

HARANGA RESOURCES LIMITED

ACN 141 128 841

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.03 per Share to raise approximately \$427,196 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). Refer to Section 8.4 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 Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Peter Youd (Non-Executive Director)

Mr Teow Kim Chng (Non-Executive Director)

Ms Nerida Schmidt (Non-Executive Director)

Company Secretary

Ms Nerida Schmidt

Share Registry*

Automic Registry Services

Level 2

267 St Georges Terrace

PERTH WA 6000

Telephone: +61 8 9324 2099

Auditor

BDO Audit (WA) Pty Ltd

38 Station Street

SUBIACO WA 6008

Registered Office

Suite 3, 9 Hampden Road

NEDLANDS WA 6009

Telephone: + 61 1300 660 448

Email: admin@haranga.com

Website: www.haranga.com

Solicitors

Steinepreis Paganin

Lawyers and Consultants

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

Underwriter

CPS Capital Group Pty Ltd

Level 45, 108 St Georges Terrace

PERTH WA 6000

AFSL 294848

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	23 August 2019
Lodgement of Prospectus & Appendix 3B with ASX	23 August 2019
Notice sent to Shareholders	27 August 2019
Ex-date	28 August 2019
Record Date for determining Entitlements	29 August 2019
Prospectus sent out to Shareholders & Company announces this has been completed	3 September 2019
Closing Date*	12 September 2019
ASX notified of under subscriptions	17 September 2019
Issue date/Shares entered into Shareholders' security holdings	19 September 2019

*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 Shares are expected to be issued may vary.

3. IMPORTANT NOTES

This Prospectus is dated 23 August 2019 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No 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 Shares the subject of this Prospectus should be considered highly speculative.

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

Although the Company's securities are currently suspended from ASX, the Company remains subject to the continuous disclosure regime under the Corporations Act. 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 wish to consult.

3.1 Company Update

Since the disposal of the Company's main undertaking in August 2017, the Company has been actively reviewing potential investment opportunities (**Potential Transactions**) to reinvigorate its activity profile and add value for its Shareholders. In January 2018, the Company was unsuccessful in obtaining Shareholder approval for an acquisition and entered voluntary suspension. At the date of this Prospectus an appropriate Potential Transaction has not yet been identified. Accordingly, the Company remains in voluntary suspension. The Company continues to actively identify and review Potential Transactions both in Australia and overseas.

The Company has engaged CPS Capital Group Pty Ltd, who is also the Underwriter, as its corporate advisor to identify suitable project opportunities. Preliminary discussions have been initiated in respect of the potential acquisition of mining projects in Australia and overseas, although no binding arrangement has been reached.

It is necessary for the Company to undertake the Offer to ensure that it has sufficient capital to meet anticipated compliance and administrative costs, as well as costs necessary to undertake a Potential Transaction. ASX have confirmed that to recommence trading, the Company will be required to re-comply with the admission requirements pursuant to ASX Listing Rule 11.1.3.

The Company's annual audited accounts for the period ending 31 December 2018 disclosed cash of \$32,850.

The Company has an existing convertible note facility (**Facility**) with Celtic Capital Pty Ltd with the ability of the Company to draw down up to \$200,000. For further details of the Facility terms please refer to Section 8.4.3.

The Company drew down \$30,000 under the Facility in May 2019 for working capital purposes. Subsequently, on 2 August 2019, the Company announced it had converted these convertible notes and the outstanding interest payable on these and raised an additional \$27,667 under a placement utilising the Company's Listing Rule 7.1 capacity. The Company currently has approximately \$11,269 in cash and outstanding creditors of \$6,449. There is also another \$232,456 in accrued director and company secretary fees, corporate advisory fees and legal fees. Accordingly, the Company has a need for capital.

The Company has not drawn down any further funds under the Facility. Any draw down and subsequent conversion to equity, would dilute the existing interests of current Shareholders.

Accordingly, the Company considers it is in the best interests of Shareholders, to allow existing Shareholders the opportunity to provide funding through participating in the Offer.

