



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

2 May 2007

National Stock Exchange of Australia
384 Hunter Street
Newcastle
NSW 2300
AUSTRALIA

PAGES: 10

FOR PUBLIC RELEASE

HERITAGE GOLD WARRANT CONVERSION

Heritage Gold NZ Limited ("Heritage") has completed the conversion of 12,000 warrants to ordinary fully paid shares. These shares rank equally in all respects with the existing ordinary shares of Heritage.

There are 22,488,460 warrants remaining on issue.

Each outstanding warrant may be paid for in full on or before 5pm (local time, New Zealand) on Wednesday 27 June 2007, by payment of NZ\$0.063 per warrant to Heritage in accordance with the terms of the prospectus dated 15 May 2002. Upon such payment being made in respect of a warrant, that warrant will be converted to a fully paid ordinary share in Heritage.

If a warrant holder fails to make the payment in respect of a warrant by 5pm (local time, New Zealand) on 27 June 2007, that warrant will lapse immediately after 5pm on that date and the warrant holder will not be entitled to a refund of any sums paid to Heritage in respect of an instalments of the price for that warrant.

For further information on conversion of warrants, holders should contact Mrs Sue Sangster, Company Secretary, as soon as possible by phone +64 9 303 1893, fax +64 9 303 1612 or email sue@heritagegold.co.nz.

Sue Sangster
Company Secretary

ABOUT HERITAGE GOLD NZ LTD

Heritage listed on the NZX in 1986 and has a current market capitalisation of approximately \$19 million. Heritage is also listed on the ASX and the National Stock Exchange of Australia (formerly Newcastle Stock Exchange). The company has valuable gold assets in the Waihi district of New Zealand, where it is a major tenement holder. Heritage also owns 33% of Broken Hill Cobalt Ltd in Australia and has applied for permits to prospect for gold, silver, copper, and base metals in Northland, about 150km north of Auckland. Recently Heritage has entered into a joint venture to explore for uranium in the Dunmarra Basin of the Northern Territory.

File Reference:
C:\Documents and Settings\Office\Desktop\NSX 020507 Application for Shares.DOC





Table of Contents

INTRODUCTION	4
MORE INFORMATION AND SUBMISSION OF FORM:	4
NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT	5
PART 1 - ALL ISSUES.....	5
PART 2 - BONUS ISSUE OR PRO RATA ISSUE.....	6
PART 3 - QUOTATION OF SECURITIES	8
ADDITIONAL SECURITIES FORMING A NEW CLASS OF SECURITIES	8
QUOTATION AGREEMENT	10



Introduction

To ensure the efficient processing of this form by NSX, please:

1. Adhere to the suggested number of the annexures required by this form.
2. Complete **all** statements and questions in this form. (NSX can provide an electronic version of this form on request).

More Information and Submission of Form:

Further information can be obtained from and all applications should be sent to:

Manager, Admissions
Stock Exchange of Newcastle Limited
PO BOX 283
Newcastle NSW 2300

Phone: 61 2 4929 6377

Fax: 61 2 4929 1556

<http://www.newsx.com.au>



New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to NSX as soon as available. Information and documents given to NSX become NSX's property and may be made public.

Introduced 11 March 2004.

Name of entity

HERITAGE GOLD NZ LIMITED

ABN/ACN

009 474 702

We (the entity) give NSX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | Class of securities issued or to be issued | Ordinary Shares |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 12,000 ordinary shares |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | Conversion of Warrants to Fully Paid Shares at NZ\$0.083 cents each as per terms and Conditions of Warrants issued 21 August 2002 and amended price following Pro-Rata Rights Issues 31 October 2005 and 24 November 2006 |
| 4 | <p>Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | The ordinary shares rank equally in all respects with ordinary fully paid shares |

5	Issue price or consideration	NZ\$0.083 cents payable in cash to convert each Warrant to a Fully Paid Share									
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	N/A									
7	Dates of entering securities into uncertificated holdings or despatch of certificates	2 May 2007									
8	Number and class of all securities quoted on NSX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>207,923,053</td><td>Ordinary Shares</td></tr><tr><td>22,488,460</td><td>Warrants</td></tr><tr><td>23,490,000</td><td>Options</td></tr></table>	Number	Class	207,923,053	Ordinary Shares	22,488,460	Warrants	23,490,000	Options	
Number	Class										
207,923,053	Ordinary Shares										
22,488,460	Warrants										
23,490,000	Options										
9	Number and class of all securities not quoted on NSX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>7,200,000</td><td>Options: 3,600,000 options exercisable on or before 20 November 2007 at NZ\$0.08 each 3,600,000 options exercisable on or before 20 November 2008 at NZ\$0.12 each</td></tr><tr><td>3,000,000</td><td>Options: 3,000,000 exercisable on or before 31 April 2009 at A\$0.035 each</td></tr></table>	Number	Class	7,200,000	Options: 3,600,000 options exercisable on or before 20 November 2007 at NZ\$0.08 each 3,600,000 options exercisable on or before 20 November 2008 at NZ\$0.12 each	3,000,000	Options: 3,000,000 exercisable on or before 31 April 2009 at A\$0.035 each			
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3,000,000	Options: 3,000,000 exercisable on or before 31 April 2009 at A\$0.035 each										
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A									

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A

13	Ratio in which the securities will be offered	N/A
14	Class of securities to which the offer relates	N/A
15	Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

*Tick to indicate you are providing the information
or documents*

35  If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

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- | Date | Time | Location | Observations |
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- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- | |
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(if issued upon conversion of another security, clearly identify that other security)

- | Number | Class |
|--------|-------|
| | |

Quotation agreement

1 Quotation of our additional securities is in NSX's absolute discretion. NSX may quote the securities on any conditions it decides.

2 We warrant the following to NSX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify NSX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give NSX the information and documents required by this form. If any information or document not available now, will give it to NSX before quotation of the securities begins. We acknowledge that NSX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Director/Company secretary)

Date: 2 May 2007

Print name: Susan Lee Sangster