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19 January 2011

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

FOR IMMEDIATE RELEASE

DRILLING AT PYRAMID HILL AND HIMALAYA NORTH PROSPECTS EL6622 NEAR BROKEN HILL NSW

Following Heritage Gold's report to shareholders on 16 December 2010 further interpretation of the rotary air blast (RAB) drilling programme at Thackaringa (25 kilometres south west of Broken Hill) was undertaken by the Company.

The drilling results extended the mineralised zones and confirmed their near surface continuity by outlining their shallow footprint with holes of 3.3 metres (m) average depth.

At Pyramid Hill several lode units up to 5 m thick occur within a broad zone up to 30m thick in places and in tight complex shear related attenuated fold structures. These are similar in shape to those seen at Broken Hill in the central part of the line of lode. When unfolded the lodes at Pyramid Hill have a strike length of more than 500 m.

At Himalaya North the best mineralised zone consists of a persistent stack of several lode units up to 5 m thick occurring within what appears to be a very tightly folded area with overall dimensions approximately 300 m long x 50 m wide. For comparison, the fold structures hosting the Lead Lodes at the North Mine at Broken Hill (over 34 million tonnes of economic ore) fitted into a comparable area 350 m long x 70 m wide, and extending to a depth of more than 1.5 kilometres.

The mineralised zones so far delineated as near surface footprints at Pyramid Hill and Himalaya North have significant dimensions and structures that are comparable to those containing economic ore lenses seen at Broken Hill.

Step-by-step drilling is required to test the various lode units for thickness and economic base metal sulphide ore concentrations at greater depths below the outcropping gossans.

The original Broken Hill ore bodies are the largest of their type globally, have been mined continuously for over 120 years and generated revenues exceeding $80 billion.

Previous Work

Initial exploration in the Exploration Licence (EL) several years ago involved reconnaissance geological mapping and sampling, which located classic Broken Hill type geology and structures.

Follow-up detailed surface mapping and rock sampling resulted in the identification of extensive base metal sulphide gossans in over 10 discrete areas including several that represent Broken Hill Type (BHT) mineralised lodes (see Prospects Plan).

The full extent of the surface gossan zones is obscured by shallow soil and sand cover, usually less than 8 m deep.

RAB Drilling

In 2009 Heritage Gold reported on RAB drilling of the most encouraging BHT prospects which successfully located extensions of the gossan zones beneath the shallow cover.

In 2010 further RAB drilling was completed on the two highest priority areas, Pyramid Hill and Himalaya North.

Results

The results of the 2010 RAB drilling are shown as geochemical contours of anomalous copper (Cu), lead (Pb) and zinc (Zn) values in the accompanying plans.

Surface gossan outcrops previously mapped and sampled are also shown. The gossans are all anomalous for several base metals as well as manganese (Mn), which is a strong positive indicator of a well developed environment for the deposition of BHT mineralisation.

The thickening and thinning of gossan zones often reflects the complicated folding of the BHT mineralised lodes. The thicker areas are logical deeper drilling targets, as are stronger and/or broader RAB geochemical anomalies.

The target zones indicated are likely to be complexly shaped structures with steep plunges, requiring step-by-step close spaced drill testing at depth.

Pyramid Hill (figures 1-3)

The target zone is at least 500 m long, with its continuity established by RAB drilling between gossan outcrops. Anomalous copper also occurs in the RAB holes on most lines drilled under shallow cover with values up to a maximum of 0.43% Cu.

The gossan outcrops, supported by geochemical contours, trace the extent of several fold features on the plans. The mineralisation occurs in tight complex fold structures, similar in shape to those observed on the Broken Hill main line of lode. The geological setting and geochemistry indicate a copper rich BHT analogue at Pyramid Hill.

The proposed 6 deeper (100 m each) reverse circulation (RC) drill holes shown on the plans are angled to intersect the anomalous and/or thicker portions of the mineralised lodes down dip and down plunge.

Himalaya North (figures 4-6)

The mineralised lodes can be traced for over 600 m, using gossan outcrops and geochemical contours as a guide, and may extend for over 1000 m (additional untested lodes have been identified to the north and north east of the RAB drilled area).

Collectively, the results confirm the continuity of the mineralised lodes over a greater length than previously known.

Mapping and geochemistry from surface sampling of the lodes and RAB drill holes indicate a classical BHT mineralised environment of deposition with highly anomalous Zn, Pb, Cu and Mn.

