

1 February 2016

Dear Optionholder,

PARTICIPATION IN PRO-RATA NON-RENOUCEABLE ENTITLEMENT ISSUE

As announced to ASX on 29 January 2016, Haranga Resources Limited ('**Haranga**') is undertaking a pro-rata non-renounceable entitlement issue of approximately 341,845,828 fully paid ordinary shares in the capital of Haranga ('**Shares**') to raise approximately \$1,367,383 ('**Entitlement Issue**'). The price of Shares under the Entitlement Issue is \$0.004 each.

The Shares will be offered on the basis of one (1) new Share for every one (1) Share held as at 5pm (WST) on 5 February 2016 ('**Record Date**') and allotted under the Entitlement Issue ('**Offer**'). The Shares offered under the Entitlement Issue will rank equally with the Shares already on issue.

The Offer is partially underwritten by Golden Rain Holdings Limited ('**Golden Rain**') (an entity incorporated in Hong Kong) up to such amount of Shares as will result in Golden Rain having a voting power in the Company of no greater than 39%. Golden Rain will not be paid in respect of its underwriting commitment.

The Offer is being made to all shareholders of the Company ('**Shareholders**') named on its register of members at the Record Date, whose registered address is in Australia, New Zealand, Mongolia or Hong Kong.

The rights attaching to the Shares together with all other relevant information relating to the Entitlement Issue is set out in a prospectus which was lodged with the Australian Securities and Investments Commission and ASX on 29 January 2016 ('**Prospectus**'). New Shares will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. A copy of the Prospectus, together with the Entitlement and Acceptance Form, will be sent to Shareholders on 10 February 2016.

Following completion of the Offer, the Company will have issued approximately 341,845,828 new Shares resulting in total Shares on issue of approximately **683,691,656**.

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

Item	Proceeds of the Offer	Minimum Subscription (\$121,448)		Maximum Subscription (\$1,367,383)	
		(\$)	%	(\$)	%
1.	Mining and exploration licenses and land use related fees and costs	5,000	4.1	120,000	8.8
2.	Environmental and social impact detailed assessment	2,000	1.7	35,000	2.6
3.	Development expenses of Selenge Project	70,000	57.7	910,000	66.6
4.	Administrative and operation expenses	18,000	14.8	250,000	18.3
5.	Working capital	5,396	4.4	27,172	2.0
6.	Expenses of the offer	21,052	17.3	25,211	1.7
	Total	121,448	100	1,367,383	100

The above table is a statement of current intentions. As with any budget, intervening events 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.

There is no inherent right in your options to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as a shareholder on or before the Record Date. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Entitlement Issue.

If you wish to participate in the Entitlement Issue you must exercise your options in time for the new Shares to be allotted before the Record Date. To ensure that your new Shares are allotted before the Record Date your notice of exercise of options together with your cheque for the necessary amount must be received by Automatic Registry Services **no later than 3 February 2016**. Any notice of exercise of options received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlement Issue (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Issue carefully and if in any doubt, consult with your professional advisor.

Should you have any queries in relation to the Entitlement Issue, please do not hesitate to contact the Company on (+61 8) 9200 4415.

Yours sincerely

Jack James
Company Secretary
HARANGA RESOURCES LIMITED