

Appendix 5B

Mining exploration entity quarterly report

Name of entity

HERITAGE GOLD NZ LIMITED

ABN

009 474 702

Quarter ended ("current quarter")

31 MARCH 2008

Consolidated statement of cash flows

	Current quarter \$NZ	Year to date 9 months \$NZ
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	Nil	Nil
1.2 Payments for		
(a) exploration and evaluation	(279,603)	(1,144,421)
(b) development	Nil	Nil
(c) production	Nil	Nil
(d) administration	(240,769)	(847,744)
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	39,551	96,212
1.5 Interest and other costs of finance paid	Nil	Nil
1.6 Income taxes paid	Nil	Nil
1.7 Other (provide details if material) Bad debt recovered	Nil	Nil
Net Operating Cash Flows	(480,821)	(1,895,953)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	Nil	Nil
(b)equity investments	Nil	Nil
(c) other fixed assets	(20,212)	(27,448)
1.9 Proceeds from sale of:		
(a)prospects	Nil	Nil
(b)equity investments	Nil	Nil
(c)other fixed assets	Nil	Nil
1.10 Loans to other entities	(157,568)	(157,568)
1.11 Loans repaid by other entities	Nil	Nil
1.12 Other (provide details if material)	Nil	Nil
Net investing cash flows	(177,780)	(185,016)
1.13 Total operating and investing cash flows (carried forward)	(658,601)	(2,080,969)

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1.13	Total operating and investing cash flows (brought forward)	(658,601)	(2,080,969)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,132,453	4,517,064
1.15	Proceeds from sale of forfeited shares	Nil	Nil
1.16	Proceeds from borrowings	Nil	Nil
1.17	Repayment of borrowings	Nil	Nil
1.18	Dividends paid	Nil	Nil
1.19	Other (provide details if material)	Nil	Nil
Net financing cash flows		1,132,453	4,517,064
Net increase (decrease) in cash held		473,852	2,436,095
1.20	Cash at beginning of quarter/year to date	2,749,920	787,314
1.21	Exchange rate adjustments to item 1.20	17,112	17,475
1.22	Cash at end of quarter	3,240,884	3,240,884

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	72,500
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil
1.25	Explanation necessary for an understanding of the transactions	
	Payment to associated companies for consulting services	
	- Up Minister Ltd	22,500
	- Endeavour Group	50,000

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 2,500,000 ordinary fully paid shares on 17 January 2008 valued at AU\$0.035 each on granting of all three licences on the Dunmarra Basin exploration project.
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.

		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	1,075,000
4.2	Development	Nil
	Total	1,075,000

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	2,947,121	2,347,836
5.2	Deposits at call & Term Deposits	197,763	306,084
5.3	Bank overdraft	Nil	Nil
5.4	Other (provide details) – Bond	96,000	96,000
Total: cash at end of quarter (item 1.22)		3,240,884	2,749,920

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	None		
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 <i>(description)</i>	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
		7,200,000	7,200,000	5c	5c
		12,000,000	12,000,000	AUD 8c	AUD 8c
		14,000,000	14,000,000	AUD 8c	AUD 8c
		16,666	16,666	9c	9c
		33,333	33,333	9c	9c
		23,500,000	23,500,000	5c	5c
		23,333	23,333	8.5c	8.5c
		16,667,000	16,667,000	AUD 2.5c	AUD 2.5c
		24,420,201	24,420,201	2.9c	2.9c
		5,250,936	5,250,936	2.9c	2.9c
		7,391,296	7,391,296	2.9c	2.9c
		5,556	5,556	8.3c	8.3c
		8,500,000	8,500,000	AUD 3.5c	AUD 3.5c
		10,000	10,000	10c	10c
		2,500,000	2,500,000	AUD 3.5c	AUD 3.5c
		11,500,000	11,500,000	AUD 3.5c	AUD 3.5c
		5,725,184	5,725,184	8.3c	8.3c
		53,814,303	53,814,303	AU 4.5c	AU 4.5c
		9,000,000	9,000,000	AU 4.5c	AU 4.5c
		2,500,000	2,500,000	AU 3.5c	AU 3.5c
		8,836,112	8,836,112	AU 4.5c	AU 4.5c
		287,703,320	287,703,320		

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7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,336,112 Nil	20,336,112 Nil		
7.5	*Convertible debt securities (description)	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A		
7.7	Options – Not quoted (not transferable) – Not quoted (not transferable) – Not quoted – Not quoted – Not quoted – Not quoted – Quoted – Quoted Warrants	3,600,000 3,600,000 <hr/> 7,200,000 3,000,000 3,000,000 3,000,000 2,000,000 23,490,000 35,825,129 Nil	Not quoted Not quoted Not quoted Not quoted Not quoted Not quoted 23,490,000 35,825,129 Nil	Exercise price 8c 12c AU 3.5c 9 cents 12 cents 16 cents 10c AU 8c	Expiry date 20/11/07 20/11/08 13/4/09 7/9/11 7/9/12 7/9/13 30/9/08 20/11/09
7.8	Issued during quarter - Options	4,500,000 4,418,056	26,907,073 4,418,056	AU 8c AU 8c	20/11/09 20/11/09
7.9	Converted to FPS during quarter Options	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	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)

Print name:

.....Sue Sangster.....

Date: 29 April 2008

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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