HERITAGE GOLD NZ LIMITED

ABN 009 474 702

Incorporated in New Zealand

INVESTMENT STATEMENT
FOR THE PURPOSES OF THE
NEW ZEALAND SECURITIES ACT 1978

AND

A PROSPECTUS
PURSUANT TO THE REQUIREMENTS
OF SECTION 713 OF THE
AUSTRALIAN CORPORATIONS ACT 2001

DATED 15 MAY 2002

For a renounceable Rights issue to acquire two (2) Warrants for every three (3) Shares held in the Company.

A copy of this Disclosure Document has been lodged with the Australian Securities and Investments Commission ("ASIC"). ASIC takes no responsibility for this Disclosure Document.

IMPORTANT INFORMATION

(The information in this section is required under the New Zealand Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents, including this Investment Statement, carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

In addition to the information in this document, important information can be found in the current Short Form Prospectus for the investment registered with the public register at the Companies Office of the Ministry of Economic Development, Level 5, District Court Building, 3 Kingston Street, Auckland, New Zealand. You are entitled to a copy of that prospectus on request to the Company.

Choosing an investment adviser in New Zealand

If you are an investor in New Zealand you have the right to request from any New Zealand investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by 1 or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. A New Zealand investment adviser commits an offence if he or she does not provide you with a written disclosure statement within 5 working days of your request. You must make the request at the time the advice is given or within 1 month of receiving the advice.

In addition:

- If an investment adviser in New Zealand has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and

- If an investment adviser in New Zealand receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

NATURE OF THIS DOCUMENT

This document is being issued in New Zealand and Australia. In New Zealand it is generally called an "Investment Statement" and in Australia a "prospectus" or "transaction specific prospectus". While these terms may be used in this document from time to time, as required by the context, generally for convenience' sake this document will be referred to as the "Disclosure Document".

This Disclosure Document does not constitute an offer of Warrants in any jurisdiction other than New Zealand and Australia. No action has been or will be taken by the Company which would permit a public offering of Warrants, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand or Australia). No person may purchase, offer, sell, distribute or deliver the Warrants, or have in its possession, or distribute to any person any offering material or any documents in connection with the Warrants, in any jurisdiction other than in compliance with all applicable laws and regulations.

THE EFFECT OF THIS OFFER ON THE COMPANY

The Company presently has 73,809,400 shares on issue.

On that basis and with the rounding up referred to in this Disclosure Document, the Company will be granting up to 49,301,125 Rights to acquire up to 49,301,125 Warrants.

If all of the Warrants are taken up, and all Initial Payments made, the Company will raise an amount of NZ$493,011.25 from the initial payment of one cent payable upon issue of each Warrant.

The proceeds of the capital raising will be used for working capital. There is no minimum amount of funds required to be raised. No payments received will be returned (other than in the event of an oversubscription by a Rights holder, as detailed in the third paragraph under the heading "What sort of investment is this? Description of securities" on page 5 of this Disclosure Document).

If all the Warrants are taken up, all of the payments on the Warrants are made, and all the Warrants converted, the Company will raise up to NZ$4,437,101.25 and up to

49,301,125 New Shares will be issued. The conversion of the Warrants to this number of New Shares would increase the number of the Company's issued shares from 73,809,400 to approximately 123,110,525 Shares.

TERMS AND CONDITIONS OF THE WARRANTS

These are set out in the Section titled "Terms and conditions of Warrants and description of Shares" on pages 26 to 29 inclusive.

CONTINUOUS DISCLOSURE

Pursuant to the Australian Corporations Act, disclosing entities are entitled to issue a prospectus that satisfies the requirements set out in Section 713 of the Australian Corporations Act, where the securities offered by the company under the prospectus are quoted ED securities and the securities are in a class of securities that were quoted ED securities at all times in the twelve months before the issue of the prospectus (known as a transaction specific prospectus).

A transaction specific prospectus is only required to contain information relating to the issue of the securities that are the subject of the prospectus. Other general information is not required to be included by a disclosing entity, as the periodical reporting and continuous disclosure requirements now required of disclosing entities mean that all such information should previously have been released and disclosed to the market.

The Company is a "disclosing entity" for the purposes of Section 111AC of the Australian Corporations Act. As such, the Company is subject to regular reporting and disclosure obligations that require it to disclose to the ASX (and under the New Zealand securities legislation, to the NZSE) any information concerning the Company that the Company is aware of, or becomes aware of, and that a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

Having taken such precautions and made such enquiries as are reasonable, the Company believes that it has complied with the general and specific disclosure requirements of the ASX (and the NZSE) as applicable from time to time throughout the twelve months prior to the issue of this Disclosure Document, which requires the Company to notify the ASX (and the NZSE) of information that a reasonable person would expect to have a material effect on the price or valuation of the securities of the Company.

Copies of all documents lodged with ASIC in relation to the Company may be obtained from or inspected at an office of ASIC.

Any person has the right to obtain a copy of the following documents, and the Company will provide a copy of each of the following documents, free of charge to any person who asks for it during the currency of this Disclosure Document:

(a) a copy of the financial report for the year ended 31 March 2001 (being the last financial statement to be lodged with ASIC in relation to the Company before the issue of this Disclosure Document); and

(b) all continuous disclosure notices lodged with ASX during the period commencing after the lodgement of the Company's last annual financial report for the year ended 31 March 2001 and ending at the date of lodgement of this Disclosure Document. Those disclosure notices are as follows:

Date	Description of Notice
14 June 2001	Preliminary Final Report for year ended 31 March 2001
31 July 2001	Notice of Annual Meeting of Shareholders
31 July 2001	Quarterly Report to 30 June 2001
6 September 2001	Public Release re Annual Meeting
31 October 2001	Quarterly Report to 30 September 2001
13 December 2001	Half Yearly Report to 30 September 2001
31 January 2002	Quarterly Report to 31 December 2001
12 April 2002	Proposed changes to ASX Listing Rules for Foreign Exempt Companies
12 April 2002	Renounceable Rights Issue
24 April 2002	Update regarding pending Renounceable Rights Issue
26 April 2002	Letter to Shareholders
30 April 2002	Quarterly Report to 31 March 2002
10 May 2002	Notice of event effecting securities

As this Disclosure Document is a transaction specific prospectus, if investors require any further information in relation to the Company, the directors recommend that investors should take advantage of the ability to inspect or obtain copies of the documents referred to above.

What sort of investment is this?

Description of securities

Heritage Gold NZ Ltd (the "**Company**" or "**Heritage**") will grant two (2) Rights for every three (3) Existing Shares held at 5 pm (New Zealand time) on 24 May 2002 (the "**Record Date**"), provided that those shareholders holding less than 3,000 Existing Shares will be entitled to apply for 2,000 Warrants. Fractional entitlements will be disregarded.

There is no minimum number of Existing Shares required for the entitlement to Rights. Each Right entitles you to subscribe for one (1) Warrant in the Company which will in turn be converted into a fully paid Share upon payment in full of the Price of $NZ 0.09 in the instalments more specifically described below.

