

## ASX Release

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### Issued Capital:

211.75 million shares

ASX Symbol: HAR

## Mongolia's Largest Drilling Program Well Underway at the Selenge Iron Ore Project

- The 2012 Selenge drill program is progressing rapidly and successfully with eight drilling rigs currently in operation.
- Almost 15,000m of resource drilling has been completed so far this year.
- 28 new holes have been completed at the Dund Bulag Prospect and 13 new holes at the Bayantsogt Deposit thus far.
- Drilling at the Undur Ukhaa Prospect is due to commence within the next month.
- The first samples have been delivered to the lab for assay with results due by the end of September.

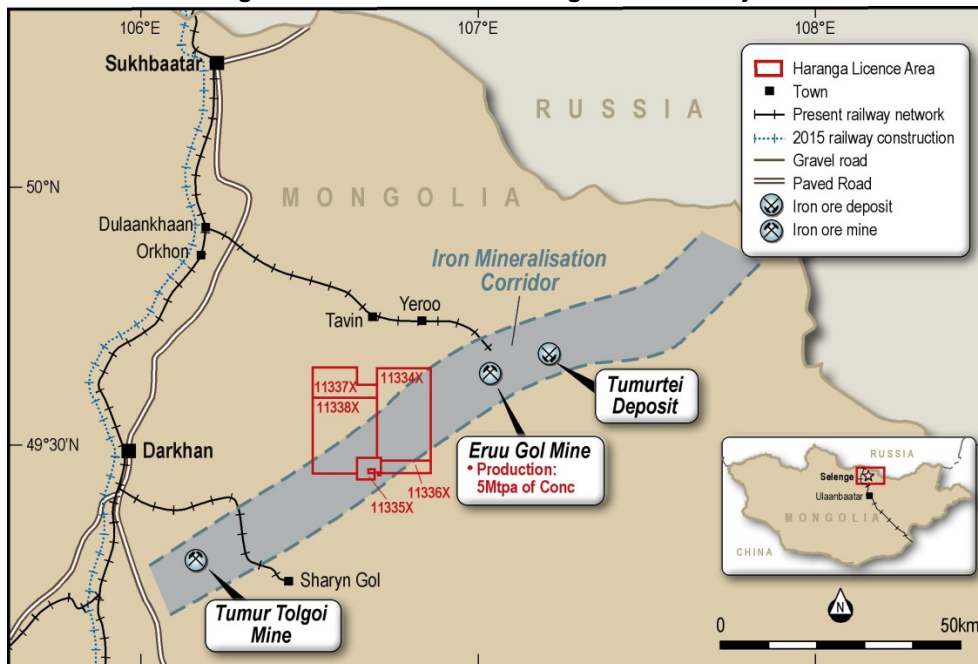
Initial Commentary based on Geological Logging and Handheld XRF:

- Impressively wide intervals of iron mineralisation continue to be discovered at Dund Bulag, typically 170-250m in combined apparent widths for each hole in the mineralised zone.
- The mineralisation at Dund Bulag remains open along strike in both directions and at depth.
- The drilling at Bayantsogt appears to have extended the zone of high grade ore a further 100m to the southwest and the mineralisation remains open in this direction.
- The magnetite mineralisation at Dund Bulag and Bayantsogt appears consistent with that observed during the 2011 drill program. This is positive because:
  - The mineralised samples from 2011 achieved a consistent 65-66% Fe concentrate after beneficiation in recent metallurgical testing.
- The combined Exploration Target\* at Selenge, based solely on the first four primary targets, is 160-320Mt.

