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FOR PUBLIC RELEASE

DRILLING COMMENCES AT RAHU - KARANGAHAKE GOLD PROJECT, NZ

Drilling has commenced on the Rahu Ridge-White Rocks zone, that is interpreted to be the northern extension of the historic gold/silver mines at Karangahake in the Waihi Gold Mining District, New Zealand.

This initial programme consists of approximately 300m of reverse circulation (RC) drilling to test anomalies outlined by the recent geochemical and geophysical surveys. The RC drilling will test the source of several geochemical anomalies and the upper parts of coincident geophysical anomalies.

Results of the programme will be reported on conclusion of the drilling and preliminary interpretation of the data, expected in 3 weeks time.

Disclosure: Relevant sections in the above statement are based on information compiled by a corporate member of The Australasian Institute of Mining and Metallurgy with over five years relevant experience.

HERITAGE GOLD NZ LTD

Sue Sangster Company Secretary