

# **APPENDIX 3** **Preliminary Announcement**

Half yearly/~~preliminary final~~ report

Name of *issuer*

HERITAGE GOLD NZ LIMITED
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ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (‘Current period’)
009 474 702	✓		30 SEPTEMBER 2002

## **For announcement to the market**

Extracts from this statement for announcement to the market (see note 1).

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					\$A,000 \$NZ
Sales (or equivalent) operating revenue (item 1.1)	up/down	144%	to		24,359
Operating profit (loss) before abnormal items and tax (item 1.4)	up/down	180%	to		(295,308)
Abnormal items before tax (item 1.5)		gain (loss) of	to		
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up/down	180%	to		(295,308)
Extraordinary items after tax attributable to members (item 1.13)		gain (loss) of	to		N/A
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up/down	180%	to		(295,308)
Exploration and evaluation expenditure incurred (item 5.2)	up/down	52%	to		108,198
Exploration and evaluation expenditure written off (item 5.3)	up/down	0%	to		NIL
Dividends      Franking rate applicable					
Current period	NIL¢	N/A	NIL¢	N/A	
Previous corresponding period	NIL¢	NIL¢	NIL¢	N/A NIL¢	
Record date for determining entitlements to the dividend, (in the case of a trust distribution ) (see item 15.2)		N/A			
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					

## Consolidated profit and loss account

(The figures are not equity accounted)

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
1.1	Sales (or equivalent operating) revenue	16,833	1,480
1.2	Other revenue	7,526	8,521
1.3	<b>Total revenue</b>	24,359	10,001
1.4	<b>Operating profit (loss) before abnormal items and tax</b>	(295,308)	(105,493)
1.5	Abnormal items before tax (detail in item 2.1)	-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)	(295,308)	(105,493)
1.7	Less tax	-	-
1.8	Operating profit (loss) after tax but before outside equity interests	(295,308)	(105,493)
1.9	Less outside equity interests	-	-
1.10	<b>Operating profit (loss) after tax attributable to members</b>	(295,308)	(105,493)
1.11	Extraordinary items after tax (detail in item 2.3)	-	-
1.12	Less outside equity interests	-	-
1.13	Extraordinary items after tax attributable to members	-	-
1.14	<b>Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)</b>	(295,308)	(105,493)
1.15	Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)	-	-
1.16	<b>Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 +1.13)</b>	(295,308)	(105,493)
1.17	Retained profits (accumulated losses) at beginning of financial period	(5,991,271)	(5,723,764)
1.18	Aggregate of amounts transferred from reserves	-	-
1.19	Total available for appropriation (carried forward)	-	-
1.20	Total available for appropriation (brought forward)	-	-

**Consolidated profit and loss account continued**

1.21	Dividends provided for or paid	-	-
1.22	Aggregate or amounts transferred to reserves	-	-
1.23	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>(6,286,579)</b>	<b>(5,829,257)</b>

**Abnormal and extraordinary items**

		Consolidated - current period					
		Before tax \$A'000 \$NZ		Related tax \$A'000- \$NZ		After tax \$A'000 \$NZ	
2.1	Abnormal items	NIL		NIL		NIL	
2.2	<b>Total abnormal items</b>	NIL		NIL		NIL	
2.3	Extraordinary items	NIL		NIL		NIL	
2.4	<b>Total extraordinary items</b>	NIL		NIL		NIL	

**Comparison of half year profits***(Preliminary final statement only)*

		Current year - \$A'000 \$NZ	Previous year - \$A'000 \$NZ
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	N/A	N/A
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

**Consolidated balance sheet**  
(See note 5)

<b>Current assets</b>		At end of current period \$A'000- \$NZ	As shown in last annual report \$A'000- \$NZ	As in last half yearly statement \$A'000- \$NZ
4.1	Cash	545	1,988	12,464
4.2	Receivable	20,291	5,598	12,412
4.3	Investments	278,422	206,617	233,758
4.4	Inventories	-	-	-
4.5	Other (provide details if material)	-	-	-
4.6	<b>Total current assets</b>	299,258	214,203	258,634
<b>Non-current assets</b>				
4.7	Receivables	-	-	-
4.8	Investments	1,949,561	2,133,272	3,045,886
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	4,737,941	4,629,743	4,593,938
4.11	Development properties (mining entities)	-	-	-
4.12	Other property, plant and equipment (net)	3,514	5,515	7,908
4.13	Intangibles (net)	-	-	-
4.14	Other (provide details if material) Investments (Equity Accounted)	1,070,672	1,186,743	1,187,326
4.15	<b>Total non-current assets</b>	7,761,688	7,955,273	8,835,058
4.16	<b>Total assets</b>	8,060,946	8,169,476	9,093,692
<b>Current liabilities</b>				
4.17	Accounts payable	40,351	36,620	21,329
4.18	Borrowings	-	-	-
4.19	Provisions	-	-	-
4.20	Other (provide details if material) overdraft	15,467	-	-
4.21	<b>Total current liabilities</b>	55,818	36,620	21,329
<b>Non-current liabilities</b>				
4.22	Accounts payable	-	-	-
4.23	Borrowings	-	-	-
4.24	Provisions	-	-	-
4.25	Other (provide details if material)	-	-	-
4.26	<b>Total non-current liabilities)</b>	NIL	NIL	NIL
4.27	<b>Total liabilities</b>	55,818	36,620	21,329
4.28	<b>Net assets</b>	<b>8,005,128</b>	<b>8,132,856</b>	<b>9,072,363</b>