These are associated with the characteristic rock types that host BHT mineralisation, including manganese enriched metasediments, garnet-altered amphibolites and altered Potosi gneiss. These host rocks also include important mineralised indicator rock types which contain the BHT mineralisation and are identical to those seen at Broken Hill. These are blue quartz gahnite, garnet quartzite and lead-rich lode pegmatite.

The angled 6-hole (100 m each) RC programme is proposed to test the main target zone down dip and down plunge as shown.

RC Drilling

The 12-hole RC drilling programme planned by Heritage Gold will commence late this month and results are likely to be available in early March 2011.

Apart from these 2 main prospects there are a large number of other mineralised prospects within the EL that warrant drill testing (see Prospects Plan).

Peter Atkinson
Executive Director
Heritage Gold NZ Ltd

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

COMPETENT PERSON STATEMENT:
The information in this report that relates to 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.

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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 resource of 205,000 oz gold and 800,000 oz silver within a granted mining permit and joint venture discussions are in progress to develop the mine.

Heritage Gold owns 29.78% 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 has indicated BHT lode bearing rocks over lengths of at least 500 metres at two prospects.

BHPL has recently registered a prospectus for its IPO and is seeking listing on the ASX and NZSX.

Learn more about Heritage Gold at www.heritagegold.co.nz

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PROSPECTS PLAN
Thackaringa Base Metals Project
EL6622 near Broken Hill, NSW

