

APPENDIX 11 (Rule10.10.4)
QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

HERITAGE GOLD NZ LIMITED
(Name of Mining Issuer)

For Quarter ended 31 December 2007
(referred to in this Quarter as the "Current Quarter")

Quarterly Report of Consolidated Cash Flows in accordance with Listing Rule 10.10.4. These figures are based on accounts which are *unaudited. If these figures are based on audited accounts, a statement is required of any material qualification made by the auditor. The Mining Issuer *has a formally constituted Audit Committee of the Board of Directors.

[PLEASE REFER TO ATTACHED NOTES WHEN COMPLETING THIS FORM]

1. CASH FLOWS RELATING TO OPERATING ACTIVITIES

- (a) Receipts from product sales and related debtors
- (b) Payments for exploration and evaluation
 - for development
 - for production
 - for administration
- (c) Dividends received
- (d) Interest and other items of a similar nature received
- (e) Interest and other costs of finance paid
- (f) Income taxes paid
- (g) Other (provide details if material) Bad debt recovered

(h) NET OPERATING CASH FLOWS

2. CASH FLOWS RELATED TO INVESTING ACTIVITIES

- (a) Cash paid for purchases of prospects equity investments assets other fixed assets
- (b) Cash proceeds from sale of prospects equity investments assets other fixed assets
- (c) Loans to other entities
- (d) Loans repaid by other entities
- (e) Other (provide details if material)

(f) NET INVESTING CASH FLOWS

3. CASH FLOWS RELATED TO FINANCING ACTIVITIES

- (a) Cash proceeds from issues of shares, options, etc
- (b) Proceeds from sale of forfeited shares
- (c) Borrowings
- (d) Repayments of borrowings
- (e) Dividends paid
- (f) Other (provide details if material)

(g) NET FINANCING CASH FLOWS

4. (a) *NET INCREASE (DECREASE) IN CASH HELD

- (b) Cash at beginning of quarter/year to date
- (c) Exchange rate adjustments to Item 4(a) above

(d) CASH AT END OF QUARTER

	Current Quarter \$NZ	Year to Date (9 Months) \$NZ
	Nil	Nil
	(205,279)	(864,818)
	Nil	Nil
	Nil	Nil
	(170,094)	(606,975)
	Nil	Nil
	14,085	56,661
	Nil	Nil
	Nil	Nil
	Nil	Nil
	(361,288)	(1,415,132)
	Nil	Nil
	Nil	Nil
	(6,953)	(7,236)
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil
	(6,953)	(7,236)
	2,316,985	3,384,611
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil
	Nil	Nil
	2,316,985	3,384,611
	1,948,744	1,962,243
	801,158	787,314
	18	363
	2,749,920	2,749,920

5. NON-CASH FINANCING AND INVESTING ACTIVITIES

(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

.....Nil.....

(b) Provide details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.

.....Nil.....

6. FINANCING FACILITIES AVAILABLE

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

.....N/A.....

Amount Available \$NZ	Amount Used \$NZ

7. ESTIMATED OUTLAYS FOR SPECIFIED QUARTERS

(a) Exploration and evaluation

(b) Development

TOTAL

Current Quarter# \$NZ	Following Quarter \$NZ
350,000	160,000
Nil	Nil
350,000	160,000

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. Where these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report - see Annexure 1.

8. RECONCILIATION OF CASH

For the purposes of this statement of cash flows, cash includes

...Petty cash, WestpacTrust cheque account and NAB Australian dollar cheque account.....

Cash at the end of the quarter as shown in the statement of cash flows is reconciled to the related items in the amounts as follows:

Cash on hand and at bank

Deposits at call and Term Deposits

Bank overdraft

Other (provide details) - Bond

TOTAL = CASH AT END OF QUARTER [Items 4(d)/4(b)]

Current Quarter \$NZ	Previous Quarter \$NZ
2,347,836	2,581
306,084	702,577
Nil	Nil
96,000	96,000
2,749,920	801,158

9. CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(a) Interests in mining tenements relinquished, reduced and/or lapsed	None			
(b) Interests in mining tenements acquired and/or increased	None			

(c) Where changes are reported in (a) and/or (b), an amended list of interests in mining tenements is to be attached to this statement.

10. ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

Category of Securities	Number Issued	Number Quoted	Paid-Up Value Cents
PREFERENCE SHARES	Nil	Nil	
#(DESCRIPTION)			
ORDINARY SHARES	38,623,000	38,623,000	25c
	10,000,000	10,000,000	3.8c
	20,000,000	20,000,000	5.9c
	5,000,000	5,000,000	10c
	186,400	186,400	25c
	1,000,000	1,000,000	5.5c
	7,200,000	7,200,000	5c
	12,000,000	12,000,000	AUD 8c
	14,000,000	14,000,000	AUD 8c
	16,666	16,000	9c
	33,333	33,333	9c
	23,500,000	23,500,000	5c
	23,333	23,333	8.5c
	16,667,000	16,667,000	AUD 2.5c
	24,420,201	24,420,201	2.9c
	5,250,936	5,250,936	2.9c
	7,391,296	7,391,296	2.9c
	5,556	5,556	8.3c
	8,500,000	8,500,000	AUD 3.5c
	10,000	10,000	10c
	2,500,000	2,500,000	AUD 3.5c
	11,500,000	11,500,000	AU 3.5c
	5,725,184	5,725,184	8.3c
	53,814,303	53,814,303	AU 4.5c
	267,367,208	267,367,208	
Issued during current quarter:	53,814,303	53,814,303	AU 4.5c
CONVERTIBLE NOTES:	Nil	Nil	
Issued during current quarter	Nil	Nil	

			Exercise Price	Expiry Date
OPTIONS:				
Not quoted and are not transferable	3,600,000	Not quoted	8 cents	20/11/07
	3,600,000	Not quoted	12 cents	20/11/08
	3,000,000	Not quoted	AU 3.5 cents	13/4/09
	3,000,000	Not quoted	9 cents	7/9/11
	3,000,000	Not quoted	12 cents	7/9/12
Quoted	2,000,000	Not quoted	16 cents	7/9/13
	23,490,000	23,490,000	10 cents	30/9/08
Issued during current quarter	26,907,073	26,907,073	AU 8 cents	20/11/09
	26,907,073	26,907,073	AU 8 cents	20/11/09
WARRANTS:	Nil	Nil		
DEBENTURES - totals only:	Nil	Nil		
UNSECURED NOTES - totals only:	Nil	Nil		

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

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Sue Sangster (Company Secretary)

31 January 2007

(Signed by) Authorised Officer of Listed Issuer

(Date)

ANNEXURE 1

Ground exploration on Waihi North tenement was advanced and additional analysis of previous activities on the other tenements was carried out during the quarter.