## Consolidated balance sheet continued

Equity				
4.29	Capital	12,114,279	11,762,350	11,762,350
4.30	Reserves	2,177,428	2,361,777	3,139,270
4.31	Retained profits (accumulated losses)	(6,286,579)	(5,991,271)	(5,829,257)
4.32	Equity attributable to members of the parent entity	8,005,128	8,132,856	9,072,363
4.33	Outside equity interests in controlled entities	-	-	-
4.34	<b>Total equity</b>	8,005,128	8,132,856	9,072,363
4.35	Preference capital and related premium included as part of 4.31	-	-	-

## Exploration and evaluation expenditure capitalised

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
5.1	Opening balance	4,629,743	4,523,045
5.2	Expenditure incurred during current period	108,198	70,893
5.3	Expenditure written off during current period	-	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-	-
5.5	Expenditure transferred to Development Properties	-	-
5.6	<b>Closing balance as shown in the consolidated balance sheet (item 4.9)</b>	4,737,941	4,593,938

## Development properties

*(To be completed only by issuers with mining interests if amounts are material)*

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
6.1	Opening balance	N/A	
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	<b>Closing balance as shown in the consolidated balance sheet (item 4.10)</b>		

# **Consolidated statement of cash flows**

(See note 6)

		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
	<b>Cash flows related to operating activities</b>		
7.1	Receipts from customers	1,100	1,480
7.2	Payments to suppliers and employees	(209,162)	(122,005)
7.3	Dividends received	-	-
7.4	Interest and other items of similar nature received	4,784	14,260
7.5	Interest and other costs of finance paid	-	-
7.6	Income taxes paid	-	-
7.7	Other (provide details if material)	-	-
7.8	<b>Net operating cash flows</b>	(203,278)	(106,265)
	<b>Cash flows related to investing activities</b>		
7.9	Payments for purchases of property, plant and equipment	-	(266)
7.10	Proceeds from sale of property, plant and equipment	-	-
7.11	Payment for purchases of equity investments	-	-
7.12	Proceeds from sale of equity investments	15,000	-
7.13	Loans to other entities	-	-
7.14	Loans repaid by other entities	-	-
7.15	Other (provide details if material)Prospecting expenditure	(107,758)	(75,904)
7.16	<b>Net investing cash flows</b>	(92,758)	(76,170)
	<b>Cash flows related to financing activities</b>		
7.17	Proceeds from issues of securities (shares, options, etc.)	351,929	-
7.18	Proceeds from borrowings	-	-
7.19	Repayment of borrowings	(976)	(976)
7.20	Dividends paid	-	-
7.21	Other (provide details if material)	-	-
7.22	<b>Net financing cash flows</b>	350,953	(976)
	<b>Net increase (decrease) in cash held</b>	54,917	(183,411)
7.23	Cash at beginning of period (see Reconciliations of cash)	208,605	429,631
7.24	Exchange rate adjustments to item 7.23	(22)	2
7.25	<b>Cash at end of period</b> (see Reconciliation of cash)	263,500	246,222

**Non-cash financing and investing activities**

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

NIL

**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A'000 \$NZ	Previous corresponding period \$A'000 \$NZ
8.1	Cash on hand and at bank	545	12,464
8.2	Deposits at call	10,922	13,758
8.3	Bank overdraft	(15,467)	-
8.4	Other (provide details)	267,500	220,000
8.5	Total cash at end of period (item 7.25)	263,500	246,222

**Ratios**

		Current period	Previous corresponding period
<b>Profit before abnormals and tax/sales</b>			
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	N/A	N/A
<b>Profit after tax/equity interests</b>			
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.31)	N/A	N/A

**Earnings per security (EPS)**

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	Basic EPS	(0.8001)CENTS	(0.2858)CENTS
(b)	Diluted EPS (if materially different from (a))		

**NTA backing**

(see note 7)

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security		

### Details of specific receipts/outlays, revenues/expenses

		Current period A\$'000    \$NZ	Previous corresponding period A\$'000    \$NZ
12.1	Interest revenue included in determining items 1.4	6,888	8,028
12.2	Interest revenue included in item 12.1 but not yet received (if material)	2,808	-
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	(47)	(210)
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	-	-
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	(108,198)	(70,893)
12.6	Depreciation (excluding amortisation of intangibles)	(2,001)	(2,360)
12.7	Amortisation of intangibles	-	-

### Control gained over entities having material effect

(See note 8)

13.1	Name of <i>issuer</i> (or <i>group</i> )	N/A
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	\$

### Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or <i>group</i> )	N/A
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$



## Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.

