

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")

30 SEPTEMBER 2003

Consolidated statement of cash flows

		Current quarter	Year to date (6 months)
		\$NZ	\$NZ
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	8,085	8,085
1.2	Payments for (a) exploration and evaluation	(182,968))	(354,026)
	(b) development		
	(c) production		
	(d) administration	(154,085)	(262,738)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	9,110	26,123
1.5	Interest and other costs of finance paid	(136)	(342)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(319,994)	(582,898)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(1,672)	(1,672)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments	6,030	29,890
	(c)other fixed assets		
1.10	Loans to other entities	(997)	(1,247)
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		2,363	24,301
1.13	Total operating and investing cash flows (carried forward)	(317,631)	(558,597)

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1.13	Total operating and investing cash flows (brought forward)	(317,631)	(558,597)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	226,442	226,442
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	226,442	226,442
	Net increase (decrease) in cash held	(91,189)	(332,155)
1.20	Cash at beginning of quarter/year to date	901,374	1,142,327
1.21	Exchange rate adjustments to item 1.20	(230)	(217)
1.22	Cash at end of quarter	809,955	809,955

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	28,500
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	
	Payment to associated companies for consulting services - Up Minister Ltd	\$NZ 22,500
	-Project Geoscience Pty Ltd	6,000

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

Issue of 1,000,000 Fully Paid Ordinary Shares in exchange for consultancy services provided

- 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.

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	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	110,000
4.2 Development	0
Total	110,000

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	1,048	501
5.2 Deposits at call	15,687	113,373
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details) Bond and Term deposits	793,220	787,500
Total: cash at end of quarter (item 1.22)	809,955	901,374

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	None			

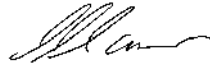
Issued and quoted securities at end of current quarter

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
		1,000,000	1,000,000	5.5c	5.5c
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000,000	1,000,000	5.5c	5.5c
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		Exercise price 16c	Expiry date 1/7/03 to 30/6/04
		22,662,680	22,662,680	8c	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:

Date: 31 October 2003
(~~Director~~/Company secretary)

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Print name:Sue Sangster.....