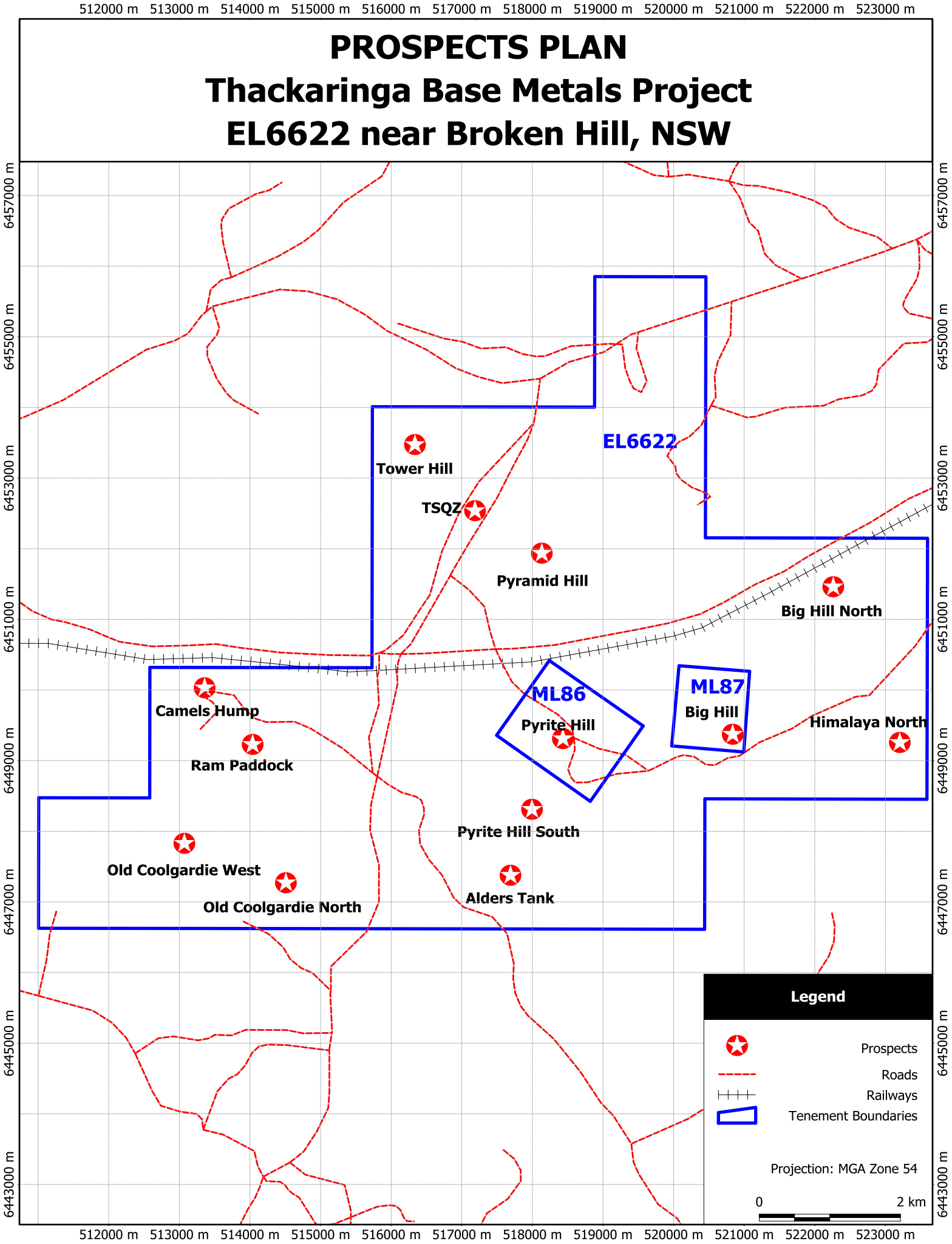


Figure 1

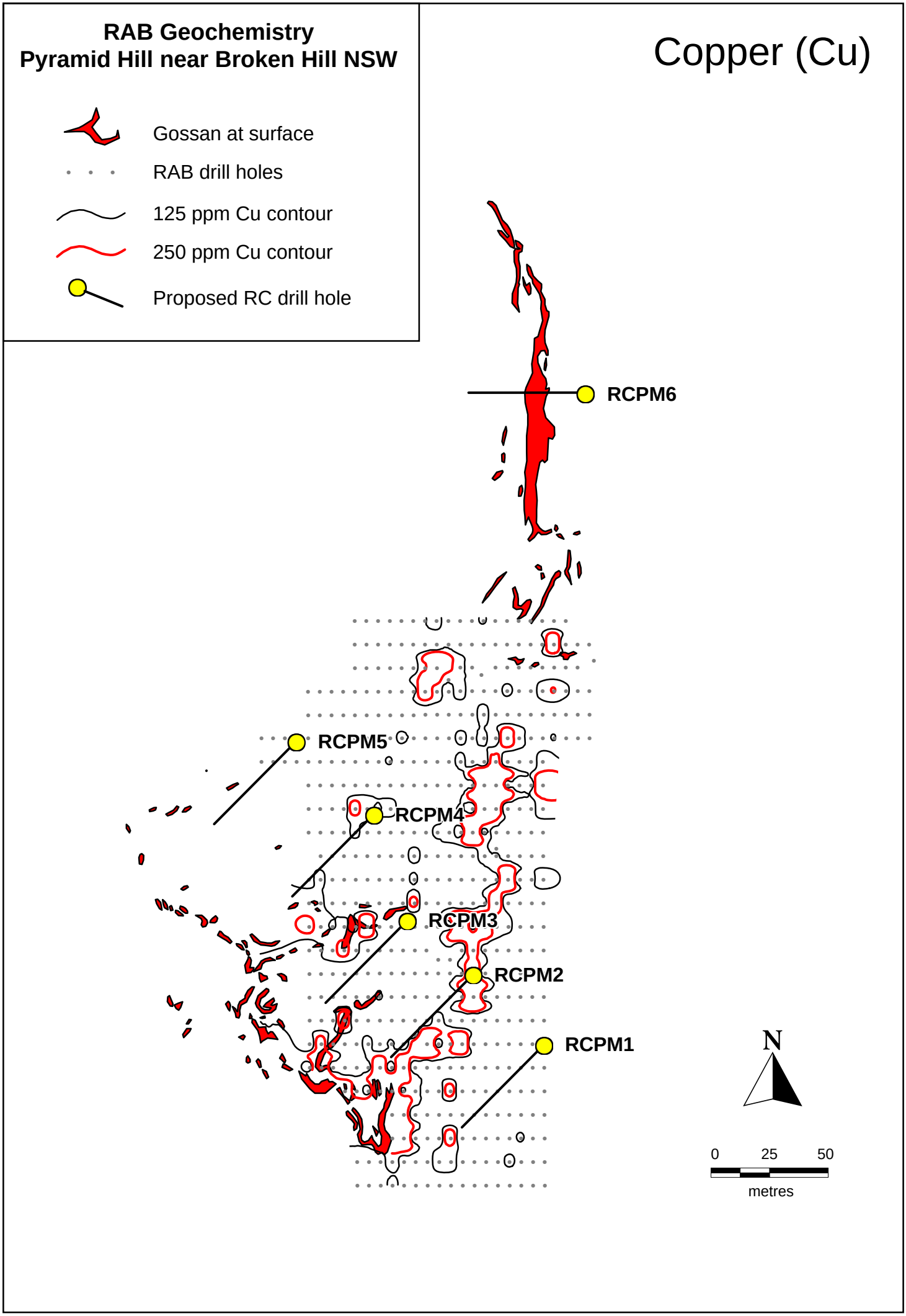

RAB Geochemistry
Pyramid Hill near Broken Hill NSW
Gossan at surface
RAB drill holes
125 ppm Cu contour
250 ppm Cu contour
Proposed RC drill hole
Copper (Cu)
RCPM6
RCPM5
RCPM4
RCPM3
RCPM2