### Segments N/A

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue (consolidated total equal to item 1.3)

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated operating profit after tax (before equity accounting) (equal to item 1.8)

Segment assets	)	Comparative data for segment assets should be as at the
Unallocated assets	)	end of the previous corresponding period
Total assets (equal to item 4.15)	)	

### Dividends

15.1 Date the dividend is payable

N/A

15.2 Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

N/A

### 18.3 Amount per security

NIL

		Franking rate applicable	39%	36%	33%
15.4	(Preliminary final statement only) <b>Final dividend:</b> Current year	NIL¢	N/A	NIL¢	N/A
15.5	Previous year	NIL¢	NIL¢	NIL¢	NIL¢
15.6	(Half yearly and preliminary final statements) <b>Interim dividend:</b> Current year	NIL¢	N/A	NIL¢	N/A
15.7	Previous year	NIL¢	NIL¢	NIL¢	NIL¢

**Total annual dividend (distribution) per security***(Preliminary final statement only)*

	Current year	Previous year
15.8 Ordinary securities	NIL¢	NIL¢
15.9 Preference securities	NIL¢	NIL¢

**Total dividend (distribution)**

	Current period \$A'000 \$NZ	Previous corresponding period --\$A'000 \$NZ
15.10 Ordinary securities	\$NIL	\$NIL
15.11 Preference securities	\$NIL	\$NIL
15.12 <b>Total</b>	\$NIL	\$NIL

The *dividend or distribution plans* shown below are in operation.

N/A
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The last date(s) for receipt of election notices to the <i>dividend or distribution plans</i>	N/A
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Any other disclosures in relation to dividends (distributions)

NIL
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## Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period <del>A\$'000</del> \$NZ	Previous corresponding period <del>A\$'000</del> \$NZ
16.1	Statutory carrying value of investments in associated entities (SCV)	1,186,743	1,177,629
16.2	Share of associated entities' retained profits and reserves not included in SCV:	(116,071)	9,697
	Retained profits	-	-
	Reserves	-	-
16.3	<b>Equity carrying value of investments</b>	1,070,672	1,187,326

## Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
	Broken Hill Cobalt Limited	33%	33%	(116,071)	9,697
17.2	Other material interests	N/A		Not equity accounted (ie part of item 1.14)	

### Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (NZcents)	Paid-up value (NZcents)
18.1	<b>Preference securities</b> (description)	NIL			
18.2	Issued during current period	NIL			
18.3	<b>Ordinary securities</b>	38,623,000	38,623,000	25	25
		10,000,000	10,000,000	3.8	3.8
		20,000,000	20,000,000	5.9	5.9
		5,000,000	5,000,000	10	10
		186,400	186,400	25	25
18.4	Issued during current period	NIL			
18.5	<b>Convertible debt securities</b> (description and conversion factor)	NIL			
18.6	issued during current period	NIL			
18.7	<b>Options</b> (description and conversion factor)			Exercise price	Expiry date
	Non-transferrable, not quoted, special conditions apply	1,866,667		14cents	1/7/02 tp 30/6/03
		1,866,667		16cents	1/7/03 to 30/6/04
	<b>Warrants</b>	36,221,366	36,221,366	9cents	27/6/07
18.8	Issued during current period (WARRANTS)	36,221,366			
18.9	Exercised during current period	NIL			
18.10	Expired during current period	NIL			
18.11	<b>Debentures</b> (totals only)	NIL			
18.12	<b>Unsecured Notes</b> (totals only)	NIL			

**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]*

Material factors affecting the revenues and expenses of the *issuer* for the current period

NIL

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL

Changes in accounting policies since the last annual report are disclosed as follows.  
*(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)*

NIL

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

N/A

Date

Time

Approximate date the annual report will be available

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Law* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

New Zealand reporting standards – Financial Reporting Act 1993 and Companies Act 1993

2. This statement, and the financial statements under the *Corporations Law* (if separate), use the same accounting policies.
3. This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- ☒ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Law.*)

6. The *issuer* has/~~does not have~~\* (*delete one*) a formally constituted audit committee.

Sign here:



.....Date:.....13/12/02.....  
(~~Director~~/Company secretary)

Print name: ...Alison Griffiths.....