Rights holders may not apply for Warrants in excess of the number to which they are entitled. Acceptance amounts for Warrants in excess of Rights holders' entitlements will be refunded without interest. Refunds will be posted within 7 calendar days of allotment of the Warrants.

A maximum of 49,301,125 Warrants will be issued, based on the present issued capital of 73,809,400 shares and the rounding up to minimum holdings of 2,000 Warrants.

Price payable to convert each Warrant to a fully paid Share: NZ9 cents

Instalment payment terms:	1 cent on acceptance of entitlement to Warrant 1 cent in 12 months, and 7 cents within 5 years of the Issue Date referred to on page 7, to convert each Warrant to a fully paid Share. Any such payments will be on account of the issue price of the fully paid Share, i.e. 9 cents.

New Zealand currency only is referred to in this document.

Notwithstanding the foregoing, the Price may be paid for in full at any time by the holder of the Warrant prior to 5 years to the Expiry Date (provided that the Warrants will automatically lapse if any instalment is not paid when due, as described in the following paragraph). Upon payment in full each Warrant will be converted to a fully paid Share.

If the holder of a Warrant fails to pay any instalment of the Price due within the time allowed, the relevant Warrant will expire automatically and in that event you will have no claims of any kind against the Company. **You will not be entitled to a refund of any sums paid to the Company in respect of any instalment of the Price. Equally, in no circumstances will the Company have an entitlement to make any call or otherwise demand payment in respect of any outstanding instalment of the Price or to require the conversion of any Warrant**.

Each Share issued on conversion of a Warrant shall rank equally in all respects with the existing fully paid ordinary shares in the Company at the time of conversion and will give the holder the right to one vote on a resolution at a meeting of shareholders (subject to any restrictions in the Company's Constitution and the New Zealand Stock Exchange ("**NZSE**") and (prior to the removal of the Company from the official list of the ASX with effect from 1 July 2002, as more particularly explained in the sixth paragraph on page 19 of this Disclosure Document), the Australian Stock Exchange ("**ASX**") Listing Rules), the right to dividends authorised by the Board and the right to a proportionate share in any distribution of surplus assets of the Company on any liquidation. Further detail of the rights attaching to the Shares is set out on pages 29 and 30 of this Disclosure Document.

Investors should also refer to the Constitution of the Company, which may be viewed during normal business hours at the registered office of the Company in Auckland and the Perth office of the Company, the addresses of which are given on page 31 of this Disclosure Document.

Any share splits or consolidations following issue of the Warrants and prior to conversion to fully paid Shares will be taken into account in converting Warrants to fully paid Shares. Fractions will be disregarded.

A Warrant does not entitle the holder to:

- Vote at a meeting of the Company's shareholders; or
- Participate in any dividends declared by the Board; or

- Participate with other securities in the residual assets upon liquidation of the Company.

Each Warrant does entitle the holder to:

- Certain information from the Company, including its annual and half yearly reports and notices of meetings;
- Any other rights conferred by the Constitution and the Companies Act 1993; and
- Attend (but not vote at) any general meetings of the Company.

Your right to participate in this Offer is renounceable, in whole or in part, in favour of any other person.

If the Company receives on or before the Closing Date both an acceptance by a Rights holder and a renunciation in respect of the same Right, the Company will give effect to the renunciation in priority to the acceptance.

Rights holders may not apply for Warrants in excess of the number to which they are entitled. If you wish to acquire additional Warrants, you may buy Rights on the NZSE during the Rights Trading Period. To do so, you should contact a member of the NZSE.

None of the Warrants being offered under this Offer have been reserved for any class of applicant or are otherwise not available to the holders of Existing Shares under this Offer.

Shareholders wishing to increase their holdings or "round up" their holdings to a marketable parcel may purchase Rights on the NZSE , and are advised to contact a member of the NZSE for that purpose.

Important dates in respect of this issue are summarised in the following timetable:

Record Date – entitlements to Rights determined	Friday 24 May 2002
NZSE Rights Trading Commencement Date	Monday 27 May 2002
Despatch Date – Investment Statement and Entitlement & Acceptance Forms despatched to existing shareholders	Monday 27 May 2002
Cease Quotes Date – NZSE Rights trading ends	Wednesday 19 June 2002
Closing Date – date on which the Offer closes, at 5 pm (New Zealand time)	Friday 21 June 2002
Issue Date and statement despatch date – date for allotment of Warrants and despatch of statements in respect of the Warrants for which valid applications are received	Thursday 27 June 2002

These dates are indicative and are subject to change with the approval of the NZSE.

Application has been made to the NZSE for permission to list the Warrants and all the requirements of the NZSE relating thereto that can be complied with on or before the date of distribution of this Disclosure Document have been duly complied with. However, the NZSE accepts no responsibility for any statement in this Disclosure Document.

The Company does not intend to apply to the ASX for quotation of the Rights or the Warrants.

The Company intends to issue the Warrants on the Issue Date mentioned above, but in any event no securities will be issued on the basis of this Disclosure Document after 31 July 2002 (other than any Shares resulting from conversion of the Warrants).

Who is involved in providing it for me?

Names and addresses

Issuer
The issuer is Heritage Gold NZ Limited (registered number AK/276623). Its registered address is:

New Zealand Registered Office:
Heritage Gold NZ Limited
541 Parnell Road
Parnell
Auckland
New Zealand

Principal Australian Office:
1st Floor, 25 Richardson Street
West Perth WA 6005
Australia
Telephone (+61 8) 9481 2040
Facsimile (+61 8) 9481 2041

Activities

Heritage is a mineral exploration company that has been active, principally in New Zealand, since it was incorporated in 1985. It currently explores for gold in the Coromandel region of New Zealand and for cobalt near Broken Hill in Australia.

Heritage also has investments in other listed companies not connected with mining. Through its wholly owned subsidiary, Coromandel Gold Limited, it holds 21,046,233 shares in Cadmus Technology Limited and 30,412,487 shares in E-cademy Holdings Ltd, both companies currently listed on the NZSE.

Heritage's minerals interests in Australia and New Zealand include:

- 33% of Broken Hill Cobalt Limited which owns the Thackaringa cobalt project near Broken Hill in New South Wales, Australia.

