

28 May 2010

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Full Year Preliminary Announcement

Reporting period 12 months to 31 March 2010

Previous reporting period 12 months to 31 March 2009

Amount (\$)NZ; percentage change

Revenue from ordinary activities 65,648; - 77%

Profit/(Loss) from ordinary activities after tax attributable to members of the listed issuer (471,864); - 82%

No dividend attributed to this period

During the financial year to 31 March 2010 \$348,116 was spent developing tenements compared to \$1,835,214 in the previous reporting period. Exploration costs of \$140,796 were written off in the reporting period predominantly for the Waitete tenement which was relinquished. \$2,315,399 exploration costs were written off in the previous year.

72% of exploration expenditure over the reporting period was on the Waihi district (NZ) tenements (predominantly Talisman, Rahu and Golden Valley). 90% was spent in the Waihi area in the previous year. The current activity, interim results and other highlights are outlined below.

Tenements at 31 March 2010 were \$7.8m compared to \$7.6m in the previous year.

In December 2009 Mining Permit 51326 was issued for the Talisman project in Waihi for a 25 year term. Discussions with prospective joint venture partners are continuing.

55,849,868 shares were issued under a Share Purchase Plan which raised NZ\$1.95 million in December 2009. At the end of the reporting period the Company had a cash balance of \$2,053,730.

PAST YEAR

Gold Projects (Waihi district, NZ)

Exploration expenditure amounting to 72% of the total was committed to this district.

Part of this expenditure covered relogging of Rahu drill core to assist development of a 3D geological model, structural interpretation of the Karangahake tenements (Talisman, Dominion Knoll, Rahu) and deeper drilling, in view of the encouraging results to date. The Rahu permit was extended for a further 2 years.

A mining permit was granted for 25 years over Talisman and Dominion Knoll and an earlier scoping study was reviewed and updated by the Company's consultants, as joint venture discussions continued.

A trial seismic survey at Golden Valley indicated the thickness of cover rocks and preparations were made for a new low level detection geochemical survey to locate areas of anomalous gold values, leading to drilling. A change of conditions was granted to enable the new techniques to be used in 2010.

Gold and Base Metals (Northland region, NZ)

Extensions of the permits were declined subsequent to the reporting period.

Thackaringa Base Metal Project (NSW, Australia)

Extensive shallow drilling gave encouraging Broken Hill-style base metal results and located a new cobalt bearing zone.

An information memorandum established investor interest in the project and the raising of seed capital is now under discussion.

LOOKING AHEAD

Gold Projects

The company will continue with its broad approach to finding a Talisman joint venture partner while maintaining discussions with Chinese companies. Further development options will be considered.

Work planned at Rahu will improve the geological model and guide resource drilling.

Exploration at Golden Valley is expected to give a clearer indication of concealed gold mineralisation beneath known anomalies.

Thackaringa Base Metal Project

The Thackaringa property will be drilled further this year by Broken Hill Prospecting Ltd, with the objective of seeking a stock exchange listing for the company.

Peter Atkinson

Executive Director

Reporting period 12 months to 31 March 2010

Previous reporting period 12 months to 31 March 2009

Statement of Comprehensive Income

Reporting period; previous reporting period

(\$)NZ

Revenue 65,648; 290,297

Audit fees 14,740; 10,693

Depreciation 3,076; 3,582

Director fees 96,000; 82,998

Loss on share revaluation Nil; Nil

Rent and leasing 23,137; 30,841

Operating expenses 434,308; 791,356

Write off field expenditure 140,796; 2,315,399

Total operating expenses 575,902; 2,874,828

Share of associate retained profit/(deficit) after tax 38,390; (31,590)

Net deficit attributable to members 471,864; 2,616,121

Balance Sheet

Reporting period; previous reporting period

(\$)NZ

Current assets 2,182,878; 1,125,010

Non-current assets 9,038,434; 8,601,732

Total assets 11,221,312; 9,726,742

Current liabilities 132,695; 95,960

Total liabilities 132,695; 95,960

Net assets 11,088,617; 9,630,782

Capital 24,269,394; 22,339,695
Reserves 335,341; 335,341
Retained profit/(loss) (13,516,118); (13,044,254)
Total equity 11,088,617; 9,630,782

Statement of Cash Flows

Reporting period; previous reporting period
(\$)

Cash flows relating to operating activities

Interest received 26,318; 99,330

Other income 187; Nil

Payments to supplies and employees (425,924); (783,495)

Net operating cash flows (399,419); (684,165)

Cash flows relating to investing activities

Purchases of property, plant & equipment Nil; (10,842)

Purchases of equity investments Nil; Nil

Prospecting expenditure (255,708); (1,893,087)

Intercompany loans (19,934); Nil

Prepayments (21,225); Nil

Net investing cash flows (296,867); (1,903,929)

Cash flows relating to financial activities

Issue of securities 1,955,706; Nil

Costs of issuing securities (34,653); Nil

Net financing cash flows 1,921,053; Nil

Net increase/(decrease) in cash held 1,225,956; (2,588,094)

Cash at beginning of period 804,114; 3,240,884

Exchange rate adjustments 20,660; 154,324

Cash at end of period 2,053,730; 807,114

No dividends or distributions were paid or are planned.

Statement of Changes in Equity

Reporting period; previous reporting period
(\$)NZ

Equity at start of year 9,630,782; 12,246,903

Net loss (471,864); (2,616,121)

Shares issued 1,929,699; Nil

Equity at end of year 11,088,617; 9,630,782

Net tangible assets per security

Reporting period; previous reporting period

Net tangible assets 3,361,360; 2,074,110

Net tangible assets per security 1 cent; 0.7 cent

Earnings per Security (EPS)

Basic EPS (1.5) cents; (2.4) cents

Heritage ownership in Broken Hill Prospecting Ltd

Reporting period; previous reporting period

Percentage held 33%; 33%

Contribution to net loss (38,390); 31,590

All statements are prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

There are no accounting policies which the directors believe are critical to the portrayal of Heritage's financial condition and results which require the directors to make judgements and estimates about matters that are inherently uncertain.

All accounting policies have been applied on bases consistent with those used in previous years.

The annual financial statements are subject to completion of the audit.

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