



Incorporated in New Zealand ABN 009 474 702

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18 November 2009

Dear Shareholder

**Share offer to Shareholders**

The directors of Heritage Gold NZ Limited are pleased to offer shares up to the value of NZ\$10,000 (or A\$8,000) to shareholders in Australia and New Zealand, under our Share Purchase Plan (SPP).

The Directors in deciding on an SPP were mindful of comments from a number of shareholders at the AGM about the desirability of ensuring that shareholders have the opportunity to participate in the next issue by your Company.

The issue price will be the volume weighted average price of Heritage Gold's ordinary shares traded on the ASX in the five trading days prior to the Record Date, less a discount of 10%. The issue price will be announced around mid-day on 19 November 2009 to the NZX and ASX and will be available on Heritage Gold's website [www.heritagegold.co.nz](http://www.heritagegold.co.nz) shortly afterwards.

Payment may be made in Australian or New Zealand dollars in parcels of NZ\$1,000 (up to a maximum of NZ\$10,000) or A\$800 (up to a maximum of A\$8,000).

The funds raised from the SPP will be utilised for future exploration and development activities, and working capital.

As mentioned at the Annual Meeting on 25 September, the Company is moving forward in several areas:

- We are awaiting New Zealand government approval for the issue of a Mining Permit over the Talisman mine and this will be a major milestone for the Company
- Joint venture negotiations for the development of the Karangahake project (including Talisman) are ongoing, fuelled in part by the recent spike in gold prices
- Exploration and evaluation of our Thackeringa cobalt and base metals project has highlighted a number of highly prospective Base Metal Targets and a possible extension of our cobalt resource
- The acquisition of additional gold prospects, should they meet our technical and operational parameters.

The Talisman mining permit is currently awaiting sign off, having had conditions agreed by Crown Minerals and Heritage Gold. The permit will cover the Talisman and Dominion Knoll exploration permits, which include nearly all the mines that have produced a total of 1 million ounces of gold and 3 million ounces of silver.

Joint venture discussions for the development of the Karangahake project (including Talisman) are not being rushed as we are keen to find a strong, compatible technical and financial partner. We are currently in discussions with potential Chinese partners and look forward to updating shareholders in the New Year as more information becomes available.

Improvement in the cobalt price and the discovery of several attractive weathered surface exposures of base metal mineralisation have encouraged the Company to step up work at Thackaringa in conjunction with Broken Hill Cobalt Ltd, in which Heritage holds a 33% interest. Cobalt prices have increased recently to around US\$22 per lb and, coupled with the discovery of a new cobalt-bearing zone at Pyrite Hill South, provide a positive outlook for the project.

In light of our plans for 2010 the Board is considering a number of future expansion alternatives. Giving our loyal shareholders first opportunity to participate was an important consideration in deciding on a Share Purchase Plan.

**Please read the enclosed documentation carefully and return the completed application and cheque, as soon as possible.**

Thank you for your support.

Geoffrey Hill  
Chairman