3.2 Suspension from ASX and Reinstatement to Quotation

The Shares of the Company have been in voluntary suspension since 22 January 2018 and remain suspended as at the date of this Prospectus.

At a time following completion of the Offer, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Shares on ASX. ASX have confirmed that to recommence trading the Company will be required to re-comply with the admission requirements pursuant to ASX Listing Rule 11.1.3. Whilst every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will be able to raise sufficient funds to comply with the requirements of ASX or that the Shares will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no liquid market for the Shares.

Although the Company's securities are currently suspended the Company continues to be a disclosing entity for the purposes of the Corporations Act.

Due to the suspension the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not available. The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension and lodgement of this Prospectus with the ASIC was \$0.003 (\$0.09 on a post consolidation basis) (17 January 2018). This is not a reliable indicator as to the potential value of Shares after closure of the Offer or upon reinstatement to trading on ASX.

3.3 Risk factors

Potential investors should be aware that subscribing for 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. 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 Shares pursuant to this Prospectus.

A summary of some of the Company's key specific risks include:

Risk	Description	Reference in Prospectus
Suspension and liquidity	The Company's Shares are currently suspended from trading on ASX. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.	7.2(a)
Reinstatement to Trading on ASX	<p>At a time following completion of the Offer, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Shares on ASX. ASX have confirmed that to recommence trading, the Company will be required to re-comply with the admission requirements pursuant to ASX Listing Rule 11.1.3. As part of a future re-compliance the Company will have to seek a number of Shareholder approvals.</p> <p>There is no guarantee that the Company will be able to obtain the necessary Shareholder approvals.</p> <p>Whilst every endeavour will be made to comply, there can be no guarantee the Company will be able to comply with the requirements of ASX or that the Shares will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX.</p>	7.2(b)
Going Concern Risk	The Company's 2018 Annual Report contains a 'going concern' note that states that there is material uncertainty which may cast significant doubt regarding the ability of the Company to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.	7.2(d)
Future Capital Requirements	<p>The Company will be required to raise additional funds, to satisfy the requirements of Chapters 1 and 2 of the Listing Rules and have sufficient working capital to carry out its stated objectives.</p> <p>Failure to obtain sufficient funding for the Company's future activities may result in delay to being reinstated to the official list of the ASX. There can be no assurance that additional funding will be available when needed or, if available, the terms might not be favourable to the Company and might</p>	7.2(e)

	involve substantial dilution and cost to Shareholders.	
Escrow	ASX has confirmed it reserves the right to apply escrow to existing Shares (which may include Shares issued under the Offer, if the post consolidation issue price under the Offer is less than the re-compliance public raising price). Any ASX escrow will be imposed by ASX in accordance with the ASX Listing Rules.	7.2(c)
Dilution	Upon completion of the Offer, assuming all Entitlements are accepted, the number of Shares in the Company will increase from 21,359,846 currently on issue to approximately 35,599,473. This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 40%.	7.2(f)
New projects and acquisitions	<p>The Company continues to actively pursue and assess new project opportunities. These new opportunities may take the form of direct acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.</p> <p>The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.</p> <p>Any new project or acquisition is likely to change the risk profile of the Company (which has historically been exploration), particularly for assets located in foreign jurisdictions, involving a new commodity and/or material changes to the Company's future working capital and expenditure requirements.</p>	7.3(a)

3.4 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, is set out in the table below:

Director	Shares	Entitlement	\$
Peter Youd	Nil	Nil	Nil
Teow Kim Chng	3,334	2,223	67
Nerida Schmidt	Nil	Nil	Nil

Notes:

- As outlined in section 3.6, the Directors (through nominee entities) have entered into agreements with the Underwriter to sub-underwrite the Offer up to \$40,000 each (1,333,334 Shares). Upon completion of the Offer this represents a maximum potential shareholding of 3.7% for each of Peter Youd and Nerida Schmidt (who are not presently Shareholders of the Company) and a 3.7% shareholding for Teow Kim Chng, which includes his full Entitlement and existing shareholding. Refer to Section 8.4.2 for details regarding the terms of the sub-underwriting agreements.
- The Board recommends all Shareholders take up their Entitlement and advises that Teow Kim Chng intends to take up his Entitlement.

