

Quarterly Activities Report

27 April 2011

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RESOURCES LIMITED**
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Issued Capital:

186.75 million shares

ASX Symbol: HAR

March 2011 Quarterly Activities Report

- Highlights -

Exploration Activity

- Encouraging drill results from the Shavdal project. Ten holes intersected significant iron mineralisation in the main magnetic anomaly, confirming the prospectivity of this discovery. Best intersection:
 - 24m at 26.0% Fe from 32m
including 6m at 36.2% Fe from 34m
- Excellent magnetic survey results from the Company's flagship Selenge project.
- Scout drilling programme commenced at the Sumber iron ore project.
- Magnetic survey commenced over the Tumurtei Khudag project area.
- Ground checking and geological surveying commenced at both the Selenge and Tumurtei Khudag iron ore projects in advance of planned drilling.

Corporate

- Chief Operating Officer appointed to oversee Mongolian operations.
- Final acquisition payments completed to secure 75% of both the Shavdal and Sumber iron ore projects.
- The Company continues to assess prospective iron ore and manganese opportunities in Mongolia.
- \$21 million in cash reserves

Activities Report and Review of Projects

Haranga Resources' five iron ore projects are located in Mongolia, as shown in Figure 1. The targets in each case are large, high grade magnetite skarn deposits common to Mongolia and northern China. Each of the projects has a viable route to market based on favourable location and infrastructure.

Figure 1: Mongolian Iron Ore Projects of Haranga Resources



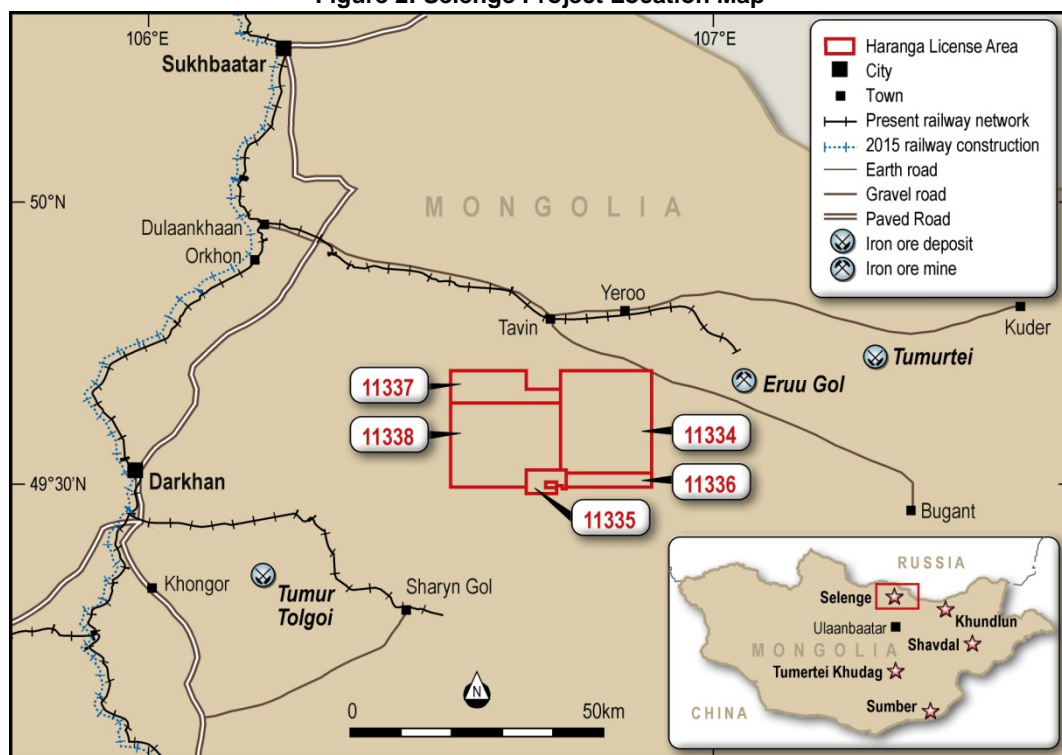
The projects are:

