



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

30 April 2003

Stock Exchange of Newcastle
384 Hunter Street
Newcastle
NSW 2300
AUSTRALIA

PAGES 2

FOR PUBLIC RELEASE

Quarterly Report to 31 March 2003

GOLD PROJECTS (New Zealand)

The Company's gold projects are within the Waihi Gold District where Newmont's Martha mine, New Zealand's largest and richest gold mine, has produced 6.6 million oz of gold and 41.7 million oz of silver since 1878.

Newmont's recently discovered Favona high-grade deposit, lies 1km south east of Martha. Favona highlights the potential for discovering further world-class epithermal gold deposits in the district that hosts Heritage's gold projects.

Karangahake

Application of new processing techniques to existing geophysical data in the project database has improved definition of anomalies in the Rahu Ridge-White Rocks zone.

This 2km long zone is interpreted as the downthrown northern extension of the rich Talisman ore body, which contributed the majority of the 4M oz historical gold-silver production at Karangahake.

Detailed sampling and close spaced ground geophysical surveys over known anomalies are under way to delineate specific targets for drilling in the June quarter.

Waihi North

The latest interpretation of reprocessed geophysical data has outlined seven separate areas of alteration, including extensions from the former Golden Cross mine, and a zone adjacent to the present Waihi (Martha) open pit.

Detailed ground geophysical surveys and sampling are in progress and will aid selection of individual targets to be drilled in the June quarter.

Other Gold Tenements

The Golden Valley prospecting permit, to the east of Favona, was granted during the period. The permit covers geophysical anomalies located by the reprocessing of regional aero magnetic survey data, which have a signature similar to that of the main gold deposits in the Waihi Gold District. Heritage is developing ground geophysical techniques for discriminant analysis of the anomalies.

Essential work has continued on the Company's other gold permits.

Cobalt Project (Australia)

The price for 99.8% cobalt has increased to approximately US\$9-50/lb over the last 6 months.

During the quarter Heritage continued to investigate several proposals for cobalt extraction test work, including bioleach and other forms of oxidation. The objective remains to develop a low capital and operating cost process reflecting the current price of cobalt metal.

The Company commissioned a metallurgist to investigate samples remaining from previous drilling programmes to determine whether they are suitable for the proposed test work. If not, then it is likely that Heritage will consider another drilling programme to collect further samples for the test work.

Compensation

At the end of the period the Company was finalising discovery of documents relevant to its claim against the Crown for compensation. The list of documents is required to be served on the Crown by 30 April 2003.

The Company's claim resulted from an amendment to the Crown Minerals Act that effectively sterilised its projects in the northern Coromandel.

Investments

During the period Heritage sold 17,176,233 shares it held in Cadmus Technology Ltd for net proceeds of \$997,080.

Heritage also sold 1,070,000 shares in E-cademy Holdings Ltd during the quarter.

Appointment of Executive Director

As previously reported, Mr. Ralph Stagg has been appointed Executive Director-Investor Relations, responsible for liaising with stock broking firms, shareholders, and potential investors.

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.

Alison Griffiths
COMPANY SECRETARY

For release to the Newcastle Stock Exchange

Mining exploration entity quarterly report

Name of entity

HERITAGE GOLD NZ LIMITED

ABN

009 474 702

Quarter ended ("current quarter")

31 MARCH 2003

Consolidated statement of cash flows

		Current quarter	Year to date (.12.months)
		\$NZ	\$NZ
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	989	2,133
1.2	Payments for (a) exploration and evaluation	(40,970)	(204,091)
	(b) development		
	(c) production		
	(d) administration	(61,950)	(311,564)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2,828	12,981
1.5	Interest and other costs of finance paid	-	(47)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(99,103)	(500,588)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(4,211)	(4,804)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments	1,022,428	1,089,646
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		1,018,217	1,084,842
1.13	Total operating and investing cash flows (carried forward)	919,114	584,254

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	919,114	584,254
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	351,929
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(957)	(2,420)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(957)	349,509
	Net increase (decrease) in cash held	918,157	933,763
1.20	Cash at beginning of quarter/year to date	224,184	208,605
1.21	Exchange rate adjustments to item 1.20	(14)	(41)
1.22	Cash at end of quarter	1,142,327	1,142,327

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

	Current quarter \$NZ
1.23 Aggregate amount of payments to the parties included in item 1.2	39,740
1.24 Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

	\$NZ
Payment to associated companies for consulting services - Up Minister Ltd	22,500
-Broad Horizons Ltd	5,000
-Williams & Hughes	513
-Project Geoscience Pty Ltd	11,727

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

Mining exploration entity quarterly report

	Amount available \$NZ	Amount used \$NZ
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$NZ
4.1 Exploration and evaluation	200,000
4.2 Development	0
Total	200,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$NZ	Previous quarter \$NZ
5.1 Cash on hand and at bank	6,910	2,968
5.2 Deposits at call	1,037,918	123,716
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details) Bond and Term deposits	97,500	97,500
Total: cash at end of quarter (item 1.22)	1,142,327	224,184

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Surrendered	N/A			
6.2 Interests in mining tenements acquired or increased	PP 39-232 Golden Valley	Prospecting Permit (granted 22/1/03)	0%	100%

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A			
7.3	*Ordinary securities	38,623,000	38,623,000	25c	25c
		10,000,000	10,000,000	3.8c	3.8c
		20,000,000	20,000,000	5.9c	5.9c
		5,000,000	5,000,000	10c	10c
		186,400	186,400	25c	25c
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	N/A			
7.5	*Convertible debt securities (description)	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A			
7.7	Options (description and conversion factor) These options are not quoted and not transferable Warrants – quoted on NZSE & NSX; not quoted on ASX	1,866,667 1,866,667 36,726,287	 36,726,287	Exercise price 14c 16c 9c	Expiry date 1/7/02 to 30/6/03 1/7/03 to 30/6/04 27/6/2007
7.8	Issued during quarter	NIL			
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	NIL			
7.11	Debentures (totals only)	NIL			
7.12	Unsecured notes (totals only)	NIL			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to NSX.
- 2 This statement does ~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.



Sign here:

.....
(~~Director~~/Company secretary)

Date: ..30 April 2003

Print name:Alison Griffiths.....