3.5 Details of substantial holders

Based on publicly available information, 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	5,072,137	23.75
Celtic Capital Pty Ltd ATF The Celtic Capital A/C ¹	4,269,768	19.99
Amarbaatar Chultem	1,306,749	6.12

Note:

- Celtic Capital Pty Ltd is an associate of the Underwriter, CPS Group Pty Ltd by virtue of Mr Jason Petersen being a director and shareholder of both entities. Mr Petersen holds a controlling interest in Celtic Capital Pty Ltd, but not in CPS Group Pty Ltd.

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

3.6 Underwriting and sub-underwriting by Directors

The Offer is fully underwritten by the Underwriter. The Company will pay an underwriting fee of 6% of the total amount raised under the Offer (plus GST) to the Underwriter. The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. Refer to Section 8.4.1 for details regarding the terms of the Underwriting Agreement.

Under the Underwriting Agreement, the Underwriter has sub-underwritten its obligations so that no party will acquire more than a 20% interest in the Company as a result of allocating the Shortfall Shares. It is noted that Celtic Capital Pty Ltd, currently holds 19.99% of the Company and is an associate of the Underwriter, CPS Capital Group Pty Ltd by virtue of Mr Jason Petersen being a director and shareholder of both entities. Mr Petersen holds a controlling interest in Celtic

Capital Pty Ltd, but not in CPS Capital Group Pty Ltd. CPS Capital Group Pty Ltd will not retain any of the Shortfall Shares as principal.

Directors, Peter Youd, Teow Kim Chng and Nerida Schmidt (or their respective nominees), have entered into agreements with the Underwriter to sub-underwrite the Offer up to \$40,000 each (1,333,334 Shares). Upon completion of the Offer this represents a maximum potential shareholding of 3.7% for each of Peter Youd and Nerida Schmidt who are not presently Shareholders of the Company, and a 3.7% shareholding for Teow Kim Chng, which includes his full Entitlement and existing shareholding. Refer to Section 8.4.2 for details regarding the terms of the sub-underwriting agreements.

3.7 Effect on control of the Company

The Underwriter is presently not a shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 20% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Shares) complies with the provisions of Chapter 6 of the Corporations Act 2001 (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

3.8 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (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 is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	46.82%	6,666,667	10,000,000	28.09%
Shareholder 2	5,000,000	23.41%	3,333,334	5,000,000	14.05%
Shareholder 3	1,500,000	7.02%	1,000,000	1,500,000	4.21%
Shareholder 4	400,000	1.87%	266,667	400,000	1.12%
Shareholder 5	50,000	0.23%	33,334	50,000	0.14%
Total	21,359,846		14,239,897		35,599,743

Note:

1. Assumes full subscription under the Offer.

3.9 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 two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.03 per 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, approximately 14,239,897 Shares will be issued pursuant to this Offer to raise approximately \$427,196.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the 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

On the basis that the Offer is fully underwritten, the minimum subscription is also the full subscription under the Offer. No 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) make payment by BPAY® or 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 and apply for Shares under the Shortfall Offer:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) fill in the number of Shares you wish to apply for under the Shortfall Offer in the space provided on the Entitlement and Acceptance Form; and

- (iii) make payment by BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.03 per Share);
- (c) or if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) make payment by BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.03 per 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” and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company’s Share Registry (by delivery or by post) at:

By delivery Automic Registry Services
 Level 5
 126 Phillip Street
 SYDNEY NSW 2000

By Post Automic Registry Services
 GPO Box 5193
 SYDNEY NSW 2001

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 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 3:00 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 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. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.

Eligible Shareholders may apply for Shares under the Shortfall Offer in addition to their Entitlements subject to such applications being received by the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.03 being the price at which Shares have been offered under the Offer.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 8.4.1. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer.

The Underwriter notes that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

4.7 Suspension

The Company's Shares are currently suspended from trading on ASX. Accordingly, the Shares to be issued under the Prospectus will not be tradeable on ASX at the time of issue. As set out in Section 3.2, following completion of the Offer and the identification of a suitable new project opportunity, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Shares on ASX.

