

HARANGA RESOURCES LIMITED

ACN 141 128 841

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 New Share for every 3.26 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.018 per New Share, to raise up to \$1,444,417 (**Offer**).

The Offer is fully underwritten by Golden Rain Holdings Limited. Refer to Section 8.3 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE	2
3.	IMPORTANT NOTES	3
4.	DETAILS OF THE OFFER	9
5.	PURPOSE AND EFFECT OF THE OFFER	15
6.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	19
7.	RISK FACTORS	21
8.	ADDITIONAL INFORMATION	28
9.	DIRECTORS' AUTHORISATION	38
10.	GLOSSARY	39

1. CORPORATE DIRECTORY

Directors

Marshall Cooper
Executive Chairman

Erdene Tsengelbayar
Managing Director

Brian McMaster
Non-Executive Director

Mr Amarbaatar Chultem
Non-Executive Director

Matthew Wood
Non-Executive Director

Daniel Crennan
Non-Executive Director

Bat-Ochir Sukhbaatar
Non-Executive Director

Company Secretary

Jack James

Share Registry*

Automic Registry Services
Suite 1a, Level 1
7 Ventnor Avenue
WEST PERTH WA 6005

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Facsimile: +61 8 9321 2337

Registered Office

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SUBIACO WA 6008

Telephone: +61 8 9200 4415
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Website: www.haranga.com

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriter

Golden Rain Holdings Limited

Rooms 2302 and 2303
23rd Floor Tower One
Lippo Centre
89 Queensway Hong Kong

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	17 December 2014
Lodgement of Prospectus & Appendix 3B with ASX	17 December 2014
Notice sent to Shareholders	19 December 2014
Ex date	22 December 2014
Record Date for determining Entitlements	24 December 2014
Prospectus sent out to Shareholders & Company announces this has been completed	31 December 2014
Last day to extend the Closing Date	7 January 2015
Closing Date*	12 January 2015
Shares quoted on a deferred settlement basis	13 January 2015
ASX and Underwriter notified of under subscriptions	13 January 2015
Issue date for New Shares (including Shortfall Shares)	19 January 2015
Quotation of New Shares issued under the Offer (including Shortfall Shares)*	20 January 2015

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the New Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 17 December 2014 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares the subject of this Prospectus should be considered highly speculative.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus, and include:

- (a) sovereign risks;
- (b) operational risk;
- (c) joint venture parties, contractors and contractual disputes;
- (d) additional requirements for capital;
- (e) exploration risks;
- (f) currency risk; and
- (g) potential dilution.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

3.2 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement (assuming their Options are not exercised), is set out in the table below.

Director	Shares	Options	Entitlement (Shares)	\$
Matthew Wood ¹	8,296,553	2,500,000	2,544,955	\$45,809
Erdene Tsengelbayar ²	1,256,000	4,750,000	385,277	\$6,935
Brian McMaster ³	637,500	4,000,000	195,553	\$3,520
Amarbaatar Chultem ⁴	30,000,000	15,000,000	9,202,454	\$165,644
Marshall Cooper ⁵	Nil	250,000	Nil	Nil
Daniel Crennan ⁶	57,000	250,000	17,485	\$315
Bat-Ochir Sukhbaatar ⁷	5,000,000	250,000	1,533,743	\$27,607