RCPM1
N
0
25
50
metres

Figure 2

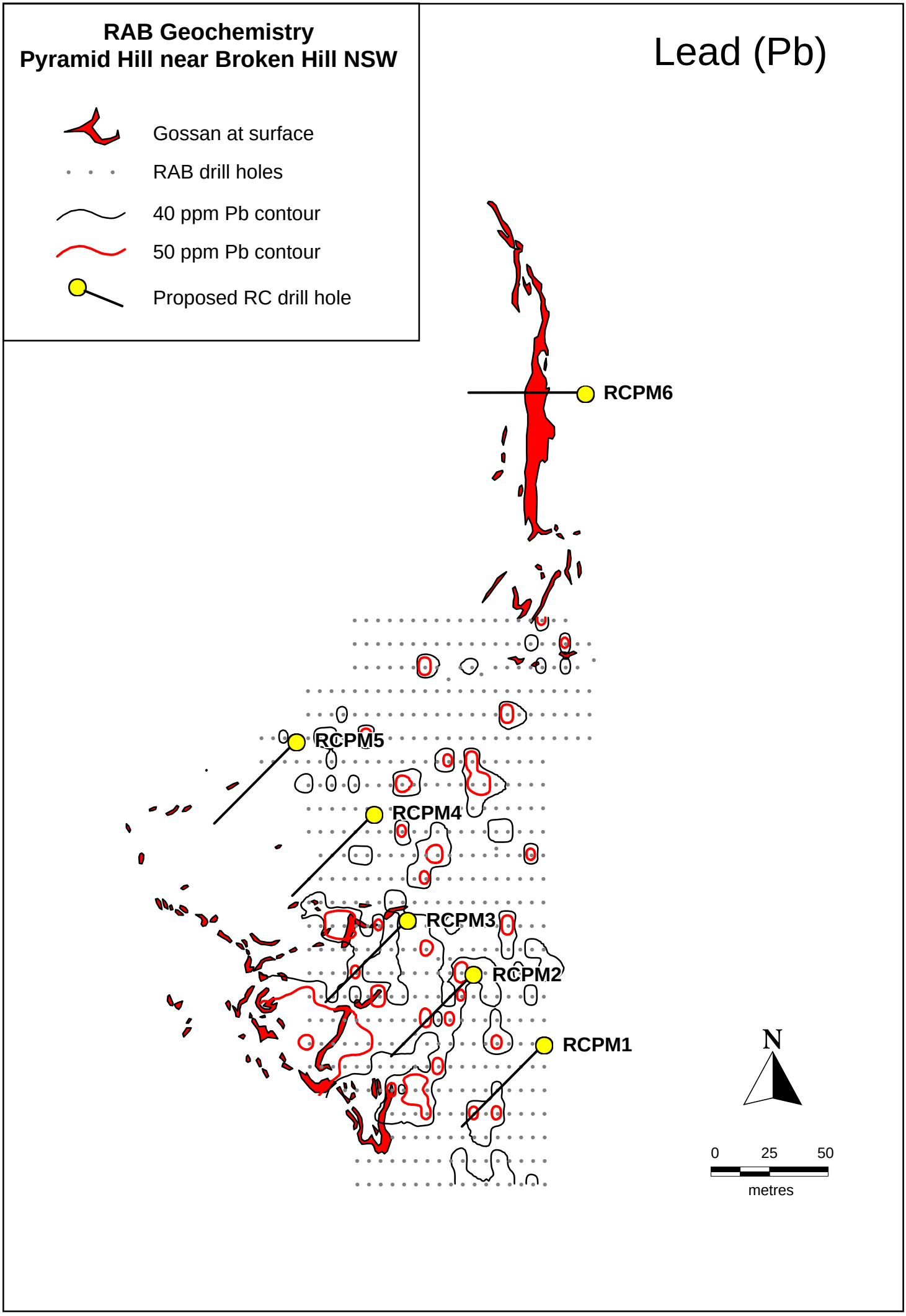

RAB Geochemistry
Pyramid Hill near Broken Hill NSW
Lead (Pb)
Gossan at surface
RAB drill holes
40 ppm Pb contour
50 ppm Pb contour
Proposed RC drill hole
RCPM6
RCPM5
RCPM4
RCPM3
RCPM2
RCPM1
N
0
25
50
metres

