

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Heritage Gold NZ Limited

ABN

009 474 702

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

	Current quarter \$NZ	Year to date (6 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 & evaluation	(82,974)	(189,447)
(b) development	Nil	Nil
(c) production	Nil	Nil
(d) administration	(174,188)	(291,998)
1.3 Dividends received	Nil	Nil
1.4 Interest and other items of a similar nature received	8,892	19,146
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)	Nil	Nil
Net Operating Cash Flows	(248,270)	(462,299)
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	(831)	(1,423)
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	(3,321)	(7,128)
1.11 Loans repaid by other entities	Nil	6,390
1.12 Other (provide details if material)	Nil	Nil
Net investing cash flows	(4,152)	(2,161)
1.13 Total operating and investing cash flows (carried forward)	(252,422)	(464,460)

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1.13	Total operating and investing cash flows (brought forward)	(252,422)	(464,460)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	Nil	Nil
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	Nil	Nil
	Net increase (decrease) in cash held	(252,422)	(464,460)
1.20	Cash at beginning of quarter/year to date	1,031,272	1,244,128
1.21	Exchange rate adjustments to item 1.20	(404)	(1,222)
1.22	Cash at end of quarter	778,446	778,446

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	(44,500)
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

Director fees and payment to associated company for consulting services

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

None

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

NA

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$NZ	Amount used \$NZ
3.1 Loan facilities	None	None
3.2 Credit standby arrangements	None	None

Estimated cash outflows for next quarter

	\$NZ
4.1 Exploration and evaluation	70,000
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	100,000
Total	170,000

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	13,271	2,859
5.2 Deposits at call	680,175	943,413
5.3 Bank overdraft	Nil	Nil
5.4 Other (provide details) - Bond	85,000	85,000
Total: cash at end of quarter (item 1.22)	778,446	1,031,272

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
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6.1	Interests in mining tenements relinquished, reduced or lapsed	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>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			

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7.3	+Ordinary securities	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	16,666	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	AUD 3.5c	
		5,725,184	5,725,184	8.3c	
		53,814,303	53,814,303	AUD 4.5c	
		9,000,000	9,000,000	AUD 4.5c	
		2,500,000	2,500,000	AUD 3.5c	
		8,836,112	8,836,112	AUD 4.5c	
55,849,868	55,849,868	AUD 2.8c			
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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 ASX \(see note 4\)](#).
- 2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2011.
(Director/Company secretary)

Print name: ...Sue Sangster.....

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.

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- 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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