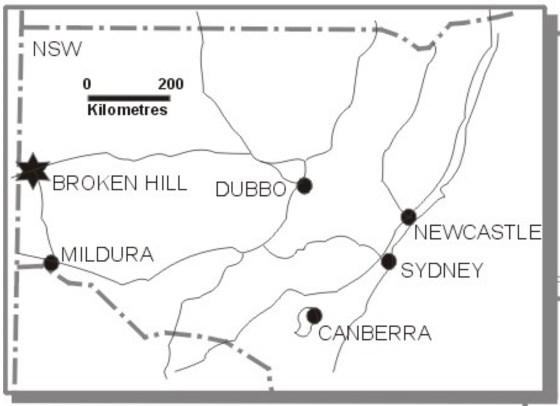
- 100% equity in 3 epithermal gold/silver properties in the Coromandel region of New Zealand, known as:

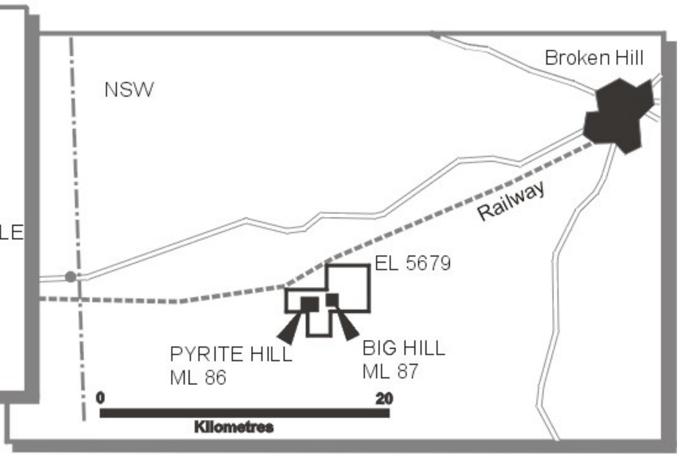
  - Waihi North, an exploration permit that lies between the Martha open pit gold mine at Waihi and the former Golden Cross mine 10km to the north;
  - Karangahake, which includes a major historic gold/silver mining centre in the Waihi district; and
  - Onemana, a discovery by Heritage of significant gold/silver mineralisation 18 km north northeast of Waihi.

Thackaringa Cobalt Project

Heritage has a 33% interest in Broken Hill Cobalt Limited ("BHC"), which owns two mining leases covering the Thackaringa Cobalt Project, 25km southwest of Broken Hill in New South Wales. BHC has an option to purchase a surrounding exploration licence from Western Metals Limited for AU$100,000 (or AU$50,000 and a royalty), which expires on 31 May 2002.

THACKARINGA COBALT PROJECT - BROKEN HILL N S W AUSTRALIA





The existing resource at Thackaringa is estimated to be 10.6 million tonnes at 0.10% cobalt within 100 metres of the surface, including 5 million tonnes at 0.14% cobalt. The directors believe that there is potential for a significantly larger resource within the project area.

Heritage is managing exploration for BHC and is currently sole funding exploration work.

Metallurgical testwork previously has shown that stirred tank leach tests using a bioxidation process may release a substantial percentage of cobalt. Metallurgical tests using a microwave process developed in Canada have demonstrated up to 63% cobalt extraction.

Further testwork and drilling for bulk samples is planned for the 2002 – 2003 financial year.

Waihi North Gold Project

The exploration permit contains several areas of hydrothermal alteration and gold mineralisation. Younger rocks partly obscure the potentially mineralised older rocks that also host the Martha and, newly discovered, Favona deposits on tenements beneficially owned by the Normandy Group ("Normandy") to the south of the Waihi North Project.

At Waihi North there has previously been very little exploration using modern techniques.

Heritage has identified structures which the directors believe have potential to host analogues of the Martha and Favona high grade gold deposits. Extensions of the Martha hydrothermal alteration and quartz vein system occur in the southern part of the Waihi North permit.

Future work will involve detailed geological mapping and sampling, and ground geophysical surveys to aid selection of targets for exploratory drilling.

The discovery last year of a high grade gold deposit at Favona, adjacent to the Martha treatment plant, is the most significant find in the Waihi district in the past 20 years. It highlights the major gold potential of the district, an area regarded as significantly under-explored by international standards.

Normandy's Favona High Grade Gold Discovery

In mid 2001 Normandy discovered a high grade gold deposit on land it owns about 2km south of the Martha open pit at Waihi. The Favona discovery, adjacent to the Martha treatment plant, is believed by Heritage directors to have potential for a 2 million ounce deposit producing at 200,000 ounces per annum (reported in Sunday Star Times 11 November 2001 and The Independent 28 November 2001, Auckland). Gold intersections published by Normandy to date include:

16m at 27.8 g/t
10m at 20.8 g/t
30m at 10.1 g/t
7m at 12.8 g/t
6m at 83.0 g/t
5m at 11.7 g/t
1m at 24.0 g/t
19m at 9.0 g/t

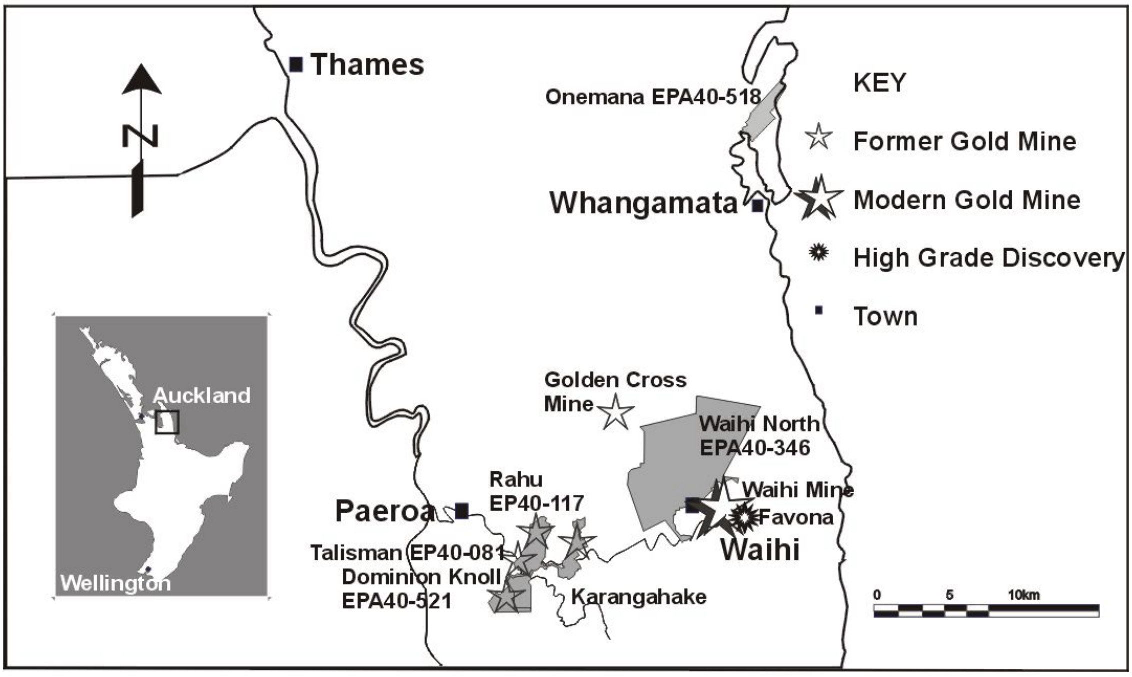
The mineralisation reportedly consists of "multiple parallel high grade quartz veins" and there is "excellent potential to expand the ore zone" (Normandy quarterly report to 30 September 2001, released by ASX on 25 October 2001).

Cash operating costs estimated for the Favona deposit are slightly above NZ$200 per ounce.

Normandy has recently been taken over by Newmont Mining Corporation which is now acquiring 100% of its shares (Newmont Mining Corporation news release to New York Stock Exchange, 27 February 2002).

Preliminary work by Heritage at Waihi North has shown the area contains structures similar to those known to host mineralisation at Martha, Favona and Golden Cross.