4.8 Issue of Shares

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

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of 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 of the Shortfall Offer.

Pending the issue of the 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 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

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 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 Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.10 Enquiries

Any questions concerning the Offer should be directed to the, Company, on + 61 1300 660 448.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$427,196.

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

Item	Allocation of funds	Full Subscription (\$)	%
1.	Expenses of the Offer	\$50,000	13
2.	Corporate, administration and operation costs	\$150,000	35
3.	Identification of new projects and associated due diligence	\$150,000	35
4.	General working capital	\$77,196	17
Total		\$427,196	100

Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve its stated objectives.

The above table is a statement of current intentions as of the date of this Prospectus. 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.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted will be to:

- (a) increase the cash reserves by approximately \$377,196 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 21,359,846 as at the date of this Prospectus to approximately 35,599,743 Shares.

5.3 Pro-forma balance sheet

The audited balance sheet as at 31 December 2018 and the unaudited pro-forma balance sheet as at 31 December 2018 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 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.

	AUDITED 31 December 2018 ²	UNAUDITED PROFORMA 31 December 2018
CURRENT ASSETS		
Cash ¹	32,850	410,046
Other current assets	21,690	21,690
TOTAL CURRENT ASSETS	54,540	431,736
NON-CURRENT ASSETS		
Exploration	-	-
TOTAL NON-CURRENT ASSETS	-	-
TOTAL ASSETS	54,540	431,736
CURRENT LIABILITIES		
Creditors and borrowings	150,296	150,296
TOTAL CURRENT LIABILITIES	150,296	150,296
TOTAL LIABILITIES	150,296	150,296
NET ASSETS (LIABILITIES)	(95,756)	281,440
EQUITY		
Share capital	40,389,620	40,766,816
Reserve	6,127,871	6,127,871
Retained loss	(46,613,247)	(46,613,247)
TOTAL EQUITY	(95,756)	281,440

Notes:

1. Cash increased by \$377,196 (capital raised net of costs of issue).
2. As at the date of this prospectus there has been no material change to the financial position as represented in the 31 December 2018 audited balance sheet.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

Shares

	Number
Shares currently on issue	21,359,846
Shares offered pursuant to the Offer	14,239,897
Total Shares on issue after completion of the Offer¹	35,599,743

Notes:

1. Under the terms of the Facility with Celtic Capital Pty Ltd, the Company can draw down up to \$200,000 from Celtic Capital Pty Ltd. Under the repayment terms, the debt can be converted to equity. Assuming a conversion price of \$0.03 (being the issue price under the Offer) conversion of the fully drawn down amount would increase the total Shares on issue by up to 6,666,667. For further details on the Facility please refer to Section 8.4.3 of this Prospectus.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 21,359,846 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be approximately 35,599,743 Shares.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to 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.

6.1 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.

6.2 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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 each Share held, 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).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, 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, 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.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 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 ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX 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.

6.8 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.

6.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The 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 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) Suspension and Illiquidity of Shares

As set out in Section 3.2, the Company's Shares are currently suspended from trading on ASX. As such, there is no market for Shares and the Shares offered pursuant to this Prospectus are highly illiquid.

(b) Reinstatement to Trading on ASX

At a time following completion of the Offer and the identification of a suitable new project opportunity, the Company intends to satisfy the requirements of ASX and apply for the reinstatement to trading of its Shares on ASX. ASX have confirmed that to recommence trading, the Company will be required to re-comply with the admission requirements pursuant to ASX Listing Rule 11.1.3. As part of any future re-compliance the Company will have to seek a number of Shareholder approvals. ASX has confirmed it reserves the right to apply escrow if the post consolidation price is less than the re-compliance public raising price.

Whilst every endeavour will be made to comply with the requirements set down by the ASX Listing Rules, there can be no guarantee the Company will obtain the necessary Shareholder approvals in order to comply with the requirements of ASX, or that the Shares will be reinstated to trading on ASX. In the event the Company is unable to comply with the requirements of ASX, the Shares will remain suspended from trading on ASX and there will be no readily available liquid market for Shares.