1. **Selenge:** Five contiguous licences covering almost 600km² within the premier iron ore province of Mongolia. Project area is close to the Eruu Gol iron ore mine and the large iron ore deposit at Tumurtei. The project area has access to the nearby trans Mongolian rail line, lying only 40km from the rail terminal at Sharyn Gol and adjacent to the Eruu Gol rail spur.
2. **Shavdal:** Single exploration licence located 10km from the town of Baruun Urt in Sukhbaatar province, southeast of Mongolia. This province is home to two operating iron ore mines and the planned new east-west rail line will pass adjacent to the Shavdal project area.
3. **Sumber:** Ideally located in Mongolia's south Gobi region, just 50km north of the Chinese border crossing at Hangi Mandal. The licence area borders the new iron ore development at Agaruu.
4. **Tumurtei Khudag:** Iron ore rights over two large exploration licences covering 577km² in the mid Gobi region, 180km from the main line rail terminal at Choyr.
5. **Khundlun:** Located in Hentii province in the northeast of Mongolia, the Khundlun licence is 200km from both the rail terminal at Choybalsan (to the east) and at Baganuur (to the west).

1. Selenge Project (Haranga Resources 60%)
Manager: Haranga Resources Limited

The Selenge Project consists of five contiguous licences located 230 kilometres (km) north of the capital Ulaanbaatar, in the middle of the Selenge province iron ore development belt that also contains the Eruu Gol iron ore mine and the magnetite deposits at Tumurtei and Tumor Tolgoi. As previously reported, Eruu Gol has stated plans to increase production to over 6Mtpa upon commissioning of a new rail spur. This rail spur passes adjacent to Haranga Resources' Selenge project area. In addition, the project area is only 40km from the rail terminal at Sharyn Gol.

Figure 2: Selenge Project Location Map



A 5,700 line kilometre ground magnetic survey of the entire Selenge project area completed during the quarter revealed two areas of magnetic anomalism covering approximately 15km² and 8km² respectively in the northwest of the project area. These two large areas recorded the highest levels of magnetic anomalism during the survey and are clearly visible in the Total Magnetic Intensity (TMI) image shown in Figure 3.

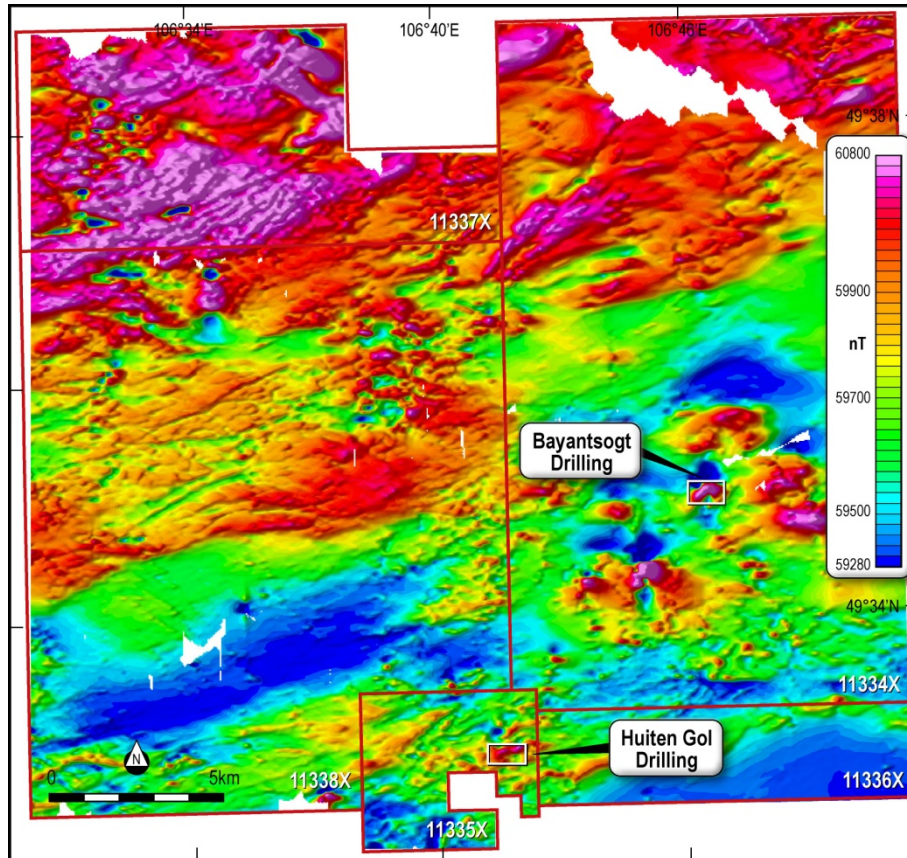
Significant magnetic anomalies in the central-southeastern part of the project area (primarily located within Licence 11334X) have also been identified or further enhanced, with two of these anomalies having been targeted by previous explorers in 2008. As referred to in the Haranga Resources Prospectus and in previous announcements, exploration at the Bayantsogt prospect showed magnetite present in surface trenches and to a drilled depth of 110m at average grades of between 30% to 39% Fe, while trenching of outcrops at Huiten Gol produced grades of between 39% to 66% Fe.

