



ASX Release

7 January 2012

**HARANGA
RESOURCES LIMITED
ACN 141 128 841**

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Australia

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Issued Capital:

211.75 million shares

ASX Symbol: HAR

\$6 Million Placement to Mongolian Investors

Haranga Resources Limited has agreed to issue 30 million new shares and 15 million new options to a group of Mongolian investors, led by Mongolian businessman Mr. Amarbaatar Chultem.

The key terms of the Subscription Agreement are as follows:

- **30 million new shares will be placed to the new investors at \$0.20 per share for a total consideration of \$6 million.**
- **The placement is at an 8% premium to the Company's last closing price of \$0.185 on 4 January 2012 and a 31% premium to the one month VWAP.**
- **15 million new options with a strike price of \$0.20 will also be issued to the same investors on a 'one for two' basis for zero consideration.**
- **On completion, this new Mongolian investor group will hold a combined 12.41% of the Company's expanded share capital on an undiluted basis.**

This placement represents a strategic investment in Haranga by a group of influential and knowledgeable Mongolian investors, led by the highly respected Mongolian businessman Mr. Amarbaatar Chultem, and reflects a growing acceptance within Mongolia of the high commercial and strategic value of the Company's iron ore assets. These investors are clients of Garrison Capital, corporate advisor to the Company.

This placement reflects Haranga's commitment to Mongolia and the importance that the Company places on encouraging local Mongolian investment. The Company's flagship Selenge project is itself a joint venture that is currently 20% owned by Mongolian JV partners.

Haranga Resources has now raised over \$37 million with the vast majority of the expenditure to date invested directly in Mongolia. These funds have been used to acquire, explore, discover and develop one of Mongolia's most significant iron ore resources within the Company's Selenge project area. Haranga Resources successfully conducted Mongolia's largest drill program in 2012 at the Selenge iron ore project and an enlarged resource for Selenge is anticipated in April 2013.

With these additional funds the Company's cash position will increase to approximately \$9.4 million. These funds will enable the Company to complete the process of obtaining a Mining Licence at Selenge and to complete a feasibility study on a full scale mine and an associated wet magnetic separation plant. Upon the grant of a Mining Licence, these funds should also enable the commencement of small scale mining in certain higher grade zones that can be beneficiated via simple dry magnetic separation.

The placement of the shares will be conducted under the Company's existing placement capacity pursuant to Listing Rule 7.1. The option issuance will be conducted pursuant to shareholder approval.

About Haranga Resources Limited:

Haranga Resources is a Mongolia focused iron ore exploration and development company listed on the ASX. Haranga owns a controlling interest in a number of iron ore projects in Mongolia. The Company's flagship is the Selenge Project, a large tenement holding in the heart of Mongolia's premier iron ore province. The Selenge Project area is located close to rail infrastructure and next to the Eruu Gol mine, Mongolia's largest iron ore export mine.

Four primary iron ore targets within close proximity have been identified at Selenge, the most advanced of which is the Bayantsogt Deposit. All four targets have now been drilled with significant iron mineralisation discovered in all four. The Company has released excellent drill results from approximately half of the holes drilled during the 2012 drill program. Once the laboratory work is complete it is intended to define and announce an initial JORC Code compliant resource for the Dund Bulag and Undur Ukhaa Prospects along with an enhanced resource estimate for the Bayantsogt Deposit by April 2013.

About Garrison Capital:

Garrison Capital is an independent full service corporate advisory firm specialising in the acquisition, funding and management of resources opportunities globally. Garrison Capital assisted in the IPO of Haranga Resources Limited on the ASX in December 2010 and is, or has been, corporate advisor to a number of other ASX listed, Mongolia focused resource companies including Hunnu Coal Limited (recently acquired by Thailand's Banpu), Wolf Petroleum Limited and Voyager Resources Limited.

Dr Robert Wrixon
Managing Director
Haranga Resources Limited