(c) Escrow of Shares

ASX has also confirmed it reserves the right to apply ASX escrow to existing Shares (which will include Shares issued under the Offer, if the post consolidation issue price under the Offer is less than the re-compliance public raising price) for up to 24 months from the date of readmission. Any ASX escrow will be imposed by ASX in accordance with the ASX Listing Rules.

Accordingly, applicants may have to enter into restriction agreements in respect of Shares issued under this Prospectus. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares. The Company will announce to the ASX full details of securities required to be held in escrow prior to the Shares commencing trading on ASX.

(d) **Going Concern Risk**

The Company's 2018 Annual Report contains a 'going concern' note. Based on the number of inherent uncertainties relating to the Company's future plans, including:

- (i) The Company's Shares being suspended;
- (ii) Doubt as to the ability to raise equity in the current market; and
- (iii) Doubt as to whether the Company can secure other sources of funding,

there is material uncertainty which may cast significant doubt regarding the ability of the Company to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

Notwithstanding the 'going concern' note included in the Company's 2018 Annual Report, the Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern. However, in the event that the Offer is not completed successfully or is delayed, there is significant uncertainty as to whether the Company can meet its commitments to its creditors and continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(e) **Future Capital Requirements**

The Company will be required to raise additional funds, to satisfy the requirements of Chapters 1 and 2 of the Listing Rules and have sufficient working capital to carry out its stated objectives.

Failure to obtain sufficient funding for the Company's future activities may result in delay to being reinstated to the official list of the ASX. There can be no assurance that additional funding will be available when needed or, if available, the terms might not be favourable to the Company and might involve substantial dilution and cost to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may also contain covenants, undertakings and other provisions which, if breached, entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. This applies to the existing Facility of the Company that was entered in May 2018. For further details on the Facility please refer to Section 8.4.3 of the Prospectus. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(f) **Dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Shares in the Company will increase from 21,359,846 currently on issue to approximately 35,599,743. This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 40%.

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

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.003 (\$0.09 on a post consolidation basis) (dated 17 January 2018) is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.3 Industry specific

(a) **New projects and acquisitions**

The Company continues to actively pursue and assess new project opportunities. These new opportunities may take the form of direct acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The Directors of the Company will use their expertise and experience to assess the value of potential projects, businesses and/or assets that have characteristics that are likely to provide returns to Shareholders.

The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

As stated above, ASX will require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the Listing Rules as if the Company were a new listing as a condition to the new investment. There would be costs associated in re-complying with the admission requirements. The Company may be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.

If a new investment or acquisition is not completed, then the Company may not be in a position to comply with the ongoing ASX Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given the nature of resource exploration, this may also occur if the Company abandons and/or relinquishes a project which is no longer considered viable.

Any new project or acquisition is likely to change the risk profile of the Company (which has historically been exploration), particularly for assets located in foreign jurisdictions, involving a new commodity and/or material changes to the Company's future working capital and expenditure requirements.

(b) **Mining and exploration risks**

Depending on the nature of the Potential Transaction that the Company identifies and successfully undertakes, it is possible that the primary business of the Company will return to the exploration for, and commercial development of mineral ore bodies, which is subject to the risks inherent in these activities. On this basis, the 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 would depend 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 would be no assurance that exploration and development of any mineral interests held by the Company, or any other projects that may be

acquired by the Company in the future, would 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 would also be dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals on a timely basis.

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- 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.

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 Shares offered under this Prospectus.