COROMANDEL GOLD PROJECTS NZ - LOCALITY MAP



Karangahake Gold Project

Karangahake lies about 9km west of the Martha mine.

The project includes two granted exploration permits and an exploration permit application covering two major historic mining centres – Talisman and Owharoa – and a large mineralised vein system at Rahu. These lie in the same northeast structural zone that hosts the Golden Cross mine. Talisman was historically the second largest gold/silver mine in New Zealand, producing approximately 1 million ounces of gold and 3 million ounces of silver from 1878 until small scale mining ceased in 1993.

Previous underground drilling encountered bonanza grades. For example, Cyprus Minerals intersected 1.8 metres at 656g/t gold and 2080g/t silver.

Several small moderate to high grade gold deposits have been identified in remnant ore blocks in the Talisman mine.

Exploration work by Heritage has outlined a number of wide (80m +) quartz vein zones, with strike lengths of over 1km, not previously evaluated using modern exploration technology.

The directors believe the property has potential for a 2 million ounce gold deposit in extensions and parallel structures to previously mined areas, amenable to underground mining.

Work planned includes development of a digital database to model structure and mineralisation. This, along with further sampling and geophysical surveys, will be used to outline specific drilling targets in the zones identified.

Onemana Gold Project

The Onemana gold/silver discovery was made by Heritage's geologists in an area with very little surface evidence of mineralisation and no previous mining history.

An earlier programme of core drilling by Heritage yielded encouraging results in several holes. Better results included:

Hole ONDD1: 6 metres at 5.7 g/t gold, 237 g/t silver from 53 metres
(including 1 metre at 16.3 g/t gold, 580 g/t silver from 57 metres);
3 metres at 3.01 g/t, 10g/t silver from 79 metres.

Hole ONDD5: 3 metres at 1.2 g/t gold, 138 g/t silver from 225 metres ;
1 metre at 19.15 g/t gold, 226 g/t silver from 241 metres.

The directors believe that the property has potential for high grade gold/silver vein deposits at moderate depth, amenable to underground mining with a potential target size of a one million plus ounce gold deposit. After granting of the current exploration permit application Heritage plans completion of access negotiations with the holder of the forestry cutting rights and design of a drilling programme to test a structural model developed for the mineralisation.

How much do I pay?

Monies payable by subscribers

Holders of Existing Shares at 5pm (New Zealand time) on the Record Date are automatically entitled to the Rights at no monetary cost. The Initial Payment of 1 cent per Warrant is payable upon acceptance of the Rights to take up the Warrants to which each shareholder is entitled.

Application for the Warrants must be made so as to be received no later than 5pm (New Zealand time) on Friday 21 June 2002 (Closing Date). The Directors reserve the right to extend the Closing Date.

Any subscription money paid by an investor for Warrants will be held on trust for that investor until the Company effects the issue to the investor of the relevant number of Warrants, at which time the relevant funds will be released beneficially to the Company.

To Accept your Entitlement in full – Entitlement & Acceptance Form

You must complete and sign the enclosed Entitlement & Acceptance Form (stating how many Warrants you wish to accept). You must send a cheque made payable to: "Heritage Gold NZ Limited Warrant Offer" and crossed "Not Transferable" in New Zealand dollars for the acceptance amount, together with the completed Entitlement & Acceptance Form to be received by no later than 5pm on Friday 21 June 2002 to:

BK Registries Limited
PO Box 384
Ashburton
New Zealand

or to any member of the NZSE, or the Organising Broker in time to enable forwarding to the Share Registrar in New Zealand by 5pm (New Zealand time) on Friday, 21 June 2002.

To Sell your Entitlement in Full:

(i) instruct a member of the NZSE to sell the number of Rights specified on the enclosed Entitlement & Acceptance Form; and

(ii) complete and sign the Security Transfer Form (which is on the reverse of the enclosed Entitlement & Acceptance Form); and

(iii) send the completed Security Transfer Form promptly to the member of the NZSE you instructed to sell your Rights, in sufficient time to enable forwarding to the Share Registrar in New Zealand by 5pm on Friday 21 June 2002; and

(iv) do not complete the enclosed Entitlement & Acceptance Form.

(v) Rights may only be traded in the period between Monday 27 May 2002 and Wednesday 19 June 2002.

To Accept Part of Your Entitlement and Sell the Balance:

(i) instruct a member of the NZSE to sell the number of Rights you wish to renounce; and

(ii) complete and sign the Security Transfer Form (which is on the reverse of the enclosed Entitlement & Acceptance Form) for the number of Rights you wish to renounce; and

(iii) complete and sign the enclosed Entitlement & Acceptance Form, in accordance with the instructions on that form, for the number of Warrants you wish to accept; and

(iv) attach your cheque (denominated in New Zealand currency, made payable to "Heritage Gold NZ Limited Warrant Offer" and crossed "Not Transferable") for the appropriate amount payable on acceptance; and

(v) forward your cheque and the signed Entitlement & Acceptance Form (including the completed Security Transfer Form) to the member of the NZSE you instructed to sell your Rights, in sufficient time to enable forwarding to the Share Registrar in New Zealand by 5pm on Friday 21 June 2002.

(vi) Rights may be traded in the period between Monday 27 May 2002 and Wednesday 19 June 2002.

NB:

Please note that post-dated cheques will not be accepted.

Applications cannot be revoked or withdrawn and acceptance amounts (except in the case of oversubscription by a Rights holder) will not, therefore, be refunded. **As indicated above, you should note that the Company reserves the right to extend the Offer and that such extension may result in the dates referred to in the table on page 7 of this Disclosure Document being altered.**

If you wish to sell any of your Rights, you must do so before Rights trading ceases on Wednesday 19 June 2002. If you need any assistance you should contact a member of the NZSE , your financial or legal adviser, or the Organising Broker.

The Initial Payment on acceptance of the Warrants is NZ$ 0.01 (one cent New Zealand) in respect of each Warrant. The further instalments of the Price payable to convert each Warrant are as follows:

> 1 cent 12 months after the date of issue; and
> 7 cents within 5 years of the Issue Date, to convert each Warrant to a fully paid Share.

There may be taxation consequences, brokerage costs and in Australia, stamp duty payable if you sell all or part of your Rights or if the Warrants are transferred or sold by you.

If the holder of a Warrant fails to pay any instalment of the Price due within the time allowed, the relevant Warrant will expire automatically and in that event you will have no claims of any kind against the Company. **You will not be entitled to a refund of any sums paid to the Company in respect of any instalment of the Price. Equally, in no circumstances will the Company have an entitlement to make any call or otherwise demand payment in respect of any outstanding instalment of the Price or to require the conversion of any Warrant**.

The Offer is not conditional on the Company receiving any minimum level of subscription.

What are the charges?

There are no monetary charges for the Rights under this offer. Upon acceptance, there is one (1) cent per Right payable for the issue to you of each Warrant.

Details of the instalments payable in respect of the Price and the due dates for such instalments are set out in the section headed "How much to I pay" on pages 12 to 14 of this Disclosure Document.