Notes

- 1 Mr Wood has a direct interest in 1,494,053 Shares and an indirect interest of 6,802,500 Shares through Nefco Nominees Pty Ltd. Mr Wood also has an indirect interest of 500,000 Options exercisable at \$1 each, expiring 16 February 2016, 1,000,000 Options exercisable at \$0.20 each expiring 30 April 2015 and 1,000,000 Options exercisable at \$0.20 expiring 30 June 2018 through Mitchell Grass Holdings Singapore Pte Ltd.
- 2 Mr Tsengelbayar has a direct interest in 250,000 Options exercisable at \$1.00 each, expiring 1 March 2015, 2,500,000 Options exercisable at \$0.20 each, expiring 30 April 2015 and 2,000,000 Options exercisable at \$0.20 each, expiring 30 June 2018.
- 3 Mr McMaster has an indirect interest in 637,500 Shares through Briant Nominees Pty Ltd <Briant Super Fund a/c> and a direct interest in 4,000,000 Options exercisable at \$0.10 each, on or before 31 December 2014.
- 4 Mr Chultem has a direct interest in unlisted Options exercisable at \$0.20 each, on or before 31 December 2014.
- 5 Mr Cooper has a direct interest in Options exercisable at \$0.20 each, expiring 30 June 2018.
- 6 Mr Crennan has an indirect in 57,000 Shares through the Shares being held by Laura Crennan, his spouse and a direct interest in 250,000 Options exercisable at \$0.20 each, expiring 30 June 2018.
- 7 Mr Sukhbaatar has an indirect interest in 5,000,000 Shares through Geotrass LLC and a direct interest in 250,000 Options exercisable at \$0.20 each, expiring 30 June 2018.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up all or part of their respective Entitlements (if any).

3.3 Substantial Holders

Based on substantial shareholder notices lodged prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Golden Rain Holdings Limited and Taycol Nominees Pty Ltd (a nominee company holding shares on behalf of Golden Rain Holdings Limited)	52,320,000	19.99
Amarbaatar Chultem	30,000,000	11.47

In the event all Entitlements are accepted, there will be no change to the substantial holders on completion of the Offer.

A summary of the effect of the Offer on the shareholding of Golden Rain Holdings Limited is set out in Section 3.5.

3.4 Underwriting by Golden Rain Holdings Limited

The Offer is fully underwritten by Golden Rain Holdings Limited (**Underwriter** or **Golden Rain**) up to the full amount of the Offer, being \$1,444,417.

The Company has agreed to pay the Underwriter 5% of the total underwritten amount and issue the Underwriter 15,000,000 unlisted Options with an exercise price of \$0.05 and an expiry of 31 December 2017.

The Company will also reimburse the Underwriter for all reasonable costs and expenses incidental to the Offer, up to a maximum of \$25,000.

The Underwriter is not a related party of the Company.

In accordance with the terms of the Underwriting Agreement, the Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

(a) **Golden Rain Holdings Limited**

Golden Rain Holdings Limited is a wholly owned subsidiary of Lippo China Resources Limited (**Lippo China**).

Lippo China is a company listed on the Main Board of the Stock Exchange of Hong Kong Limited. The principal activities of the subsidiaries, associates, joint ventures and joint operations of Lippo China include investment holding, property investment, property development, property management, food business, mineral exploration, extraction and processing, securities investment, treasury investment and money lending.

Lippo China is a member of the Lippo group of companies (**Lippo Group**) founded by Dr Mochtar Riady in the 1950s. The Lippo Group has substantial interests in a number of listed companies in Indonesia, Hong Kong and Singapore. It currently has mineral resources interests in Indonesia, China, Mongolia and the USA.

(b) **Rationale for underwriting arrangements**

The Company considered all reasonably available options to it to mitigate the potential control effects of the underwriting on the Company (for example considering whether a number of separate underwriters or sub-underwriters could be appointed in respect of the Offer or whether the Offer could be renounceable). However, the underwriting and sub-underwriting arrangements summarised above

and the Offer as structured were, in the Board's opinion, the most practical and suitable arrangements for the Company.

The Board (other than Marshall Cooper who was appointed as a Director as a nominee of the Underwriter) also considered alternative methods of raising funds including private placements (which would have a greater dilutionary effect on existing Shareholders) and debt funding (which was not available on commercially acceptable terms). However, the Board decided that the Offer was the preferred form of capital raising as it provides the most certain outcome for the Company in the present circumstances and is preferable because it allows existing Shareholders the opportunity to participate in the funding of the Company.

The Board is also of the opinion that the control effect of the underwriting does not exceed what is reasonably necessary for the capital raising the subject of the Offer. The size of the Offer is, in the opinion of the Board, consistent with and does not exceed the Company's funding requirement (refer to Section 5.1 for details of the use of funds raised under the Offer).