Figure 3

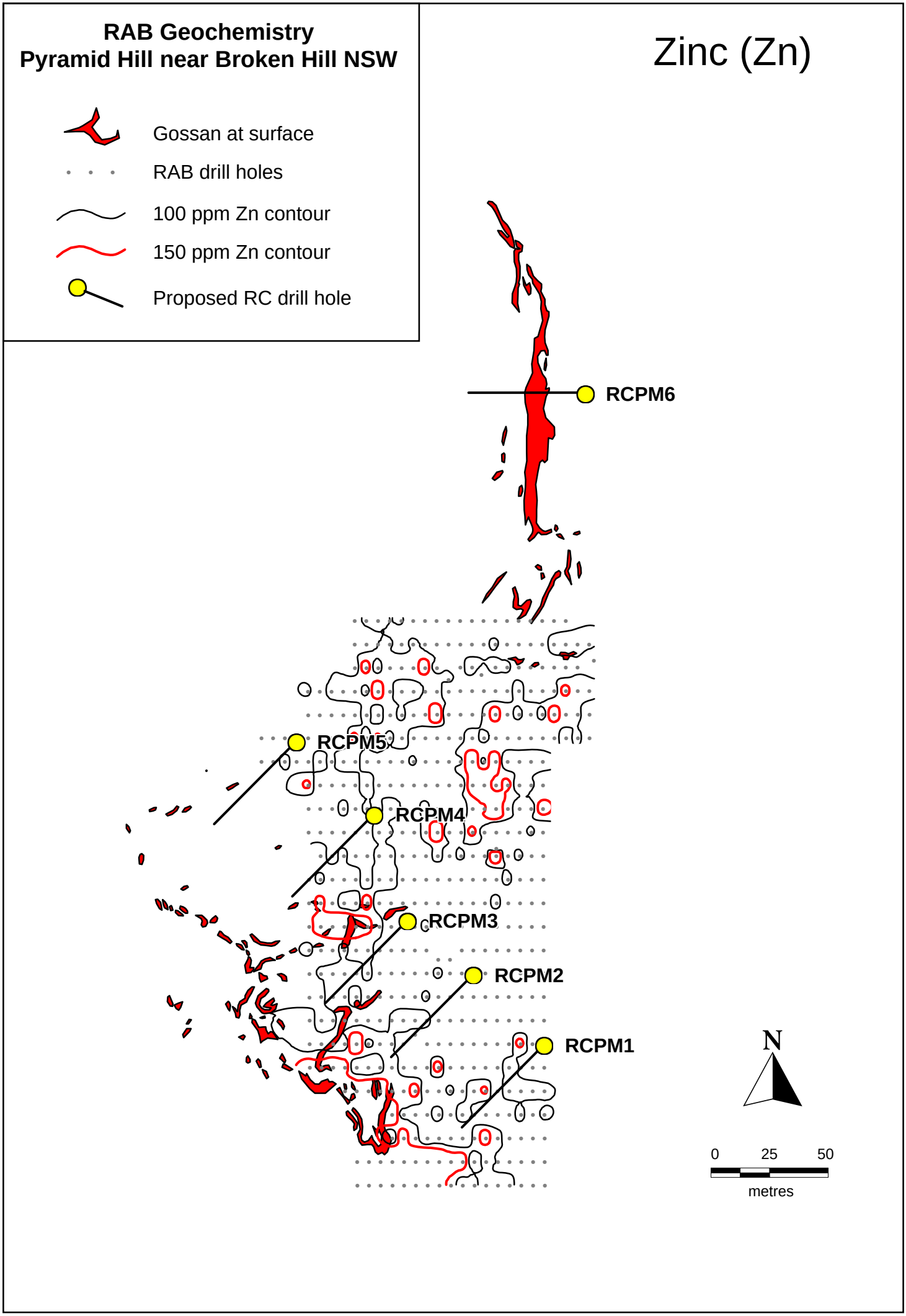

RAB Geochemistry
Pyramid Hill near Broken Hill NSW
Zinc (Zn)
Gossan at surface
RAB drill holes
100 ppm Zn contour
150 ppm Zn contour
Proposed RC drill hole
RCPM6
RCPM5
RCPM4
RCPM3
RCPM2
RCPM1
N
0
25
50
metres