The Offer is partially underwritten by McDouall Stuart Group Limited (the "Underwriter") pursuant to an underwriting agreement between it and the Company dated 13 May 2002. An underwriting fee of 5% of the aggregate Initial Payments in respect of the Warrants underwritten pursuant to the underwriting agreement is payable by the Company to the Underwriter (i.e. a fee of NZ$16,000). The

Underwriter will subscribe for or cause the subscription for up to 32,000,000 Warrants in respect of which Rights are not otherwise accepted.

McDouall Stuart Securities Limited will act as Organising Broker for the Offer and the Company will pay the Organising Broker NZ$ 10,000 plus GST.

The Company estimates that its costs in respect of the Offer, other than amounts paid to the Underwriter, will be NZ$ 37,000 plus GST.

What returns will I get?

Returns to Holders

There is no assurance that there will be a market for the sale of the Rights or of the Warrants. If the Warrants are converted to Shares, any dividends that may be paid in future by the Company would be available to the holder of Shares. However, investors should note that the Company's present policy is not to pay any dividends. For the avoidance of doubt, prior to conversion the Warrants carry no entitlement to dividends.

Whilst there is no assurance that there will be a market for the Warrants, Rights holders who acquire Warrants may benefit from the increase in the market price of the Warrants (if any). The market price for the Warrants may also decline and no assurance can be given that investors will receive this form of return.

Any changes in the price of Warrants quoted on the NZSE will be dependent upon a number of factors, some of which are not within the Company's control.

A holder of Rights may either:

- retain the Rights and apply for one Warrant for every Right held,
- instruct their stockbroker to sell all their Rights during the Rights Trading Period,
- retain some Rights and apply for one Warrant for every Right retained and instruct their stockbroker to sell the balance of the Rights during the Rights Trading Period; or
- do nothing with the Rights, in which event the Rights will lapse immediately after 5pm on the Closing Date.

There is no assurance that there will be a market for Rights or Warrants. The return (if any) from selling the Rights or Warrants will depend on a number of factors, including whether there is a market for the Rights or Warrants, the demand, volumes and prices quoted on the NZSE at the time of sale and the price of the Shares.

Some factors which may have an influence on your returns on the Rights and Warrants and on the Company's share price are:

- changes in the demand for gold and cobalt resulting in lower prices for the metals;

- the demand for Rights, Warrants and Shares relative to their supply;

- the Company's exploration successes;

- the costs of extracting gold and cobalt at projects in which the Company holds interests;

- weather conditions at projects in which the Company holds interests;

- adverse changes in currency exchange rates;

- cashflow requirements for development progress; and

- the Company currently has a policy of not paying dividends and the Directors are unable to predict when any dividend may be paid in the future. This will depend on a number of factors including: the future success, profitability and financial position of the Company.

Taxation and changes to taxation laws may also affect your returns on the Rights, Warrants and Shares derived from them.

What are my risks?

Risks

Investments in the Company can be considered speculative. Risks associated with investment in the Company include risks of a general nature relating to investment in shares and securities generally where the company invested in has a small market capitalisation together with risks particular to investment in the Company, which risks relate to the nature of its activities, being mineral exploration.

Investors in the Company will also be subject to normal risks relating to the general levels of economic activity and macro-economic factors beyond the control of the Company including share market conditions which may affect the share market and share prices generally.

Specific risks which may affect the Company and its activities include project specific risks such as:

- **In relation to its various tenements in the Coromandel region of New Zealand and in New South Wales, Australia:**

  - The Company is required under the Crown Minerals Act 1991 in New Zealand to undertake exploration programmes on granted mining privileges and to report the results of this work regularly as part of its obligations to maintain the tenements in good standing. The Company is also required to pay annual fees to maintain such tenements. The Company has to date undertaken exploration work on its granted mining privileges and reported on the results of this work and maintained its tenements in good standing.

- In order to undertake high impact exploration activities, specifically drilling and bulk sampling, on its tenements the Company requires the consent of the land owner(s) and occupier(s) affected by the activity. Drilling and bulk sampling also require the granting of resource consents under the appropriate district and regional plans controlling environmental impacts in New Zealand under the Resource Management Act 1991. To date the Company has secured the required consents from land owners and occupiers and the necessary resource consents to enable it to carry out exploration work on its tenements.

- In order to undertake exploration work on land which is subject to the Conservation Act 1987 in New Zealand the Company requires the consent of the Minister of Conservation. To date the necessary consents required for exploration of the Company's tenements on such land have been granted.

- The Company's tenements may be affected by claims made by Maori under the Treaty of Waitangi. All of the Company's New Zealand tenements lie within Maori claims made under the Treaty. Notwithstanding such claims the New Zealand Government has stated that settlement of the claims will not include transfer of private land. Nor has there been any suggestion by the New Zealand Government that it will transfer ownership of gold or other crown owned minerals in order to settle such claims.

- All of the Company's tenements in New Zealand cover crown owned gold.

- Arising out of the impact of the New Zealand Crown Minerals Amendment (No2) Act 1997 on the Company's tenements the Company is seeking compensation from the New Zealand Government, as noted below.

- The Company is required under the Australian-NSW Mining Act 1992 and the regulations thereto as amended, to undertake exploration on granted mining tenements and to report the results of this work regularly as part of its obligations to maintain the tenements in good standing.

- Native title and native title sites may adversely affect the Company's interests in mining tenements in New South Wales or its ability to exploit the minerals contained within those tenements.

- Where native title rights exist in respect of any part of the tenements in New South Wales, the ability of Heritage to move from exploration to the mining phase of operations would be affected. This could significantly delay progress until agreement was negotiated with the native title claimants, whereby the claimants would consent to the grant of mining leases in return for compensation or other consideration which might have to be borne by Heritage. If agreement could not be reached by negotiation, the matter could be placed before the National Native Title Tribunal for resolution.

- **If the Company is liquidated, it is reasonably foreseeable that you will be unable to convert your Warrants into Shares or, if such conversion has already occurred it is reasonably foreseeable that you will receive less money, if any, than you paid the Company on payment in full of the Price.**

- **In relation to the Company's claim for compensation from the New Zealand Government:**

  - It should be noted that litigation is by its nature uncertain. The Company is not in a position to comment on the likely outcome of the litigation at this stage.

  - If the compensation claim is unsuccessful and if a costs award is made against the Company, the Company would be liable for those costs.

- **In relation to the Company's operations generally:**

  - Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact on commodity prices including gold prices.

  - Fluctuations in the price of gold may affect the potential economic viability of the Company's operations. Commodity prices react to the economic climate, market forces of supply and demand and other factors outside the control of the Company.

  - Exploration and mining activity has been demonstrated over the years to be subject to numerous risks. Exploration in particular is a speculative activity and success in identifying economically recoverable reserves can never be guaranteed. Where exploration is successful and mining operations commence they can be interrupted by adverse weather conditions, labour disputes, civil unrest, unforeseen increases in establishment and operating costs, mining and metallurgical problems and other factors over which the Company may have little control.

  - The Company will be subject to environmental risks. The legal framework governing this area of the law is constantly developing and as a consequence not all future liabilities and obligations can be foreseen. Without limiting the generality of the above the Company may be required in future to undertake clean up programmes resulting from any contamination from operations in which it participates. The Company is not presently aware of any material issue in this regard.