The Company has also incorporated into the Offer a Shortfall Offer (details of which are set out in Section 4.6), the effect of which is that existing Shareholders who have submitted a valid application for their full Entitlement under the Offer will be entitled to apply for New Shares over and above their Entitlements. Where Shareholders do so, those Shareholders will be issued up to such number of Shortfall Shares as is equal to the number of Shortfall Shares multiplied by that Shareholder's Percentage Entitlement or up to such other maximum amount as is determined by the Board with the prior written consent of the Underwriter. The Board is of the view that this will minimise any control impact of the transaction.

Refer to Section 8.3 of this Prospectus for further details of the terms of the Underwriting Agreement.

3.5 Effect on control of the Company

As stated above, the Offer is fully underwritten by the Underwriter.

As at the date of this Prospectus, the Underwriter and the Underwriter's Nominee hold a total of 52,320,000 Shares, being a voting power in the Company equal to approximately 19.99%.

The potential maximum increase in the voting power of the Underwriter and the Underwriter's Nominee under the Offer (assuming no Options are exercised and assuming no Shareholder other than the Underwriter and Underwriter's Nominee (in respect of Shares held on behalf of the Underwriter) take up their Entitlements), would be approximately 38.78%. This is on the basis that the Underwriter receives 80,245,399 New Shares (being the maximum amount it will subscribe for including its Entitlement).

The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up its full Entitlement of 16,049,080 New Shares under each scenario.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	52,320,000	19.99%
Completion of Entitlement Issue		
• Fully subscribed*	68,369,080	19.99%
• 75% subscribed*	84,418,160	24.69%
• 50% subscribed*	100,467,240	29.39%
• 25% subscribed*	116,516,319	34.08%
• 0% subscribed*	132,565,399	38.78%

*Assuming no Shareholders take up Shortfall Shares and no Options are exercised

The number of shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, the Company considers it is unlikely that no Shareholder (other than the Underwriter) takes up any of their Entitlement.

If the Underwriter distributes all or part of their underwritten securities to third parties, their maximum interests following completion may be lower than set out above.

Successful completion of the Offer will enable the Company to give effect to its objectives stated in Section 5.1 of this Prospectus.

3.6 Potential dilution to Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 23.47% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders (assuming no Options are exercised prior to the Record Date).

Holder	Holding as at Record date	% at Record Date	New Share Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	7.65%	6,134,970	20,000,000	5.85%
Shareholder 2	10,000,000	3.82%	3,067,485	10,000,000	2.93%
Shareholder 3	5,000,000	1.91%	1,533,743	5,000,000	1.46%
Shareholder 4	2,500,000	0.96%	766,872	2,500,000	0.73%
Shareholder 5	1,000,000	0.38%	306,749	1,000,000	0.29%
Total	261,600,002		80,245,399	341,845,401	

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements are not accepted by the Shareholder and the Shares are placed under the Shortfall Offer or to the Underwriter and no Options are exercised.

3.7 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its quoted securities, including its Shares, are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.032	19 September 2014
Lowest	\$0.009	5 December 2014
Last	\$0.012	16 December 2014

3.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of 1 New Share for every 3.26 Shares held by eligible Shareholders registered at the Record Date at an issue price of \$0.018 per New Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of approximately 80,245,399 New Shares will be issued pursuant to this Offer to raise approximately \$1,444,417.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the New Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

The minimum subscription in respect of the Offer is \$1,444,417 as the Offer is fully underwritten by the Underwriter. No New Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you wish to accept your **full** Entitlement as well as additional Shortfall Shares:
 - (i) complete the Entitlement and Acceptance Form and the Shortfall Application Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form plus any additional

amount payable in respect of Shortfall Shares applied for (at \$0.018 per New Share);

- (c) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.018 per New Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Haranga Resources Limited – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and Shortfall Application Form (if any) and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer and will be dealt with in accordance with the Underwriting Agreement and this Prospectus.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of any New Shares offered pursuant to the Shortfall Offer will be \$0.018 each, which is the issue price at which New Shares have been offered under the Offer.

