



Incorporated in New Zealand ABN 009 474 702

REGISTERED (HEAD) OFFICE
541 Parnell Road, Parnell, Auckland, New Zealand
Phone: (+64 9) 303-1893 • Fax: (+64 9) 303-1612
Email: office@heritagegold.co.nz

AUSTRALIAN OFFICE
1st floor, 25 Richardson Street, West Perth,
Western Australia 6005
Phone: (+61 8) 9481-2040 • Fax: (+61 8) 9481-2041

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

FOR IMMEDIATE RELEASE

Broken Hill Prospecting raises \$4.5 million in IPO

Heritage Gold is pleased to announce that the initial public offering of base metal explorer Broken Hill Prospecting Ltd (ASX code BPL; NZSX code BPL) has successfully raised \$4.5 million.

As a result of the capital raising, BPL is expected to list on the New Zealand and Australian stock exchanges on 15 February. Heritage Gold will maintain a 21.7 per cent interest in the company after the share issue.

Heritage Gold chief executive Peter Atkinson said, "The Australian and New Zealand stock exchange listings are being undertaken to accelerate and expand development of BPL's cobalt and base metal tenements at Thackaringa, near the mining centre of Broken Hill in New South Wales."

At Pyrite Hill and Big Hill the total inferred cobalt mineral resources¹ have been estimated at 15 million tonnes with a combined average grade of over 2.1 pounds per tonne (lb/t). The deposits remain open along strike and at depth.

Atkinson says he is pleased with the outcome of the IPO, which was launched just days before the Pike River Coal disaster in New Zealand, leading to an extension of the capital raising to 31 January 2011.

He noted that BPL's recent exploration, managed by Heritage Gold, "encountered strongly anomalous copper, lead and zinc values in lode bearing rocks over 500 metre strike lengths at Pyramid Hill and Himalaya North base metal prospects²".

A 12-hole follow-up drilling program to test the mineralisation to 100 metres depth has been partially completed, however very heavy rain in the district in the last few days has caused drilling to be postponed. "Initial results are now expected in early March", he said.

Broken Hill hosts the richest silver-lead-zinc ore body of its type globally, which has been mined continuously for over 120 years, producing around 200 million tonnes of high grade ore, valued at more than \$80 billion.

The next generation of miners and explorers is discovering new mineralisation in nearby areas, using innovative exploration techniques.

Peter Atkinson
Executive Director
Heritage Gold NZ Ltd

DISCLOSURE: Geoffrey G Hill and Peter Atkinson are directors of Broken Hill Prospecting Ltd.

Competent Person's Statement¹

Mr Alex Trueman consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears. Specifically Mr Trueman is Competent Person for and consents to the inclusion of the previously reported cobalt Mineral Resource disclosures for Pyrite Hill and Big Hill contained in the Report. Mr Trueman is independent of Broken Hill Prospecting Limited and Heritage Gold NZ Limited 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*.

Competent Person's Statement²

The information in this report that relates to BHPL base metal exploration results is based on information compiled by Mr. Wolfgang Rudolf Leyh MScApp; MScQual; BScApp. Mr Leyh is an independent consulting geologist who is a corporate member of the AusIMM. Mr Leyh has sufficient experience which is relevant to the style of mineralization 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 Leyh 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 Statement³

The information in this report that relates to gold exploration results 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.

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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.

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 resource³ 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 (BHPL), which is planning to develop a cobalt project at Thackaringa, about 25 kilometres southwest of Broken Hill in New South Wales.

BHPL has also identified several new Broken Hill Type (BHT) base metal occurrences at Thackaringa, where preliminary drilling indicated BHT lode bearing rocks over lengths of at least 500 metres at two prospects.

BHPL has completed its IPO and expects to list on the ASX (Code BPL) and NZSX (Code BPL) on 15 February 2011.

More about Heritage Gold at www.heritagegold.co.nz

For further information call

Peter Atkinson, Executive Director, Heritage Gold NZ Ltd +64 21 630 463

Media - Jillian Talbot, Director, Reach Consulting +64 21 493 820