  - Following cessation of any present and future operations the Company will be required to participate in rehabilitation programmes, removing disused plant and equipment and where necessary restoring land that has been disturbed in the course of operations.

- There are macro-economic risks to which the Company is subject including changes in Government policy, taxation laws and many other factors which may influence or affect the viability of any mining project.

- Adverse weather conditions may affect the Company's exploration activities.

- **In relation to the Company's listings on the NZSE and the ASX:**

  - The Company has its primary listing on the NZSE and to retain quotation of its securities on the NZSE it must comply with the Listing Rules of that stock exchange. Any serious breach of the NZSE Listing Rules by the Company, whether inadvertent or otherwise, may result in the suspension or even delisting of the Company and loss of quotation of its securities.

  - The Company currently has an Exempt Foreign Entity Listing on the Australian Stock Exchange which will cease as from 1 July 2002. While the Company remains listed on the ASX it is required to comply with several specific Listing Rules of the ASX that are relevant to this listing category. If, before 1 July 2002, the Company breaches any such rule, or if it is suspended or delisted by the NZSE, then its listing on the ASX is likely to be suspended or cancelled, with the resulting loss of quotation of its securities.

  - The ASX has confirmed that a proposal to remove the Exempt Foreign Entity category of listing for NZSE listed companies will be effective as from 1 July 2002. Accordingly, quotation of the Company's securities on the ASX will cease as from 1 July 2002. This will not affect the Company's listing on the NZSE, where the Company's shares should continue to be traded.

  - The Company has written to its Australian shareholders explaining how they may continue to trade the Company's shares on the NZSE or alternatively through the Newcastle Stock Exchange ("NSX") (conditional on the Company arranging to list on the NSX). However, no assurance can be given that the Company's shares will be accepted for listing on the NSX and the NSX accepts no responsibility for any statement in this Disclosure Document.

Consequences of insolvency

If the Company becomes insolvent and is placed into liquidation or receivership, investors will have no liability for any further payment in regard to Warrants. In these circumstances, holders of ordinary shares in the Company would not receive any return of capital until the Company had paid all of its creditors, both secured and unsecured, including the costs of liquidation. Depending on the value of the Company's assets it may not, after paying all its creditors and expenses, have sufficient funds to repay its ordinary shareholders in full. In these circumstances, the Company's investors may not recover some, or all of their original investment in the Company. In liquidation, all ordinary shareholders will rank equally. Warrants will not carry any right to participate with other securities in the Company in the residual assets of the Company upon liquidation of the Company and in such event Warrants will automatically lapse and Warrant holders will have no claims of any kind against the Company (whether in respect of any instalments of the Price paid by them or otherwise). Ordinary shareholders who have paid the full amount due to the Company in respect of their shares are not liable to anyone for any payment in the event of the Company's insolvency or otherwise.

Can the investment be altered?

Alteration of securities

The rights attaching to the Warrants are set out under the heading "What sort of investment is this?" and in the section headed "Terms and conditions of the Warrants and description of Shares" on pages 26 to 29 of this Disclosure Document. These rights may be altered by a special resolution of the holders of the Warrants.

The rights conferred on the Company's shareholders are set out in the New Zealand Companies Act 1993 (the "**Act**"), the Australian Corporations Act and the Company's constitution, and also the applicable Listing Rules of the NZSE and the ASX, with the Listing Rules of the ASX applying until the removal of the Company from the official list of the ASX, as described in paragraph six of page 19 on this Disclosure Document. The Company's constitution is a listed company's constitution. Shareholders' rights may be negated, altered or added to by an amendment of the Constitution, which may be made by a special resolution of shareholders. A special resolution requires the approval of 75% of the votes of shareholders affected by the relevant matter, to be valid.

Heritage may not take any action which would affect the rights of shareholders, without approval by special resolution of those shareholders or Warrant holders, whose rights would be affected by the action in question. A special resolution must be approved by a majority of the votes of 75% of those shareholders entitled to vote and voting on that resolution.

Major transactions and those that would change the nature of the Company's business also require the approval of a special resolution.

How do I cash in my investment?

Right to sell securities

Your Rights are renounceable, in whole or in part, in favour of any other person. The Rights will be tradeable on the NZSE during the Rights Trading Period.

Application has been made to the NZSE for permission to list the Warrants and all the requirements of the NZSE relating thereto that can be complied with on or before the date of distribution of this Disclosure Document have been duly complied with.

However, the NZSE accepts no responsibility for any statement in this Disclosure Document.

Shareholders are entitled to sell their Warrants to other persons. The Company believes that, although there is currently no market for the Rights or the Warrants as they are new securities, there should be an established market for them in the future.

There is an established market for the Company's Shares and, subject to demand, you may sell your Shares on the NZSE. As indicated above, the ASX will remove the Exempt Foreign Entity category of listing for NZSE listed companies with effect from 1 July 2002 and, the Company will cease to be listed on the ASX with effect from 1 July 2002. This will not affect the Company's listing on the NZSE, where the Company's shares should continue to be traded. In that regard see also the comments on page 19 in relation to the Company's listings on the NZSE and ASX.

There are likely to be brokerage costs payable if the Rights, Warrants or any Shares derived from them are sold through a broker.

It should be noted that no assurance can be given by the Company that the Rights and/or the Warrants will be quoted or, if quoted, will remain quoted. Furthermore, the Company can give no assurance that the Company will ultimately remain listed on the NZSE.

Who do I contact with enquiries about my investment?

Enquiries about securities

Enquiries should be directed to:

The Chairman
Heritage Gold NZ Limited
541 Parnell Road
Parnell
Auckland
New Zealand
Phone:(+ 64 9) 303 1893
Fax: (+ 64 9) 303 1612
Email: hmining@xtra.co.nz

Enquiries about present shareholdings can be made to:

In New Zealand:
Share Registrar
Heritage Gold NZ Ltd
C/- BK Registries Ltd
PO Box 384
Ashburton
New Zealand
Phone: (+ 64 3) 308 8887
Fax: (+64 3) 308 1311

In Australia:
Share Registrar
Heritage Gold NZ Ltd
C/- Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Australia
Phone: (+61 2) 9279 0677
Fax: (+61 2) 9279 0664

Is there anyone to whom I can complain if I have problems with the investment?

Complaints about securities

Any complaints or problems with the investment should be addressed to:

The Chairman
Heritage Gold NZ Limited
541 Parnell Road
Parnell
Auckland
New Zealand
Phone: (+ 64 9) 303 1893
Fax: (+ 64 9) 303 1612
Email: hmining@xtra.co.nz

Complaints may not be made to any ombudsman in New Zealand.

What other information can I obtain about this investment?

Short Form Prospectus and Financial Statements

Further details on the terms of the offer and additional information about the Company is contained in the Short Form Prospectus and in the Company's financial statements. Copies of the Company's most recent annual report and financial statements, the Investment Statement and the Short Form Prospectus may be obtained free of charge from the Company's offices in Auckland (New Zealand)and Perth (Australia), which are listed in the Corporate Directory on page 31.