Where a Shareholder has accepted the Offer in respect of its full Entitlement, that Shareholder may apply at the same time for additional New Shares under the Shortfall Offer (as explained in Section 4.3(b)).

Where Shareholders apply for Shortfall Shares, those Shareholders will be issued up to such number of Shortfall Shares as is equal to the number of Shortfall Shares multiplied by that Shareholder's Percentage Entitlement, or up to such other maximum amount as is determined by the Board with the prior written consent of the Underwriter.

4.7 ASX listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, or such period as varied by the ASIC, the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.8 Issue

New Shares issued pursuant to the Offer and the Shortfall Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of New Shares issued is less than the number applied for or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.9 Overseas Shareholders

(a) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of (CWUMP) Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong

pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" (as defined in the SFO) or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the CWUMP or which do not constitute an offer to the public within the meaning of the CWUMP.

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

(b) **New Zealand**

The Offers to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.

The Offers and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offers must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to these Offers. If you need to make a complaint about an Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offers may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

(c) **Mongolia**

This document has not been registered with the Financial Regulatory Commission of Mongolia and does not constitute a public offer of the New Shares within the territory of Mongolia. This document is only intended to be distributed and made available to existing shareholders of the Corporation and is personal to each shareholder to whom it has been delivered. This document may not be distributed or redistributed, published or advertised, directly or indirectly to the public or any member of the public in Mongolia. No recipient of this document may issue, distribute, circulate, disseminate this document or make or give copies of this document to any other person.

(d) **Other Overseas Shareholders**

This document is only intended to be distributed and made available to existing Shareholders of the Company and is personal to each Shareholder to whom it has been delivered. This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia, Mongolia, New Zealand and Hong Kong.

The distribution of this Prospectus in jurisdictions outside Australia, Mongolia, New Zealand and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No

action has been taken to register or qualify these New Shares the subject of this Prospectus or otherwise permit a public offering of the New Shares the subject of this Prospectus in any jurisdiction outside Australia, Mongolia, New Zealand and Hong Kong.

However, pursuant to Section 615 of the Corporations Act, the Company will appoint a nominee approved by ASIC to sell the Shares to which Ineligible Shareholders who accept the Offer are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Shares will be sold and the manner of any such sale. The Company will obtain ASIC approval for the appointment of the nominee, as required by Section 615 of the Corporations Act.

Any interest earned on the proceeds of the sale of these Shares will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Shares will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Shares (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the Nominee will not be required to sell Ineligible Shareholders' Shares at a particular price.

4.10 Enquiries

Any questions concerning the Offer should be directed to Jack James, Company Secretary, on + 61 8 9200 4415.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,444,417 (before expenses).

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	(\$)	%
1.	Hydro-geology costs relating to the Selenge Project	170,000	11.77
2.	Mining licence fees	185,000	12.81
3.	Other development costs of the Selenge Project	180,000	12.46
4.	Management and consultant costs	250,000	17.31
5.	Administrative and office costs	250,000	17.31
6.	Expenses of the Offer ¹	97,496	6.75
7.	Working capital ²	311,921	31.63
	Total	1,444,417	100%

Notes:

1. This figure is exclusive of GST. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Any reimbursement of the Underwriter's costs in connection with the Offer (together with any GST payable to the Underwriter or any other parties in connection with the Offer) will be paid out of the working capital proceeds.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all New Shares offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$1,346,921 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 261,600,002 as at the date of this Prospectus to 341,845,401 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 69,950,000 as at the date of this Prospectus to 84,950,000 Options following the issue of 15,000,000 unlisted Options to the Underwriter (please refer to Section 8.3 for further information).