The magnetic survey results are undergoing further processing and ground checking has commenced in order to enhance target generation. Selenge remains the highest priority for the Company due to the:

- a) significant size and strength of the magnetic anomalies;
- b) previous exploration results showing iron mineralisation of reasonable grade within the project area;
- c) existence of large iron ore deposits of a similar geological setting within the area; and
- d) access to rail infrastructure and large nearby iron ore export developments.

The Company plans to drill test the primary targets at Selenge during the summer field season.

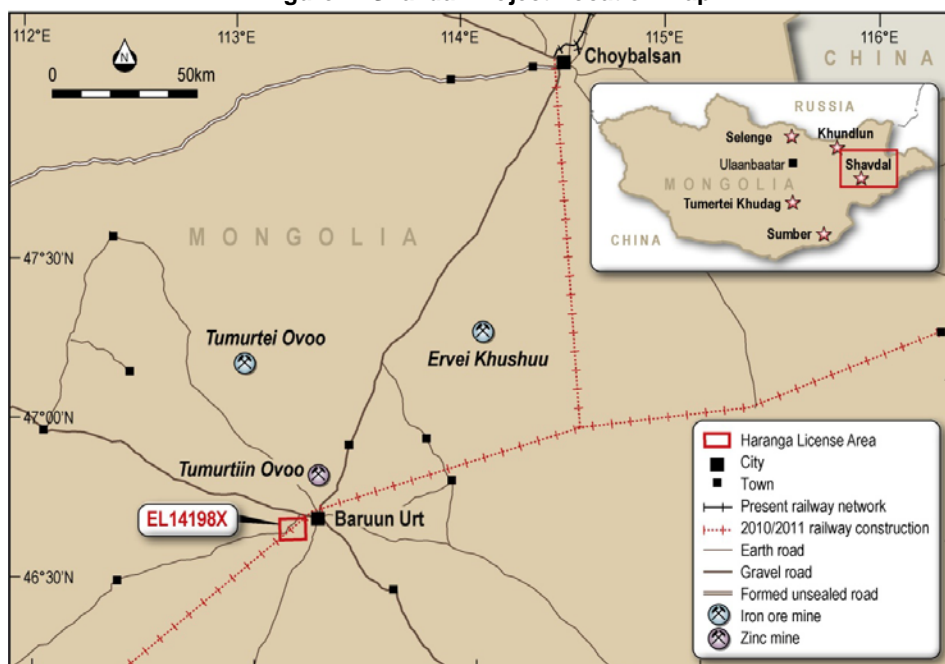
Figure 3: Magnetic Survey (TMI) Result from the Selenge Project Area