The Short Form Prospectus and financial statements are also filed on a public register at the Companies Office of the Ministry of Economic Development, Level 5, District Court Building, 3 Kingston Street, Auckland, New Zealand.

Ongoing reports to shareholders

Warrant holders will be sent annual audited financial statements and the annual report of the Company and the half yearly report. The Board may choose to distribute further reports according to investor demand.

The Company operates an Internet site (www.heritagegold.co.nz) from which general information about the Company is available.

On request information

The Constitution contains, among other matters, information relating to the rights of the shareholders. A copy of the Constitution and annual reports, and financial statements, when prepared, are kept on the public file of the Company and are available for inspection during normal business hours at:

In New Zealand:
Companies Office
Commercial Affairs Division
Ministry of Commerce
3 Kingston Street
Auckland
New Zealand

In Australia:

ASIC Service Centre
Level 36
66 St Georges Terrace
Perth WA 6005
Australia

Or, free of charge, at:

Heritage Gold NZ Limited
541 Parnell Road
Parnell
Auckland
New Zealand

Definitions and interpretation

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means the Australian Stock Exchange Limited or the market that it operates (as the context requires).

"**Australian Corporations Act**" means the Australian Corporations Act 2001.

"**Board**" means the Board of Directors of Heritage Gold NZ Limited.

"**Cease Quotes Date**" means the date so described in the table under "Description of Securities" in this Disclosure Document.

"**Company**" and "**Heritage Gold**" means Heritage Gold NZ Limited (New Zealand Registered Company Number AK/276623, Australian Registered Body Number 009 474 702, including its subsidiaries.

"**Constitution**" means the constitution of the Company as amended from time to time.

"**Directors**" means the directors of the Company.

“**Entitlement & Acceptance Form**” means the Entitlement & Acceptance Form that accompanies this Investment Statement for security holders whose address is in New Zealand, Australia or such other jurisdiction in which this Offer may legally be made.

“**Existing Share**” means a fully paid ordinary share in the Company on issue at 5pm on the Record Date.

“**Expiry Date**” means the date falling 5 years after the Issue Date.

“**Initial Payment**” means NZ$0.01.

“**Investment Statement**” or “**transaction specific prospectus**” or “**Disclosure Document**” means this document.

“**Issue Date**” means the date so described in the table under “Description of Securities” in this Disclosure Document.

“**Listing Rules**” means the listing rules of the New Zealand Stock Exchange or Australian Stock Exchange Limited, as the context requires, as amended from time to time and for so long as the Company is admitted to the official list of such Exchange.

“**NSX**” means the Newcastle Stock Exchange.

“**NZSE**” means the New Zealand Stock Exchange.

“**Offer**” means the offer of Warrants pursuant to the Investment Statement and the Short Form Prospectus.

“**Organising Broker**” means McDouall Stuart Securities Limited.

“**Price**” means $NZ0.09 (nine cents New Zealand).

“**Right**” means the renounceable right to accept one Warrant in the Company issued pursuant to this Disclosure Document and the Short Form Prospectus.

“**Rights Trading Commencement Date**” means the date so described in the table under “Description of Securities” in this Disclosure Document.

“**Rights Trading Period**” means the period from the Rights Trading Commencement Date until the close of business on the Cease Quotes Date.

“**Share**” means one ordinary share in the Company.

“**Short Form Prospectus**” means the short form prospectus dated 15 May 2002 relating to the Offer registered with the public register at the Companies Office of the Ministry of Economic Development, Level 5, District Court Building, 3 Kingston Street, Auckland, New Zealand.

“**Underwriter**” means McDouall Stuart Group Limited

“**Warrant**” means the warrant convertible to one fully paid Share upon payment in full of the Price, pursuant to the Warrant Terms.

“**Warrant Terms**” means the terms and conditions of the Warrants which are included in this Investment Statement.

Terms and conditions of Warrants and description of Shares

TERMS & CONDITIONS OF WARRANTS

The terms and conditions of the Warrants subject to this Offer are as follows:

(a) Conversion of Warrants

Each Warrant will convert to one fully paid Share upon the Warrant holder paying the Price in full. The Price is payable as follows:

1 cent on acceptance of entitlement to Warrant
1 cent in 12 months, and
7 cents within 5 years of the Issue Date, to convert each Warrant to a fully paid Share.

Any such payments will be on account of the issue price of the fully paid Share, i.e. 9 cents.

Notwithstanding the foregoing, a Warrant may be paid for in full at any time by the holder prior to the Expiry Date (provided all prior instalments have been paid when they fall due). Payment of each amount due in respect of the Warrants should be made by a cheque made payable to: “Heritage Gold NZ Limited Warrant Offer” and crossed “Not Transferable”. All cheques must be in New Zealand dollars and should be sent to the Share Registrar at the address set out on page 13 of this Disclosure Document, to arrive no later than 5 p.m. on the date upon which the payment in question is due. If the holder of a Warrant fails to make any payment due in respect of the Price on or before 5pm on the relevant date detailed above, the relevant Warrant will lapse immediately after 5 p.m. on that date and in that event, the Warrant holder will not be entitled to a refund of any sums paid to the Company in respect of any instalment of the Price or have any claims of any kind against the Company. The Company shall have no entitlement to make any call or otherwise demand payment in respect of any outstanding instalment of the Price. Holders of Warrants will be reminded of any payments due and their right to exercise the Warrants at least 20 Business Days prior to the relevant date.

Warrants will convert on or before 5 p.m. on the Expiry Date upon the Warrantholder making payment in cleared funds of all of the sums mentioned above. Such payment may be made in respect of some, and not all, of the Warrants which holders are entitled to convert into Shares, provided a minimum holding (as defined in the NZSE Listing Rules) of Shares will be held as a result.

(b) Rights and conditions

(i) Shares allotted upon conversion of the Warrants will rank from the date of their issue *pari passu* in all respects with the existing issued ordinary shares in the Company at the time of exercise of the Warrants. The Company will apply for official quotation of the Shares allotted upon conversion of the Warrants on each exchange on which its ordinary shares are then quoted within 3 business days of allotment.

(ii) During the currency of the Warrants, Warrant holders will be offered participation in all new cash issues of capital and securities of the Company or of any other company, which are offered pro rata to shareholders of the Company, on the same basis as such shareholders, provided their Warrants have been converted before the entitlements in respect of such issue are determined.

(iii) On conversion, Warrants will rank for any bonus issue made since the date of allotment of such Warrants, but will not be entitled to any bonus securities before conversion.

(iv) If before the conversion or lapse of the Warrants, the Company makes a pro rata rights issue to holders of shares in the Company, the relevant conversion price shall be reduced by the Board according to the formula set out below and there shall be no change in the number of Shares to which a Warrant holder is entitled upon the conversion of his or her Warrants:

$$\text{AdjustedConversionPrice} = O - \frac{E[P-(S+D)]}{N+1}$$

where:

O = the previous conversion price of the Warrant

E = the number of Shares which one Warrant will be converted into

P = the average market price per share (weighted by reference to volume) of the Shares sold in the ordinary course of trading on the New Zealand Stock Exchange during the 5 business days ending on the day before the ex rights date

S = the subscription price for a security under the rights issue

D = any dividend per share due but not yet paid on existing Shares (except those issued under the rights issue)

N = the number of Shares with rights or entitlements that must be held to receive a right to one new security.