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 November 2014 and the unaudited pro-forma balance sheet as at 30 November 2014 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED	PROFORMA
	as at 30 November 2014	as at 30 November 2014
CURRENT ASSETS		
Cash and cash equivalents ¹	255,036	1,959,257
Other current assets	372,732	372,732
TOTAL CURRENT ASSETS	627,768	2,331,989
NON-CURRENT ASSETS		
Plant & equipment	558,822	558,822
Exploration expenditure	23,951,596	23,951,596
TOTAL NON-CURRENT ASSETS	24,510,418	24,510,418
TOTAL ASSETS	25,138,186	26,842,407
CURRENT LIABILITIES		
Creditors and borrowings	262,206	262,206
TOTAL CURRENT LIABILITIES	262,206	262,206
TOTAL LIABILITIES	262,206	262,206
NET ASSETS	24,875,980	26,580,201
EQUITY		
Contributed equity ²	38,378,509	40,003,084
Reserves ³	4,708,663	4,788,309
Retained losses	(18,487,353)	(18,487,353)
Capital and reserves attributable to owners of Haranga Resources Limited	24,599,819	26,304,040
Non-controlling interest	276,161	276,161
TOTAL EQUITY	24,875,980	26,580,201

Notes:**1. Cash and cash equivalents**

Movement in cash and cash equivalents:	\$
Opening balance as at 30 November 2014	255,036
Placement (Golden Rain Holdings Ltd)	357,300
Entitlement issue	1,444,417
Expenses of the offer	<u>(97,496)</u>
Balance after pro forma adjustments	<u>1,959,257</u>

2. Contributed equity

Movement in contributed equity:	\$
Opening balance as at 30 November 2014	38,378,509
Placement (Golden Rain Holdings Ltd)	357,300
Entitlement issue	1,444,417
Options issued to underwriter	(79,646)
Expenses of the offer	<u>(97,496)</u>
Balance after pro forma adjustments	<u>40,003,084</u>

3. Reserves

Movement in reserves:	\$
Opening balance as at 30 November 2014	4,708,663
Options issued to underwriter	<u>79,646</u>
Balance after pro forma adjustments	<u>4,788,309</u>

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all New Shares offered under the Prospectus are issued and no Options are exercised, is set out below.

New Shares

	Number
Shares currently on issue	261,600,002
New Shares to be issued pursuant to the Offer ¹	80,245,399
Total Shares on issue after completion of the Offer	341,845,401

Options

	Number
Options currently on issue	
Unlisted Options exercisable at \$0.20 on or before 30 April 2015	24,000,000
Unlisted Options exercisable at \$0.20 on or before 16 June 2015	3,000,000
Unlisted Options exercisable at \$1.00 on or before 1 March 2015	2,500,000
Unlisted Options exercisable at \$1.00 on or before 16 February 2016	4,000,000
Unlisted Options exercisable at \$0.50 on or before 1 July 2016	1,000,000
Unlisted Options exercisable at \$0.20 on or before 30 June 2018	8,750,000
Unlisted Options exercisable at \$0.20 on or before 31 December 2014	15,000,000
Unlisted Options exercisable at \$0.10 on or before 31 December 2014	8,000,000
Unlisted Options exercisable at \$0.10 on or before 31 March 2016	3,700,000
Options to be issued to Underwriter ² (Unlisted Options exercisable at \$0.05 on or before 31 December 2017)	15,000,000
Total Options on issue after completion of the Offer and after Options issued to Underwriter	84,950,000

Note

1. Subject to rounding on an individual Shareholder basis.
2. Refer to Section 8.3 for further information relating to the issue of these Options.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 331,550,002 Shares and on completion of the (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 426,795,401 Shares.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 New Shares

The following is a summary of the more significant rights and liabilities attaching to New Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the Corporations Act and to any special rights or restrictions attached to any Shares, Directors may from time to time authorise the Company to pay interim and final dividends which appear to the Directors to be justified by the profits of the Company.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for

that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(f) **Future increase in capital**

The allotment and issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(g) **Variation of rights**

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

The Shares are quoted on ASX.

7. RISK FACTORS

7.1 Introduction

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Sovereign Risks

The Company's interest in the Selenge Project is located in Mongolia. Accordingly, the Company is subject to the risks associated in operating in foreign countries. These risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with mineral exploration and production in Mongolia. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in mining exploration and production and in turn may affect the viability and profitability of the Company.

(b) Operational Risk

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors.

The Company's Mongolian project will be subject to extreme climatic conditions which restrict the period within which exploration; appraisal and possibly production activities may take place and may also place Company personnel at risk if exposed to these extreme conditions.

