total of 1 million ounces of gold and 3 million ounces of silver, and has the potential to triple those figures.

The Talisman mining permit has been granted for a 25-year term. This will allow joint venture negotiations, resource enhancement, mine planning, mine development and processing to proceed in sequence.

Heritage executive director Peter Atkinson says this is a landmark day for Heritage and its loyal shareholders. "The conditions of grant provide Heritage Gold with excellent operational flexibility and time to secure the necessary resource consents and an access arrangement with the Department of Conservation."

"While today is a milestone for Heritage, it is also a very important day for the industry and New Zealand" Mr Atkinson added. "The mining permit is a key step in the commercial development of the Talisman mine. Its approval signals the prospectivity of the area to international companies and provides confidence in the current minerals legislation and those who administer it," he says.

Heritage is already in discussions with Chinese groups for a joint venture to progress the project.

Mr Atkinson says mining will require resource consents. "Using the experience we have gained in the area and our baseline environmental studies we are confident the consent process will

proceed smoothly. We also have developed a sound relationship with the Department of Conservation by meeting all requirements of its access arrangement.”

An earlier scoping study<sup>2</sup>, in which several mining and treatment options were considered, suggested geological potential ranging from 0.83M oz to 3.3M oz gold.

The scoping study’s base case scenario suggests progressive project development to sustainable production of 50,000 oz gold per annum over 3 years, with a medium term objective of up to 100,000 oz gold annually, and construction of a suitable treatment plant to process the ore nearby. Using an average gold price of \$US800 per ounce and a discount rate of 17% the project had an indicative pre tax net present value (NPV) of \$40 million.

Mr Atkinson says, “The Company spent some \$10 million on exploration in the northern Coromandel and suffered the loss of all its gold properties when a 1997 amendment to the Crown Minerals Act prevented further development.”

“Heritage then shifted its focus south to the Waihi district, building an attractive portfolio of gold properties with the investment of a further \$9.5 million.”

“It has been a long term commitment by Heritage and its shareholders to get to this point and this is a welcome result.”

“Heritage has developed significant expertise in NZ gold and base metal exploration and has identified several exciting prospective target areas for further work.”

For further information please contact:

Peter Atkinson

Executive Director

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This report is available at [www.heritagegold.co.nz](http://www.heritagegold.co.nz)

### **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, a portfolio of high quality mineral prospects in both countries and a current market capitalisation of NZ\$ 10 million (A\$8 million).

Its gold tenements in the southern Coromandel region of New Zealand include the historic Talisman Mine at Karangahake which has a JORC<sup>3</sup> resource of 205,000 oz gold and 800,000 oz silver. It produced over 1 million oz gold and 3 million oz silver during its peak mining period.

Heritage Gold owns 33 percent of Broken Hill Prospecting Ltd (formerly Broken Hill Cobalt Ltd), which is planning to develop a cobalt project at Thackaringa in New South Wales. BHPL holds tenements about 22km south west of Broken Hill, which host Broken Hill style base metal occurrences, as well as a near surface cobalt deposit.

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 at 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 20 g/t silver, for 3.3 million oz gold and 9.88 million oz silver. The potential quantity and grade of the 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.
  3. The JORC resource of 205,000 oz gold and 800,000 oz silver was reported on 11 May, 2005.
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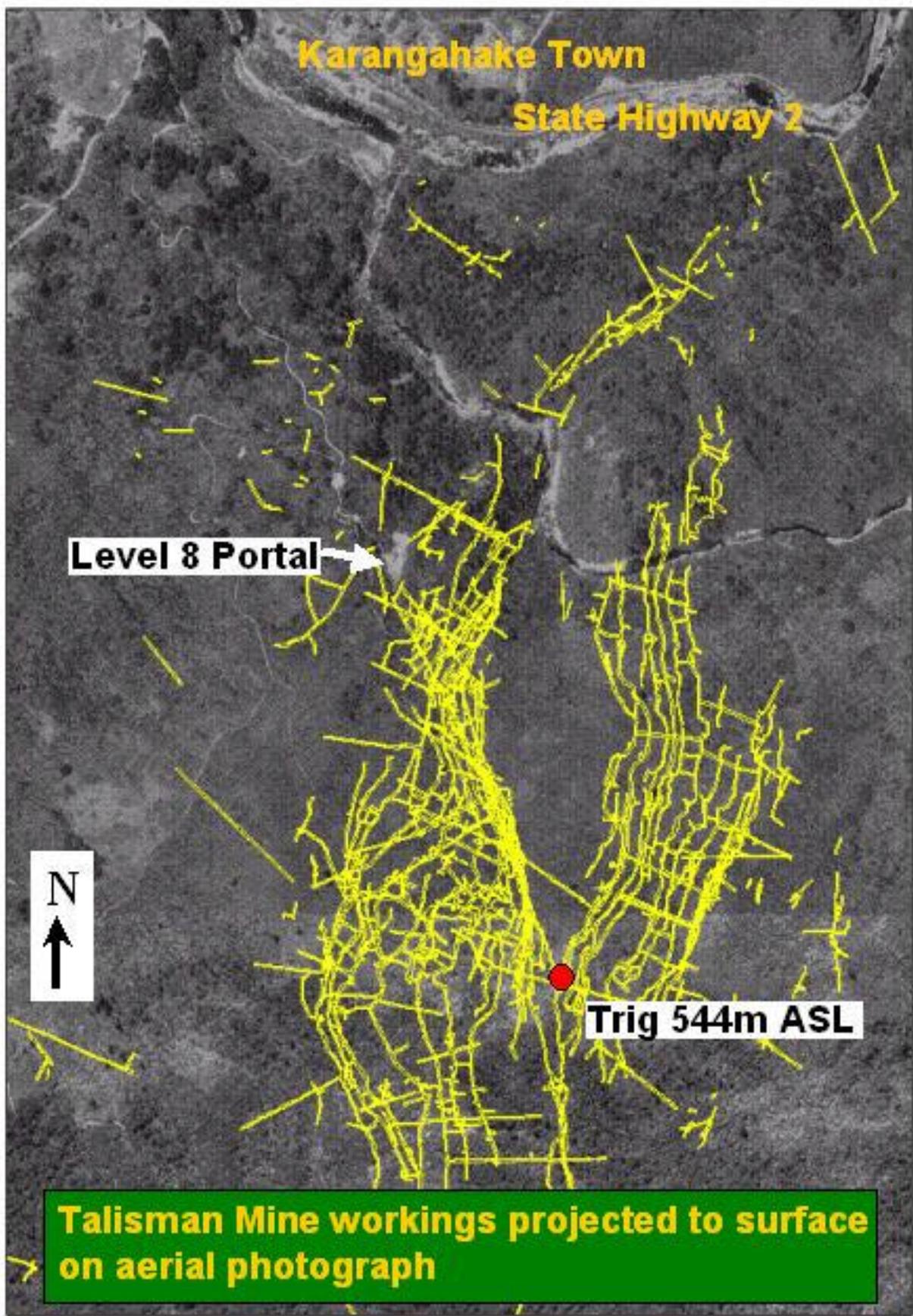
Trig 544m ASL



Level 8 Portal



Looking south towards Mt Karangahake



Karangahake Town

State Highway 2

Level 8 Portal



Trig 544m ASL

Talisman Mine workings projected to surface on aerial photograph