(v) Subject to the laws of New Zealand and Australia as applicable, the Listing Rules, the Constitution and the other terms and conditions of the Warrants, the Warrants may be transferred at any time prior to the Expiry Date and transfers will be recorded in a warrant register maintained for that purpose.

(vi) Warrant holders appearing on the register of the Company at the relevant date will be entitled to receive all reports and financial statements required to be laid before the shareholders in general meetings and all other notices and reports sent to shareholders. Warrant holders will have the right to attend but shall not have the right to vote at general meetings of shareholders in respect of the Warrants held by them. Warrants will not carry any right to dividends nor any right to participate with other securities in the Company in the residual assets of the Company upon liquidation of the Company (and in the event of the liquidation of the Company, the Warrants will automatically lapse).

(vii) On any consolidation, subdivision or other reconstruction of ordinary shares in the Company, the Price will be adjusted in proportion to the reconstruction.

(viii) In any compulsory acquisition of the Company's Shares under a takeover code approved under the New Zealand Takeovers Act 1993, the Warrants shall become capable of immediate conversion (subject to payment in full of the Price) notwithstanding any other term. If the Warrants are not paid for in full and exercised within 10 working days of notice to the holders of the compulsory acquisition, they will lapse.

(ix) These terms and conditions may only be altered by the Company with the approval of 75% or more of the votes of the Warrant holders exercised at a duly convened meeting of the Warrant holders, with each Warrant holder present at such meeting, whether in person or by proxy or representative being entitled to exercise one vote per Warrant held.

(x) Notwithstanding any other provision of these terms:

(a) the issue of further Warrants, notes, shares or other securities which rank equally with existing Warrants, whether as to voting rights, distributions or otherwise; and
(b) the amendment of these terms by the Board in order to comply with the requirements of the NZSE, or any legislation; and
(c) the exercise of any power, right or discretion given to the Board or the Company pursuant to these terms

are, for the purposes of the Constitution and the Listing Rules, deemed not to be actions affecting the rights attached to Warrants, and may be undertaken without the approval of the holders of the Warrants.

(xi) A meeting of the holders of the Warrants may be called by the Board at any time, and shall be called on the written request of persons holding Warrants carrying together not less than 5% of the voting rights entitled to be exercised on any of the questions to be considered at the meeting in question. All the provisions of the Constitution relating to meetings of holders of Shares apply, with all necessary modifications, to such a meeting, except that:

(a) the necessary quorum is two or more holders of Warrants eligible to vote at the meeting present in person or by proxy or representative, or, if there is only one eligible holder of Warrants, that holder present in person or by proxy or representative;
(b) any holder of Warrants, present in person or by proxy or representative, may demand a poll; and
(c) if the Board so elects, one meeting may be held of holders of Warrants constituting more than one group, so long as voting at that meeting is by way of a poll, and proper arrangements are made to distinguish between the votes of members of each group.

(xii) The Company shall have no entitlement to make any call or otherwise demand payment in respect of any outstanding instalment of the Price or to require the conversion of any Warrant.

(xiii) The Company may acquire Warrants (which, on acquisition, may be cancelled) in accordance with the constitution of the Company and the Listing Rules.

(xiv) Clause 42 and Schedule 4 of the constitution of the Company, or any equivalent successor provision, shall be deemed to be applicable to the Warrants and to the holders of Warrants, and to be incorporated into these terms, as if the references in clause 42 and Schedule 4 to "Securities" were to "Warrants".

DESCRIPTION OF SHARES

The following description has been included in this Disclosure Document to provide investors with a summary of the material rights, privileges, restrictions and conditions attaching to the Shares that may be issued on conversion of the Warrants. The rights, privileges, restrictions and conditions attaching to Shares are set out in full in the Constitution.

(a) Dividends

Holders of Shares are entitled to dividends as and when declared subject only to rights of holders of other shares from time to time entitled to special or prior rights to dividends. The Directors may declare dividends out of profits available to be distributed as dividends. Investors should note, however, that the Company's present policy is not to pay dividends. As at the date of this Disclosure Document there are no shares entitled to special or prior rights to dividends.

(b) Voting rights

A holder of a Share is entitled on a poll to one vote for each Share held at all general meetings of members of the Company, other than a meeting of holders of a specific class of share.

(c) Winding up

In the event of the winding up of the Company, after payment of outstanding debts and subject to the prior rights attaching to any shares from time to time ranking senior to the Shares, the remaining assets of the Company would be applied in paying all surpluses to holders of Shares in proportion to the amount paid up on such Shares held by them. All Shares allotted on the exercise of the Heritage Warrants (subject to payment of the Price) will be credited as fully paid. As at the date of this Disclosure Document there are no shares ranking senior to the Shares.

(d) Appointment and retirement of directors

The Constitution permits there to be not fewer than three or more than eight Directors or such other number as is fixed by ordinary resolution of Heritage. As at the date of this Disclosure Document there are six Directors. The Constitution requires that at the annual meeting of Shareholders in every year at least one third of the Directors for the time being (if one third is not a whole number then the nearest whole number) shall retire from office. The Directors to retire at an annual meeting shall be those Directors who have been longest in office since their last election. The retiring Directors are eligible for re-election.

EXECUTION OF DISCLOSURE DOCUMENT BY COMPANY

Signed by a director of Heritage Gold NZ Limited in accordance with Section 351 of the Australian Corporations Act. Each director of Heritage Gold NZ Limited has consented in writing to the lodgment and issue of this Disclosure Document.

____

Director

Full name:

Date

Company directory

Directors
Peter R Atkinson (Chairman)
Geoffrey G Hill
David J Williams
J Murray McKee
Ralph N Stagg

Alternate Director
Matthew G Hill (alternate to GG Hill)

Company Secretary
Alison J Griffiths

Registered (Head) Office
541 Parnell Road, Parnell
Auckland
New Zealand
Telephone (+64 9) 303 1893
Facsimile (+64 9) 303 1612
Email hmining@xtra.co.nz

Principal Office in Australia
1st Floor, 25 Richardson Street
West Perth WA 6005
Australia
Telephone (+61 8) 9481 2040
Facsimile (+61 8) 9481 2041

Auditors
Carlton DFK Chartered Accountants
Carlton DFK Centre
135 Broadway
Newmarket
Auckland
New Zealand

Solicitors
Chapman Tripp Sheffield Young,
Level 35, ANZ Building
23-29 Albert Street
Auckland
New Zealand

Share Registrars
New Zealand:
BK Registries Limited
PO Box 384
Ashburton
New Zealand
Telephone (+64 3) 308 8887

Australia:
Registries Limited
28 Margaret Street
Sydney NSW 2000
Australia
Telephone (+612) 9279 067

Organising broker
McDouall Stuart Securities Limited
Level 8
ASB Bank Tower
2 Hunter Street
PO Box 1886
Wellington
New Zealand

Underwriter
McDouall Stuart Group Limited
Level 8
ASB Bank Tower
2 Hunter Street
PO Box 1886
Wellington
New Zealand