Mongolia has a foreign worker quota system that may make it difficult to hire qualified personal even where local manpower is unavailable.

A summary of factors that may affect the operations of the Company, include:

- (i) geological conditions;
- (ii) alterations to joint venture programs and budgets;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (v) industrial action, disputation or disruptions;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (viii) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals;
- (ix) current exploration operations and future mine development of the tenements are subject to the Company's ability to obtain a wide range of permits, licenses, and approvals and there is no guarantee that such permits, licenses and approvals will be granted or will be granted in a timely matter;
- (x) advancement of the exploration operations to mine development can be a lengthy process taking a number of years where the Company's projects may be subject to new laws, regulations, and taxes which may have a material impact on the Company; and
- (xi) restriction of access to infrastructure by Russian, Chinese or Mongolian authorities.

(c) **Joint Venture Parties, Contractors and Contractual Disputes**

The Company is a party to a joint venture agreement in respect of its Selenge Project in Mongolia. The Company is thereby reliant upon its joint venture participants complying with their obligations.

With respect to this issue, the Directors are unable to predict the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company may become a party; or

- (ii) insolvency or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- (iii) insolvency or other managerial failure by any of the other service providers used by the Company or its operators for any activity.

(d) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and may result in loss of tenure, as the case may be. The Offer terms have been set to give existing eligible Shareholders an opportunity to maintain (or potentially increase) their interests in the Company and thereby ensuring successful completion of the Offer.

(e) **Exploration risks**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there can be no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

(f) **Currency**

Any revenue generated by the Company is expected to be in US\$ while its cost base would be expected to be in A\$, Mongolian National Tugrik (MNT) and US\$. Consequently the cross exchange rates for these currencies will have an impact on the Company's expected earnings in A\$.

The cross exchange rates are affected by numerous factors beyond the control of the Company.

These factors include Australia's, Mongolia's and the USA's economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(g) **Potential Dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the

number of Shares in the Company will increase from 261,600,002 currently on issue to 341,845,401. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last closing price of Shares on ASX prior to the Prospectus being lodged of \$0.012 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.3 Industry specific

(a) Mining and exploration risks

The primary business of the Company is exploration for, and commercial development of mineral ore bodies, which is subject to the risks inherent in these activities. Its operations are still in the exploration and evaluation phase. The current and future operations of the Company may be affected by a range of factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities;
- (v) mechanical failure of operating plant and equipment;
- (vi) adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) unavailability of drilling, mining, processing and other equipment;
- (viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- (ix) prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals;
- (x) terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes;
- (xi) delays in completing feasibility studies and obtaining development approvals; and
- (xii) risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited by the Company.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals on a timely basis.

(b) **Resource estimations**

Resources estimates are expressions of judgement based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(c) **Environmental**

The Company's project is or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's project is expected to have a variety of environmental impacts should development proceed. Development of the Company's project will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(d) **Competition**

The Company competes with other companies, including major mineral exploration and mining companies. These companies will likely have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no

assurance that the Company can compete effectively with these companies.

(e) **Operating risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its project. Until the Company is able to realise value from its project, it is likely to incur ongoing operating losses.

(f) **Weather condition risk**

Field operations including drilling may be delayed due to extreme weather conditions such as flooding, storms or cyclones.

(g) **Community risk**

Carrying out activities on site may affect the neighbouring communities and local authorities. This can be of particular concern where the Company is operating in heavily populated areas. In this situation the Company would plan to carry out community consultation to take into account these concerns. However, there is a risk that in some circumstances there could be higher than normal community concern which could result in a project being denied permission to proceed or having permission withdrawn or having conditions imposed on continuation of the activities which make it unacceptable to the Company to proceed with those activities.