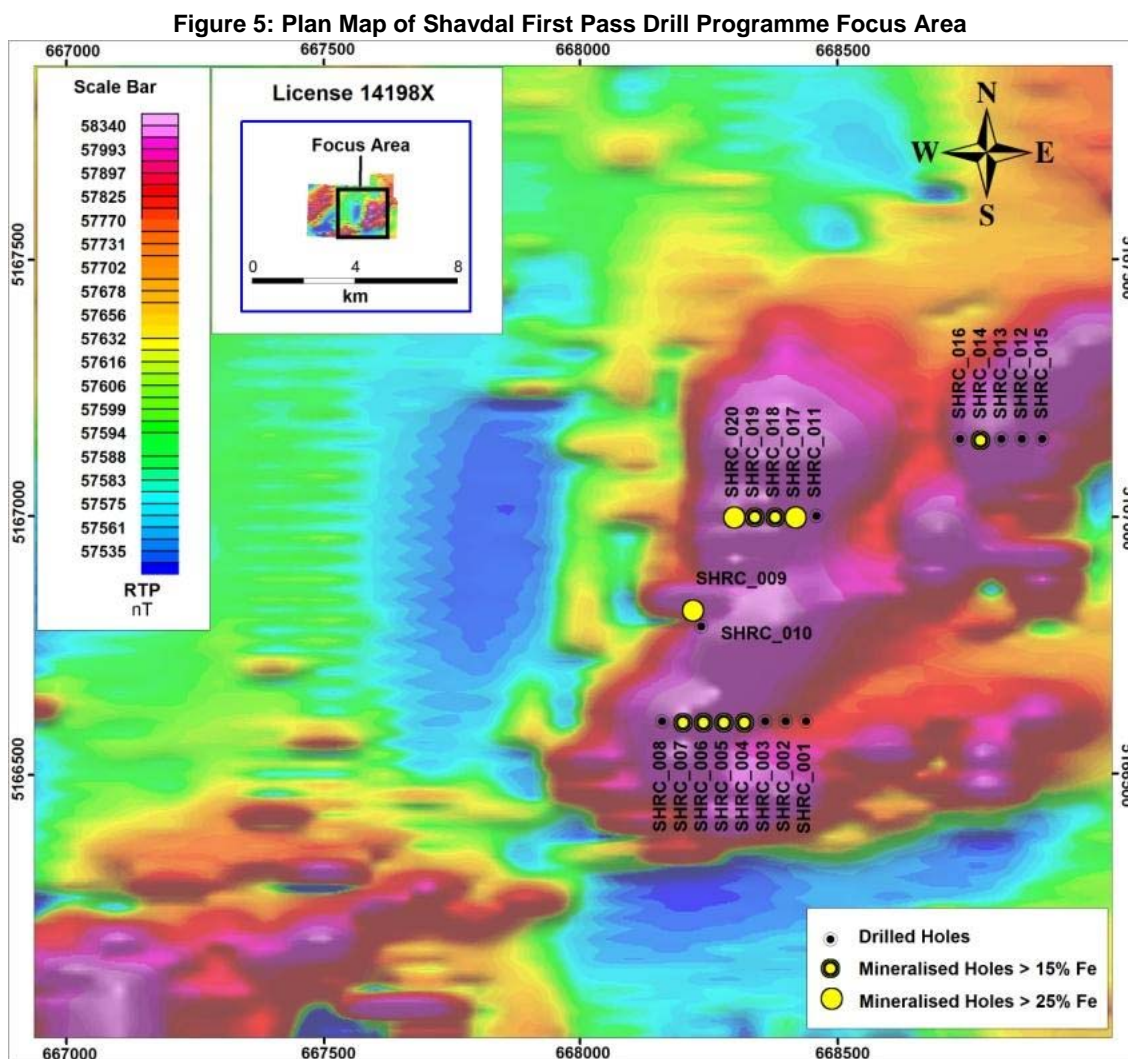
2. Shavdal Project (Haranga Resources 75%)
Manager: Haranga Resources Limited