Therefore, the 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 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 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
22/08/2019	Suspension from Official Quotation – Annual Listing Fee
21/08/2019	Change in Substantial Holding
19/08/2019	Update on Consolidation of Capital
13/08/2019	Consolidation/Split – HAR Update
8/08/2019	Consolidation/Split – HAR Update
8/08/2019	Consolidation of Capital
7/08/2019	Results of Meeting
7/08/2019	Chairman's Address
7/08/2019	Change in Substantial Holding
5/08/2019	Consolidation/Split – HAR
2/08/2019	Appendix 3B
31/07/2019	Quarterly Activities Report
31/07/2019	Request for extension of Voluntary Suspension
30/07/2019	Quarterly Cashflow Report
5/07/2019	Notice of Annual General Meeting/Proxy Form
5/07/2019	Annual Report despatched to shareholders

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 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities. However due to the suspension the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not

available as there have been no sales. The last recorded closing sale price of the Shares on ASX prior to the voluntary suspension and lodgement of this Prospectus with the ASIC was \$0.003 (\$0.09 on a post consolidation basis) (17 January 2018). This is not a reliable indicator as to the potential value of Shares after implementation of the Offer or reinstatement to trading on ASX.

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.4.1 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer. Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter:

- (a) an underwriting fee of 6% of the underwritten amount (all sub-underwriting fees will be paid by the Underwriter);
- (b) a monthly corporate advisory fee of \$5,000, for a minimum term of twelve (12) months; and
- (c) an asset introduction fee of 6% for any asset which the Company may acquire in the future that is introduced by the Underwriter.

In addition to the above fee, the Company has agreed to pay CPS Capital Group Pty Ltd for all out of pocket expenses reasonably incurred in relation its engagement as Underwriter to 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) (**Indices fall**): any of the following indexes closes on any 2 consecutive trading days before the Shortfall Notice Deadline Date 5% or more below its respective level as at the close of business on the Business Day prior to the Execution Date prior to the date of the Underwriting Agreement:
 - (i) Dow Jones;
 - (ii) S&P 500;
 - (iii) Nasdaq;
 - (iv) Russell 2000;
 - (v) FTSE;
 - (vi) Nikkei; or
 - (vii) Shanghai SE Comp,
- (b) (**Prospectus**): the Company does not lodge the Prospectus by 30 August 2019 or the Prospectus or the Offer is withdrawn by the Company;

- (c) **(No Listing Approval)**: the Company fails to lodge an Appendix 3B in relation to the underwritten shares with ASX by the time required by the Listing Rules, the Corporations Act or any other regulations;
- (d) **(Restriction on issue)**: the Company is prevented from issuing the underwritten shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (e) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;
- (f) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (g) **(Indictable offence)**: a director or senior manager of a relevant company is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or
- (h) **(Termination Events)**: subject always to a material adverse effect, upon the occurrence of any of the following events:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated falling by 5%;
 - (ii) **(Default)**: default or breach by the Company of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied;
 - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company is or becomes untrue or incorrect in a material respect;
 - (iv) **(Contravention of constitution or Act)**: a contravention by a relevant company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;

- (v) (**Adverse change**): an event occurs which gives rise to a material adverse effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- (vi) (**Significant change**): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any relevant company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (**Official Quotation qualified**): the official quotation is qualified or conditional other than as contemplated in the Underwriting Agreement;
- (x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xi) (**Prescribed Occurrence**): a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (xii) (**Suspension of debt payments**): the Company suspends payment of its debts generally;
- (xiii) (**Event of Insolvency**): an event of insolvency occurs in respect of a relevant company;
- (xiv) (**Judgment against a Relevant Company**): a judgment in an amount exceeding \$50,000 is obtained against a relevant company and is not set aside or satisfied within 7 days;
- (xv) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any relevant company, other than any claims foreshadowed in the Prospectus;
- (xvi) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the underwritten shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);

- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a relevant company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 3 Business Days;
- (xix) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a relevant company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any relevant company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Breach of Material Contracts)**: any contracts are terminated or substantially modified;
- (xxiii) **(Investigation)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or Prospectus, or publicly foreshadows that it may do so; or
- (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

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.

8.4.2 Sub-underwriting Agreement

The Underwriter has entered into sub-underwriting agreements with Peter Youd, Teow Kim Chng and Nerida Schmidt, pursuant to which each of the Directors have agreed to sub-underwrite the Offer (**Sub-Underwriting Agreement**) on the following material terms:

- (a) each Director to sub-underwrite \$40,000 (1,333,334 Shares) (**Sub-Underwriting Commitment**); and
- (b) the Sub-underwriting Agreement shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Sub-underwriting Agreement is otherwise made on terms and conditions considered standard for an agreement of this nature.