7.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;

- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
9 Dec 2014	Change in substantial holding
8 Dec 2014	Appendix 3B
8 Dec 2014	Cleansing Notice
8 Dec 2014	Placement, Rights Issue & Board Change
24 Oct 2014	Quarterly Cashflow Report
24 Oct 2014	Quarterly Activities Report
03 Oct 2014	Becoming a substantial holder
22 Sep 2014	Investor Presentation - September 2014
15 Sep 2014	Half Year Financial Report
31 Jul 2014	Quarterly Cashflow Report
31 Jul 2014	Quarterly Activities Report
14 Jul 2014	Company Secretary Change
30 May 2014	Results of Annual General Meeting
30 Apr 2014	Quarterly Cashflow Report
30 Apr 2014	Quarterly Activities Report
29 Apr 2014	Notice of Annual General Meeting
28 Apr 2014	Annual Report 2013 Addendum

Date	Description of Announcement
01 Apr 2014	Initial Director's Interest Notice
01 Apr 2014	Appendix 3Z
01 Apr 2014	Board Changes
19 Mar 2014	2013 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.haranga.com.

8.3 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agrees to subscribe for the Underwritten Shares.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 5% (plus any applicable GST) of the value of the Underwritten Shares being \$72,221. The Company will also issue the Underwrite 15,000,000 unlisted Options exercisable at \$0.05 on or before 31 December 2017.

Additionally, the Company will pay the Underwriter for any reasonable expenses and disbursements incurred by the Underwriter under the Offer, up to a maximum of \$25,000.

In accordance with the terms of the Underwriting Agreement, the Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **default:** the Company is in default of any of the obligations under the Underwriting Agreement or breaches any warranty, representation or undertaking given under the Underwriting Agreement which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer, the Underwriter, the value of the Shares, the success of the Offer or a person's willingness to subscribe for Shares;
- (b) **material change:** a material adverse change occurs after the date of the Underwriting Agreement in the management, financial position, results of operations, prospects or financial position of the Company or any of its subsidiaries;
- (c) **contravention:** the Company contravenes any of the following, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer or the success of the Offer or a person's willingness to subscribe for Shares:

- (i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any governmental agency or rule of any securities exchange;
- (ii) the Company's Constitution or another constituent document;
- (iii) an encumbrance of document which is binding on:
 - (A) the Company or any of its subsidiaries; or
 - (B) an asset of the Company or any of its subsidiaries;
- (d) **solvency:** an insolvency event occurs in relation to the Company or any of its subsidiaries;
- (e) **war:** an outbreak of new hostilities or a state of war, whether declared or not, arises after the date of the Underwriting Agreement, or an escalation of hostilities already in existence occurs, involving:
 - (i) Australia;
 - (ii) the United States of America; or
 - (iii) Mongolia,

which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer, the value of the Shares, the success of the Offer or a person's willingness to subscribe for Shares;
- (f) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any of its subsidiaries, other than any claims foreshadowed in the Prospectus;
- (g) **Timetable:** any event specified in the timetable is delayed by the Company by more than 5 Business Days without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (h) **certificate:** a certificate which is required to be provided by the Company under the Underwriting Agreement contains a statement which is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;
- (i) **disclosures:** any information supplied by or on behalf of the Company to the Underwriter is or becomes misleading or deceptive in a material respect, including by way of omission;
- (j) **Prospectus to comply:** the Prospectus or any aspect of the Offer does not comply in any material respect with the Corporations Act or the ASX Listing Rules or any other applicable law including due to statement in the Prospectus which is or becomes misleading or deceptive or likely to mislead or deceive in a material respect, or omit any information that is required;
- (k) **ASX:** ASX indicates to the Company in writing on or before the issue of the Shares that they will not grant permission for the official quotation of the Shares or ASX suspends quotation of the Shares;