Figure 4

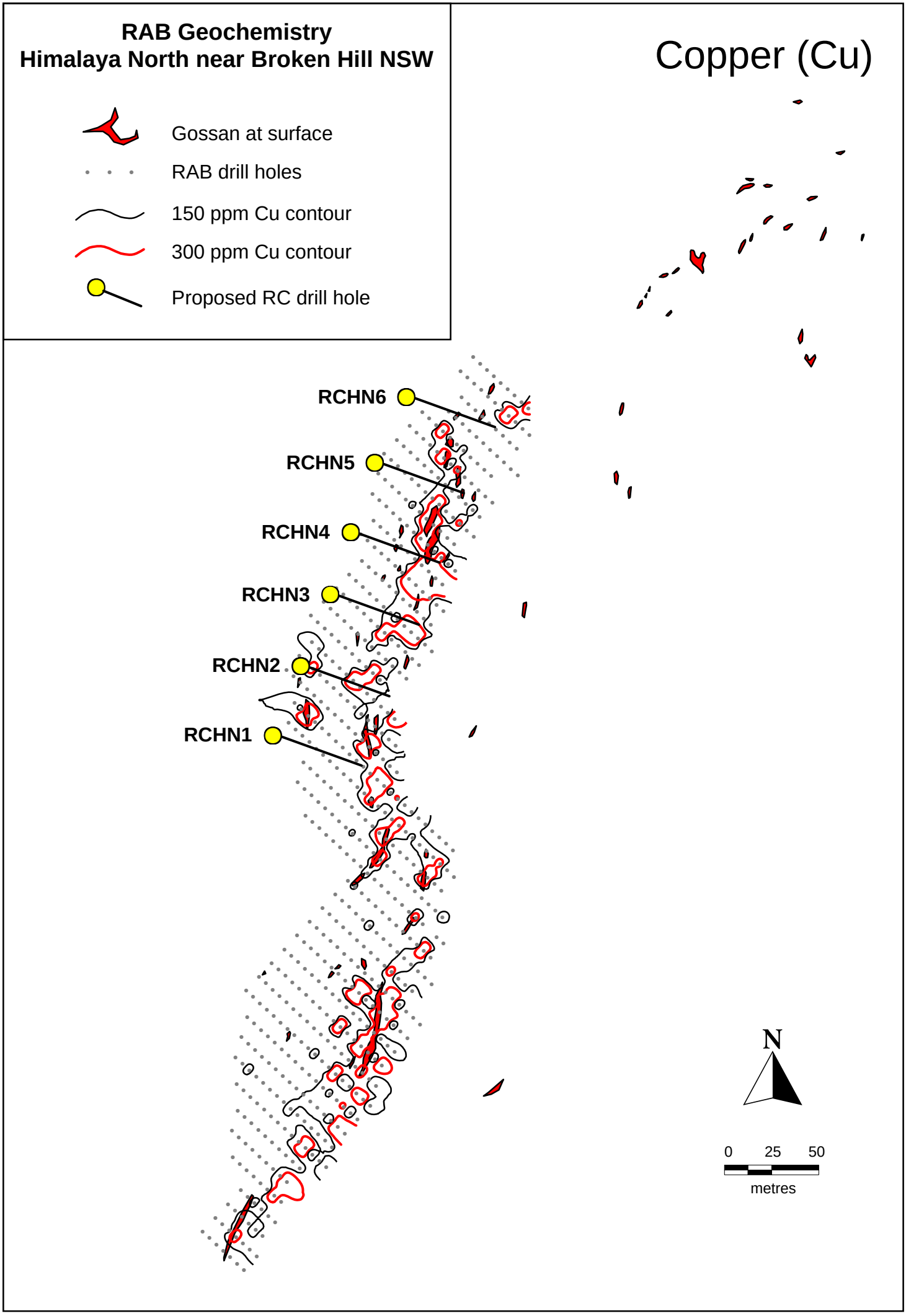

RAB Geochemistry
Himalaya North near Broken Hill NSW
Gossan at surface
RAB drill holes
150 ppm Cu contour
300 ppm Cu contour
Proposed RC drill hole
Copper (Cu)
RCHN6
RCHN5
RCHN4
RCHN3
RCHN2
RCHN1
N
0
25
50
metres