## Selenge Project – Background

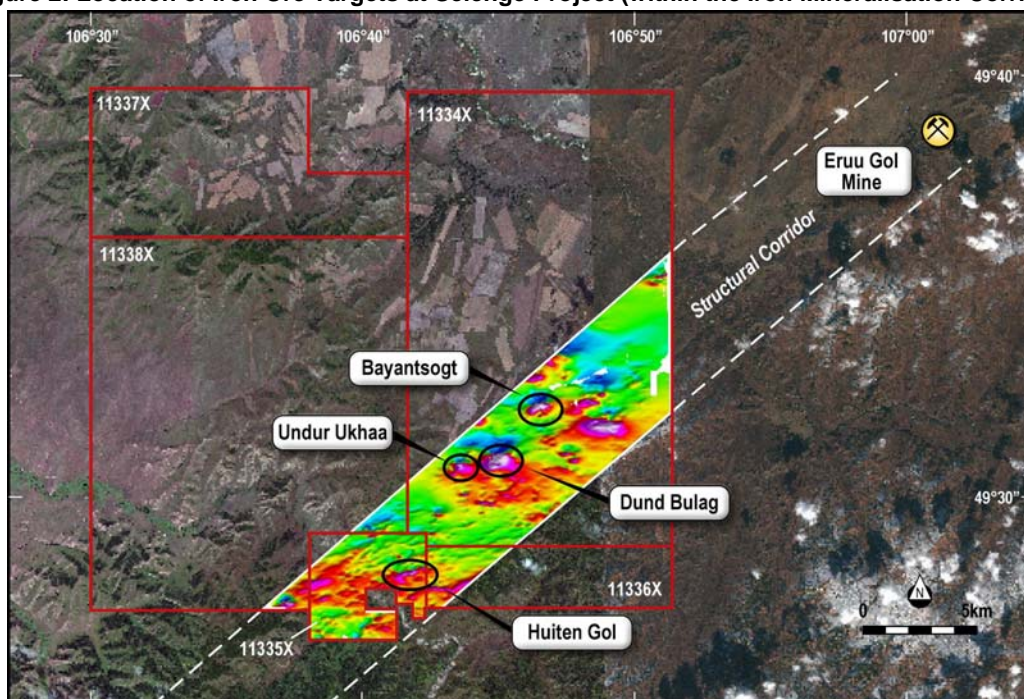
The Company's flagship Selenge iron ore project is located in the heart of Mongolia's premier iron ore development region with excellent access to the main trans-Mongolian rail line and nearby rail spurs.

**Figure 1: Location of the Selenge Iron Ore Project**



There are **four major iron ore prospects** at Selenge lying within 10km of each other. They are associated with large magnetite skarn hills and lie within the structural corridor that contains the major iron ore deposits in the region. The nearby Eruu Gol mine is on track to export around five million tonnes of magnetite concentrate in 2012, shipping the product via a newly constructed rail spur to the main trans-Mongolian rail line. (The 304Mt Eruu Gol deposit was valued at approximately US\$2Bn based on a 2009 investment by the China Investment Corporation). The 2011 drill program at Selenge defined an initial JORC inferred resource of 32.8Mt at 24.4% Fe at Bayantsogt and discovered significant iron mineralisation at the Dund Bulag and Huiten Gol Prospects. A total combined Exploration Target\* of 160-320Mt currently exists at Selenge. The 2012 drill program is underway, with eight drill rigs currently operating at site.

**Figure 2: Location of Iron Ore Targets at Selenge Project (within the Iron Mineralisation Corridor)**



## Drilling Update - Commentary

The Company is extremely pleased with the progress of the 2012 drilling program, particularly with the apparent widths of iron mineralisation at Dund Bulag appearing to surpass expectations. It is becoming clear that Dund Bulag represents a major discovery by the Company.

This promising start to the drill campaign follows the recent **MOU covering 5Mtpa of rail capacity**, the **excellent metallurgical results** on the Selenge ore and the techno-economic assessment by ProMet Engineers that yielded a **base case NPV for the Selenge Project of US\$1.1 billion**, with substantial upside potential to this number.

The 2011 exploration program confirmed that a number of significant discoveries had been made by the Company within the Selenge project area and achieved a maiden JORC Code compliant resource. Shareholders should now look forward to further positive results from the 2012 drilling as the Company moves towards a greatly expanded JORC Resource and a more detailed feasibility study.

## Other Developments in the Selenge Region

A recent site visit to our neighbours at the Eruu Gol mine (12km from Selenge) has confirmed that this mine continues to grow at an impressive pace, on course to export 5Mt of magnetite concentrate on the main rail line into China this year. A new wet magnetic separation plant that will be used to upgrade their lower grade material is under construction at Eruu Gol and their plan is to achieve 10Mtpa of concentrate production once it is completed.

A strategic partnership between the Eruu Gol mine owners and Winsway (HKEx:1733) for the marketing of Eruu Gol's iron ore into China was announced to the Hong Kong Stock Exchange on 22 August 2012, with the **target supply volume increasing to 30Mtpa by 2017**. These developments are highly positive for the continued development of the Selenge region as the hub of the Mongolian iron ore export industry.

Dr Robert Wrixon  
**Managing Director**  
**Haranga Resources Limited**

\* Exploration Targets are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

*The information in this report that relates to Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin 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 Griffin is the Technical 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.*

*The technical information contained in this announcement in relation to the JORC Compliant Resource for the Bayantsogt Deposit has been reviewed by Mr Peter Ball of DataGeo Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Ball has sufficient experience 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 Mineral Resources and Ore Reserves'. Mr Ball 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.*