The Shavdal licence is located 10km from the town of Baruun Urt, the capital of Sukhbaatar province in the southeast of Mongolia. Sukhbaatar already hosts two operating iron ore export mines and Mongolia's planned east-west rail line will pass through Baruun Urt, adjacent to the Shavdal project area.

Figure 4: Shavdal Project Location Map



During the quarter a scout reverse circulation (RC) drill programme consisting of twenty-two holes representing 1,654m of drilling was completed on the Shavdal licence. Twenty holes were drilled to test a large area of magnetic anomalism in the central part of the licence area where coincident high grade magnetite outcrops have been mapped. The hole locations are shown in the map of the Focus Area in Figure 5. The final two holes were drilled near two smaller isolated magnetic highs to the west of the map in Figure 5 and neither hole returned any significant result.



Ten of the twenty holes drilled at the Focus Area intersected significant iron mineralisation, defined as an intersection of at least 2 metres in width analysing over 15% Fe. The significant intersections, with a maximum allowable internal waste of 2m at over 10% Fe, are reported in Table 1. The mineral assay technique used was ICP mass spectroscopy.

A peak result of 6m at 36.2% Fe from 34m was obtained from hole SHRC-020. This intersection was contained within a wider intersection of 24m at 26.0% Fe from 32m in quartz magnetite and magnetite rich siliceous rocks that occur to the west of the anomaly on the contact between volcanic and quartz rich granitic lithologies. This contact area is highly prospective and will be the focus of further exploration. SHRC-009 also intersected this contact 200m to the south, an area where magnetite outcrops have returned rock chip samples over 60% Fe. The RC programme returned weakening iron mineralisation from holes located in the volcanics to the east of the contact.

Further drilling is being planned to test the full extent of the contact, where the higher mineralised grades and greater widths have been identified. Mineralisation remains open to the west, north and south. It is intended

to carry out petrology and Davis Tube Recovery (DTR) testing on the higher grade samples to obtain more information on the host rock formation and the commercial recoverability of the magnetite.

The results have also given the Company the confidence to extend the magnetic survey coverage in order to define potential eastern and southwestern extensions of the main anomaly and explore for further magnetic anomalism in this highly prospective region.

Haranga Resources is encouraged by these positive first pass drill results. According to a recent CRU Strategies study, 468Mt of iron ore, primarily magnetite, at an average grade of just 19% Fe was mined in 2009 in the five northern Chinese provinces closest to Mongolia for supply to local steel mills. Thus the Shavdal project, although early stage, remains promising in terms of both grade and location.