Figure 5

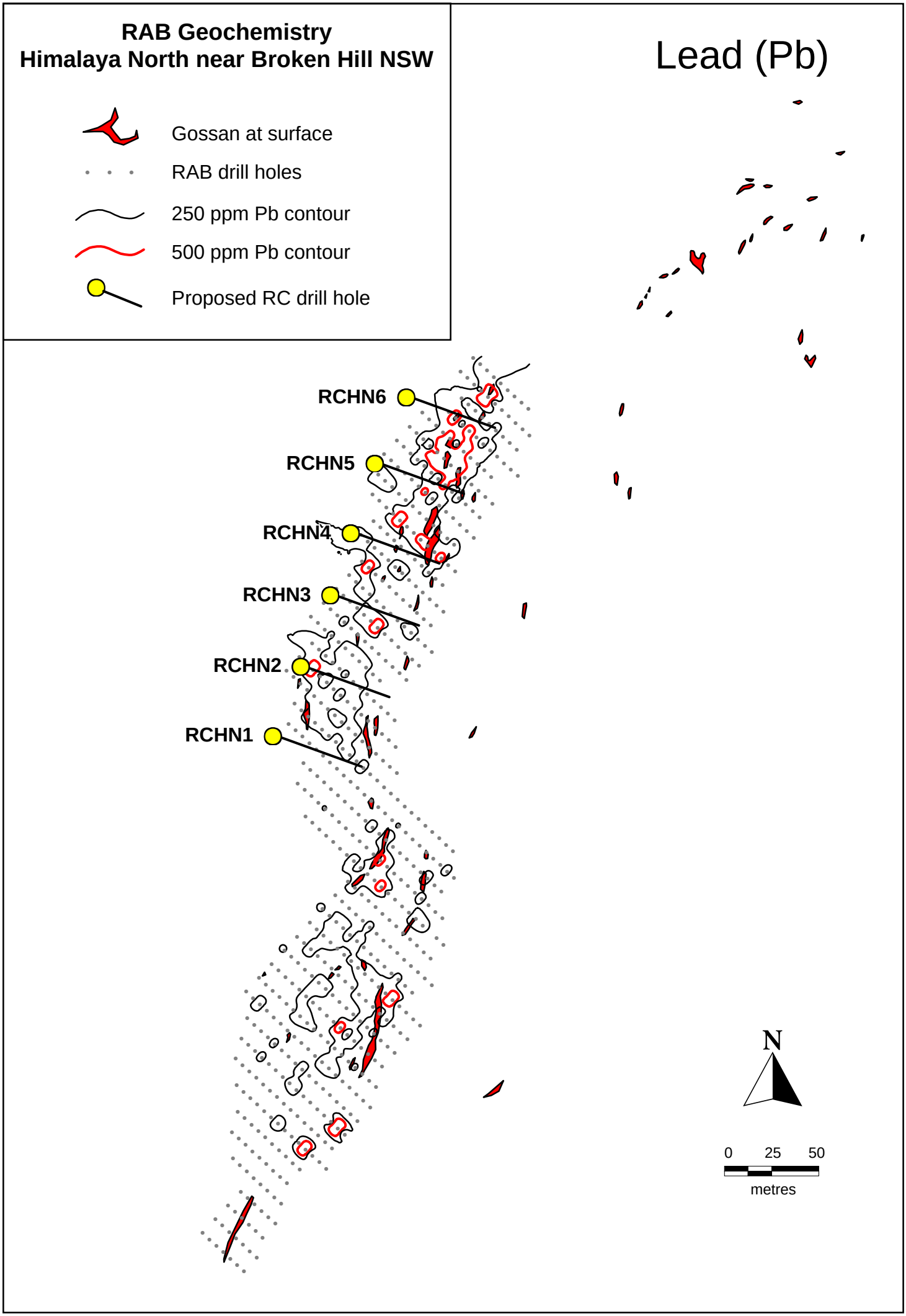
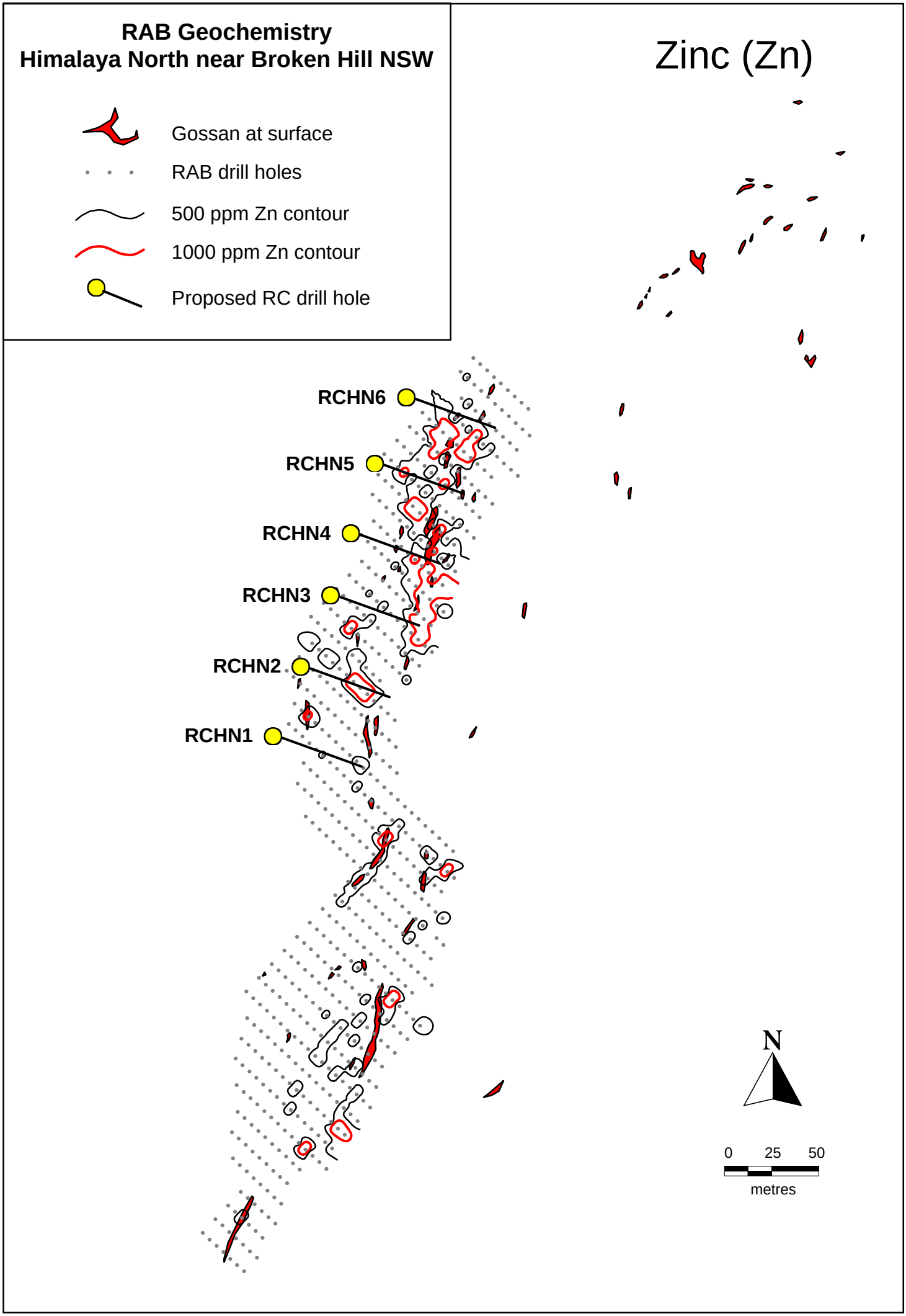

RAB Geochemistry
Himalaya North near Broken Hill NSW
Gossan at surface
RAB drill holes
250 ppm Pb contour
500 ppm Pb contour
Proposed RC drill hole
Lead (Pb)
RCHN6
RCHN5
RCHN4
RCHN3
RCHN2
RCHN1
N
0
25
50
metres

Figure 6


RAB Geochemistry
Himalaya North near Broken Hill NSW
Gossan at surface
RAB drill holes
500 ppm Zn contour
1000 ppm Zn contour
Proposed RC drill hole
Zinc (Zn)
RCHN6
RCHN5
RCHN4
RCHN3
RCHN2
RCHN1
N
0
25
50
metres