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**11 November 2010**

**3 pages**

**RE: ANNOUNCEMENT BY HERITAGE GOLD NZ LIMITED (ASX: HTM, NZSX: HGD)**

**FOR IMMEDIATE RELEASE**

Heritage Gold NZ Limited holds 17,929,000 ordinary shares (28%) in the capital of Broken Hill Prospecting Limited (BHPL or the Company) and is also the holder of 8,464,500 options exercisable at \$A0.20 at any time within 5 years of the date of listing of BHPL on the ASX.

BHPL has lodged a prospectus in Australia, for 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. The Company is also seeking a listing on the NZSX.

BHPL will distribute the prospectus in New Zealand under the Mutual Recognition of Securities regulations and shareholders in Heritage Gold have been granted a priority entitlement to take up shares in the issue.

The IPO will raise funds for a two-year exploration, development and evaluation program on BHPL's Broken Hill-style massive sulphide prospects and cobalt deposits.

BHPL has an exploration licence (EL) and 2 mining leases (MLs) situated about 25 km southwest of Broken Hill.

The current surge of interest in exploration in the 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, producing more than 200 million tonnes of high-grade ore valued at over A\$80 billion.

In recent years, a silver-lead-zinc deposit of 14 million tonnes was discovered at Pinnacles, about 9 km northeast of BHPL's leases and mid-way between Broken Hill and Thackaringa.

BHPL's exploration has identified at least 15 attractive cobalt, silver, lead and zinc targets in its EL, with at least 3 having demonstrated potential for economic grades.

Consulting geologist Mr Wolfgang Leyh<sup>1</sup>, who provided an opinion on BHPL's tenements, said: "This area is still well and truly under explored. Broken Hill style ores are historically known to be high grade by world standards and even the smaller showings are very worthwhile exploration targets. The Broken Hill region has lacked systematic geological exploration and is only sparsely drill tested."

BHPL's Pyrite Hill and Big Hill cobalt deposits have an estimated inferred mineral resource of approximately 15 million tonnes at a grade of 2.1 lb/tonne, which was reviewed and confirmed on 3 November 2010 in accordance with the JORC Code<sup>2</sup>.

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

The deposits remain open along strike and at depth, and will be a focus of the upcoming exploration and evaluation program.

The Company has also signed an agreement with the ASX-listed Metals Finance Ltd to secure and treat tailings dumps in surrounding areas to generate cash in the short term.

### **Details of the Offer**

- Up to 25 million 20c shares are being offered in BHPL. The minimum offer is for 15 million shares and the company is able to accept over-subscriptions of 10 million shares.
- One free option exercisable at 20c within three years of listing will be issued for every two shares purchased.
- The lead manager is Martin Place Securities Pty Ltd.
- The offer opens on 15 November 2010 and closes on 6 December 2010.
- Quotation of the shares and options are expected to commence on 17 December 2010 on the Australian Securities Exchange and the New Zealand Stock Exchange.

A prospectus can be obtained in Australia by calling 1800 647 299 toll free or +612 8256 3370 international, or in New Zealand on 09 303 1893.

The prospectus can also be downloaded from:

[http://www.heritagegold.co.nz/reportArchive/BHPL\\_Prospectus.pdf](http://www.heritagegold.co.nz/reportArchive/BHPL_Prospectus.pdf) or  
bhpl.biz/inner.asp?pcat=publications&cat=prospectus

Heritage Gold does not guarantee the BHPL securities offered.

### **Heritage Gold NZ Limited By order of the Board**

### **DISCLOSURE**

Geoffrey G Hill and Peter Atkinson are directors of Broken Hill Prospecting Limited.

#### **Competent Person's Statement<sup>1</sup>**

Mr Wolfgang Leyh consents to the inclusion in the above report of the matters based on his information in the form and context in which it appears. Mr Leyh is employed by Eaglehawk Geological Consulting Pty Ltd and is a corporate member of the Australasian Institute of Mining and Metallurgy. Mr Leyh 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".

#### **Competent Person's Statement<sup>2</sup>**

Mr Trueman consents to the inclusion in the above report of the matters based on his information dated 3 November 2010 in the form and context in which it appears. Specifically Mr Trueman is Competent Person for and consents to the inclusion of the cobalt Mineral Resource disclosures for Pyrite Hill and Big Hill. Mr Trueman is independent of BHPL and Heritage Gold and is a member of the Australasian Institute of Mining and Metallurgy. 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".

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### **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 resource<sup>2</sup> 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.

Learn more about the company at [www.heritagegold.co.nz](http://www.heritagegold.co.nz)