**Table 1: Significant Mineralised Intersections at Shavdal
(Cutoff = 15% Fe, maximum allowable internal waste of 2m)**

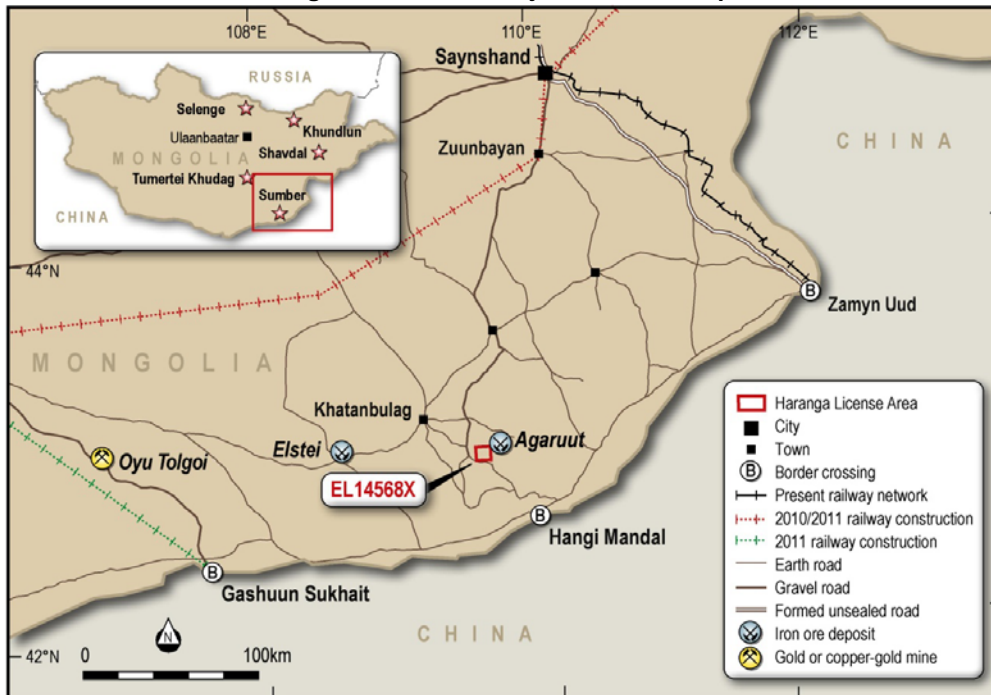
Hole	mE (UTM)	mN (UTM)	Dip	Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe (%)	Fe ₂ O ₃ (%)
SHRC-004	668320	5166600	-60	270	90	88	90*	2	15.2	21.8
SHRC-005 and	668280	5166600	-60	270	90	62 80	68 84	6 4	16.7 19.1	23.9 27.3
SHRC-006 and	668240	5166600	-60	270	88	30 84	32 88*	2 4	15.1 17.7	21.5 25.2
SHRC-007	668200	5166600	-60	270	80	22	30	8	16.3	23.2
SHRC-009	668220	5166819	-60	335	48	16	18	2	28.8	41.1
SHRC-014	668780	5167150	-60	270	82	52	54	2	16.5	23.6
SHRC-017	668420	5167000	-60	270	90	70	74	4	26.0	37.1
SHRC-018	668380	5167000	-60	270	84	60	62	2	17.2	24.6
SHRC-019	668340	5167000	-60	270	90	86	90*	4	16.0	22.9
SHRC-020 incl	668300	5167000	-60	270	80	32 34	56 40	24 6	26.0 36.2	40.1 51.7

* Indicates holes ended in mineralisation due to lack of extra drill rods.

3. Sumber Project (Haranga Resources 75%) Manager: Haranga Resources Limited

Sumber is located less than 50km from the Chinese border crossing at Hangi Mandal and lies adjacent to the Agaruut iron ore mine. Agaruut exports iron ore to buyers in nearby China by truck.