- (l) **withdrawal:** the Company withdraws the Offer;
- (m) **regulatory action:** there is an application to a governmental agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a governmental agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it), and the application, investigation or hearing is not withdrawn or discontinued within 3 Business Days of its announcement;
- (n) **market or trading disruption:** there is:
 - (i) a suspension or material limitation in trading in all securities quoted or listed on ASX, the London Stock Exchange, New York Stock Exchange or Hong Kong Stock Exchange for a period of three full trading days or more on which that exchange is open for trading; or
 - (ii) a general moratorium on commercial banking activities in Australia, the United States, Hong Kong or the Republic of China is declared by the relevant central banking authority in any of those countries; or
 - (iii) any materially adverse change or disruption to the existing financial markets or political conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom or the United States of America;
- (o) **change of law:** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a Governmental Agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be);
- (p) **material contracts:** any material contract of the Company or a subsidiary is varied, terminated, rescinded or altered or amended without the prior consent of the Underwriter or any material contract is breached or found to be void or voidable; or
- (q) **debt facilities:** any debt facility of the Company or a subsidiary is terminated by the lender or amended in a material respect without the Underwriter's prior written consent.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in Section 3.2 of this Prospectus.

Remuneration

The Constitution of the Company provide that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

The remuneration of executive Directors is decided by the Board, without the affected executive Director participating in that decision-making process and may be paid by way of fixed salary or commission.

In the last two financial years, \$456,998 in 2013 and \$501,500 in 2014 has been paid by the Company by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of directors fees and consultancy fees.

Director	Financial year ended 31 December 2013	Current financial year ending 30 November 2014
Matthew Wood	\$180,000	\$165,000
Erdene Tsengelbayar	\$156,998	\$157,500
Brian McMaster	Nil	\$64,000
Amarbaatar Chultem	Nil	\$40,000
Marshall Cooper	\$40,000	\$30,000
Daniel Crennan	\$40,000	\$30,000
Bat-Ochir Sukhbaatar	\$40,000	\$30,000

8.5 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Golden Rain Holdings Limited will be paid the fees set out in Section 8.3 of this Prospectus in respect of this Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$15,000 (excluding GST and disbursements) for these services.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the Underwriter, its related bodies corporate, nominees (including the Underwriter's Nominee), affiliates or any of their respective officers, employees, consultants or agents has made or authorised the making of any statement that is included in this Prospectus or any statement on which a statement in this Prospectus is based. To the maximum extent permitted by law, each of these parties expressly disclaims and takes no responsibility for any omissions from this Prospectus or statements in this Prospectus.

Golden Rain Holdings Limited has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named. Golden Rain Holdings Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$97,496 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	5,985
Underwriting fees*	72,221
Legal fees	15,000
Printing and distribution	2,000
Total	97,496

* Any reimbursement of the Underwriter's costs in connection with the Offer (together with any GST payable to the Underwriter) will be paid out of the working capital proceeds.

8.9 Electronic prospectus

The ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9200 4415 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.haranga.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate

distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Marshall Cooper
Chairman
For and on behalf of
HARANGA RESOURCES LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for New Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application means an application to subscribe for New Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Haranga Resources Limited (ACN 141 128 841).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, Mongolia, New Zealand or Hong Kong.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Percentage Entitlement means in respect of a Shareholder, that Shareholders percentage Shareholding in the Company on the Record Date, divided by the aggregate of the percentage Shareholding in the Company on the Record Date of all Shareholders that have validly applied to the Company to subscribe for additional Offered Shares, being the percentage Shareholding in the Company on the Record Date of the Underwriter and the Underwriter's Nominee.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

New Shares means Shares to be issued under the Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall Applications means applications for Shortfall Shares under the Shortfall Offer.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer to Shareholders who take up all their Entitlement to apply for additional New Shares in excess of their Entitlement on the terms and conditions set out in section 4.6 of this Prospectus.

Shortfall Shares means those New Shares offered under the Offer for which valid applications (excluding Shortfall Applications) have not been received and accepted by the Company by the Closing Date and which are therefore available for subscription under the Shortfall Offer.

Underwriter means Golden Rain Holdings Limited.

Underwriter's Nominee means Taycol Nominees Pty Ltd (ACN 007 735 480) a nominee company holding shares on behalf of the Underwriter.

Underwriting Agreement means the Underwriting Agreement between the Company and the Underwriter, as described in section 8.3 of this Prospectus.

Underwritten Shares means the Shortfall Shares less any Shortfall Shares for which Shortfall Applications have been received and New Shares issued in accordance with Section 4.6..

WST means Western Standard Time as observed in Perth, Western Australia.