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**ANNOUNCEMENT BY HERITAGE GOLD NZ LIMITED (ASX: HTM, NZSX: HGD)
FOR PUBLIC RELEASE
Quarterly Activities Report to 30 September 2011**

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

HIGHLIGHTS

- Talisman scoping study to provide revised mining options by early December
- Extensions sought for Taukani Hill bonanza-grade quartz veins
- Application made to extend Rahu permit to test for deeper, higher grade gold veins
- Application made for permit on Northland copper/gold prospect
- Drilling by Broken Hill Prospecting Ltd at Thackaringa, NSW, extends Pyrite Hill cobalt deposit to at least 300m down-dip

KARANGAHAKE GOLD PROJECT – Waihi District, NZ (Heritage 100%)

TALISMAN

Joint Venture Discussions

The review of the 2008 Scoping Study is planned for completion in early December, to provide a current assessment of the medium term mining potential of the project in light of more recent work and current high gold prices.

Negotiations have advanced and are continuing with companies interested in developing Heritage Gold's properties.

Meanwhile, the company is seeking a mining engineer to manage the Karangahake project, either under a joint venture arrangement or as a stand-alone Heritage Gold development.

Taukani Hill

Sampling and mapping work reported for the June quarter (SX report 29 July 2011) identified extensions to known gold bearing quartz veins, along with rock sample results showing high silver values (12.5, 13.1, and >100 g/t silver) and bonanza grade gold (345, 239, and 89.5 g/t gold).

The steep terrain is covered in moderate to dense vegetation, making access difficult. Alternative access by 4WD track has been located, which will assist follow-up detailed work to extend the currently mapped veins, supplemented by further rock sampling, planned for the December quarter.

The aim of the additional work is to help correlate the veins on Taukani Hill with those known in the Talisman mine and expand the resource potential.

RAHU

As reported (SX report 19 August 2011), results from a new geophysical survey (Controlled Source Audio Magneto Telluric or CSAMT survey) that penetrated to about 300 metres depth show that wide near-surface low to moderate grade gold zones appear to narrow at depth to what may be higher grade mineralised feeder zones, hosting similar bonanza grades to those encountered during mining at the nearby Karangahake deposit.

The Rahu area is the northern extension of the Talisman vein system and has had little previous exploration, prior to work done by Heritage.

Heritage Gold's geological model, developed from geological mapping, structural geology and results of previous geochemical and geophysical surveys indicates higher gold grades are expected at depth below previous shallow drill holes that intersected broad intervals of low grade gold and silver mineralisation, as shown below.

Hole Interval & Depth Downhole

RHRC-02: 6 m @ 2.41 g/t Au and 63.6 g/t Ag from 14 m depth

RHDD-02: 8 m @ 1.71 g/t Au and 29 g/t Ag from 37 m depth

RHDD-03: 11 m @ 0.88 g/t Au and 5.7 g/t Ag from 33 m depth

RHDD-11: 66 m @ 0.49 g/t Au and 2.66 g/t Ag from 99 m depth.

Results received from a recent Magneto-Telluric (MT) survey were inconclusive, and did not confirm a major fault between the northern end of the Talisman veins and Rahu ridge.

The exploration data currently available is sufficient to plan further test drilling based on the present geological model, and the company has applied for an extension of the exploration permit.

GOLDEN VALLEY PROJECT – Waihi District, NZ (Heritage 100%)

Following a review of the existing exploration data, a further soil sampling programme has been designed to extend and more fully delineate the existing geochemical anomalies, to refine drill target selection beneath shallow cover rocks.

The permit adjoins Newmont Waihi's mining permits along their eastern boundary.

NORTHLAND MINERALS LTD

This wholly owned subsidiary of Heritage has applied for an exploration permit for base and precious metals in the Northland region about 30 km west of Whangarei.

The 1,188 hectare area blankets a copper prospect, mined on a small scale many years ago, which has had very little exploration attention in the past 30 years. The area is prospective for base metals and gold.

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

THACKARINGA

Broken Hill Prospecting Ltd (BHPL) completed an RC drilling programme at the Pyrite Hill cobalt deposit during the quarter.

The drilling extended the known cobalt bearing zone to at least 300 metres down dip and it is open at depth. Full details can be found at www.bhpl.biz

A new estimate of the cobalt resource is being undertaken and a geophysical (IP) survey is mapping extensions to the cobalt mineralisation beyond the area drilled to provide additional targets.

OTHER PROSPECTS

In Papua New Guinea, with the support of local land owners, Heritage has indicated its interest in a gold prospective area in the eastern Highlands to the Minister for Mining.

Heritage intends pursuing other opportunities for potentially large gold deposits in the region.

INDEPENDENT DIRECTOR

Dr Ian Pringle was appointed an independent Director of Heritage Gold, effective 2 August 2011.

Dr Pringle has a BSc (Hons) in geology and a PhD in geology from the University of Otago in New Zealand. An experienced industry consultant, he has a record of successful mineral project generation, exploration management and mine development in Australia, South East Asia and the South West Pacific.

He is currently Managing Director of Broken Hill Prospecting Ltd (ASX/NZSX: BPL), in which Heritage holds a 21.7% interest.

Dr Pringle's appointment will assist the Board's plans for the development of the Talisman gold mine and the evaluation of new projects in the South Pacific.

Competent Person Statement¹

The information in this report that relates to gold resources 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 gold exploration results is based on information compiled by or supervised by Mr Peter Atkinson. Mr Atkinson is an independent consulting geologist who is a Fellow of the AusIMM. Mr Atkinson 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 Atkinson 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 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 resource¹ 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