Figure 6: Sumber Project Location Map

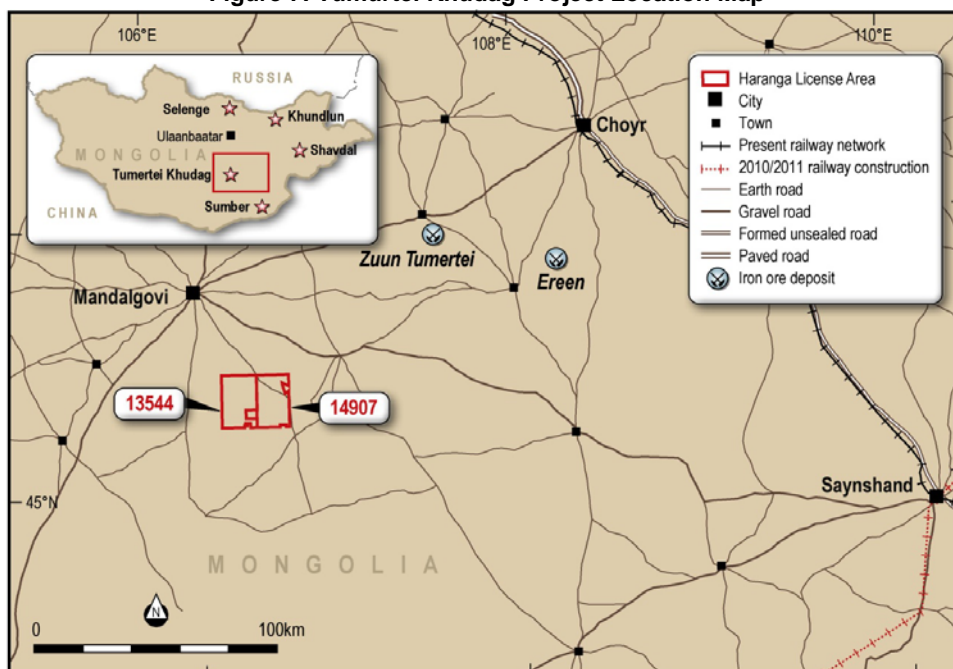


A first pass scout RC drill programme to test the known iron outcrops and magnetic anomalies at Sumber commenced post quarter end in April 2011. Up to the reporting date, 22 holes have been drilled with the collected drill samples yet to be submitted to the laboratory for analysis. This drill programme is ongoing.

4. Tumurtei Khudag Project (Haranga Resources 51%)
Manager: Haranga Resources Limited

The Tumurtei Khudag Project consists of the iron ore rights over two large exploration licences in Dundgobi province covering 577km² in the mid Gobi region of southern Mongolia. The project location has access to infrastructure from the nearby town of Mandalgovi and lies 180km from the main line rail terminal at Choyr.

Figure 7: Tumurtei Khudag Project Location Map



A geological survey of the known iron outcrops and magnetic anomalies in the southern part of Licence 14907X is currently underway in advance of a potential scout drill programme in this highly prospective part of the Licence. A full scale magnetic survey of the project area commenced in April 2011.

5. Khundlun Project (Haranga Resources 100%)

Manager: Haranga Resources Limited

The Khundlun Project consists of one exploration licence covering 26km² in Hentii province in northeastern Mongolia. Previous geological surveys discovered magnetite outcrops assaying up to 51.5% Fe. A targeted magnetic survey conducted over the area of outcropping mineralisation revealed an associated magnetic anomaly with a cumulative strike length of over 4km.

A geological survey is proposed for later in the 2011 field season in order to further ground check the magnetic anomaly in advance of a potential drill programme.

CORPORATE AND GENERATIVE

1. Appointment of Chief Operating Officer

In April 2011 Haranga Resources announced the appointment of Mr. Erdene Tsengelbayar as Chief Operating Officer (COO) of the Company. A Mongolian national, Erdene has more than 16 years experience in mineral economics and consulting, mineral asset assessment, mineral project finance and M&A advisory for both the public and private sector in Mongolia.

The COO role will be based in Ulaanbaatar and be responsible for local operations and assisting in project generation for Haranga Resources. Erdene will also act as Executive Director of the Company's Mongolian subsidiaries.

2. Deferred Acquisition Payments

During the Quarter the Company completed the final acquisition payments on both the Shavdal and Sumber projects. These payments represented the final outstanding amounts that were due to secure a 75% interest in both of the aforementioned iron ore projects.

3. Project Acquisitions

The Company continues to assess both iron ore and manganese projects for potential future acquisitions that will upgrade the overall project portfolio.

Dr Robert Wrixon
Managing Director
Haranga Resources Limited

The information in this report that relates to Exploration Results is based on information compiled by Mr Kell Nielsen, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Nielsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nielsen is an Executive Director of Haranga Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.