8.4.3 Convertible Note Facility

The Company has an existing convertible note facility (**Facility**) with Celtic Capital Pty Ltd (**Subscriber**) with the ability of the Company to draw down up to \$200,000. The Company drew down \$30,000 under the Facility in May 2019 which was repaid in full by conversion on 1 August 2019.

A summary of the material terms and conditions of the Facility are set out below.

- (a) (**Subscription**): The Subscriber agrees to subscribe for convertible notes up to an aggregate amount outstanding at any time not exceeding \$200,000.
- (b) (**Request for Subscription**): The Company may at any time before the final subscription date (being three months after the initial subscription date or as otherwise agreed between the parties) request that a subscription be provided to the Company by the Subscriber.

The Subscriber will provide each subscription amount requested in a subscription notice, to the Company on the date specified in the subscription notice. The Subscriber will receive convertible notes in return.

- (c) (**Interest**): interest is payable by the Company on the convertible notes in arrears at the rate of 18% per annum, and the rate of 24% per annum in the event of default by the Company.
- (d) (**Redemption Event**): the convertible notes may be redeemed at any time after the date that is three (3) months from the subscription date by the issue of a written notice by the Subscriber to the Company.
- (e) (**Conversion**): at any time prior to a redemption event, the Subscriber may issue a notice requiring the Company to call a general meeting of its Shareholders for the purposes of one or more of the following purposes:
 - (i) approval of the conversion of the value of the convertible notes into Shares (**Issue Approval**); and
 - (ii) approval for the purposes of Item 11 of section 611 of the Corporations Act for the issue of Shares pursuant to such a conversion (**Relevant Interest Approval**).
- (f) The Subscriber will not issue a conversion notice if it considers that a conversion may result in the contravention of section 606(1) of the Corporations Act.
- (g) (**Conversion Price**): the price at which Shares will be issued on conversion of convertible notes will be equal to 75% of the most recent issue price of Shares issued prior to the date of the conversion notice.
- (h) (**Default and Termination**): in the event of default by the Company no further subscription will be available to be drawn down, and the subscription amount and all interest shall become due and payable.

The Facility otherwise contains representations and warranties considered standard for an agreement of this nature.

8.5 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:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) 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 3.4 of this Prospectus.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. 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.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid/payable to both the executive and non-executive directors.

Director	2018	2019
Peter Youd ¹	\$36,000	\$36,000
Teow Kim Chng ²	\$24,000	\$36,000
Nerida Schmidt ³	\$24,000	\$36,000
Bat-Ochir Sukhbaatar ⁴	\$24,000	\$Nil
Jack James ⁵	\$12,000	\$Nil
Paula Cowan ⁶	\$12,000	\$Nil

Notes:

1. Mr Youd appointed on 1 June 2017.
2. Mr Chng was appointed on 4 May 2018.
3. Ms Schmidt was appointed on 4 May 2018.
4. Mr Sukhbaatar resigned on 12 September 2018. As part of the recapitalisation of the Group, the current Board made a re-assessment of certain payables and accruals in respect of previous Directors fees and expenses. Management re-estimated the associated liabilities and reversed this liability in the half-year ended 30 June 2018 financial statements. 2018 fees accrued for Mr Sukhbaatar of \$24,000 were included in these amounts reversed. This was due to the lack of evidence of any contracted service that would ordinarily be expected in the role of a Director. The current Directors' made a judgement over the likelihood of any claim over these amounts and expected the likelihood that these directors would claim an amount for services rendered to be unlikely. In the unlikely event of such a claim it will be rigorously defended by the Group and the directors believe it would not be probable that there would be an amount payable.
5. Mr James resigned on 4 May 2018.
6. Ms Cowan resigned on 4 May 2018.

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:

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

(f) 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:

(g) the formation or promotion of the Company; or

(h) the Offer.

CPS Capital Group Pty Ltd will be paid an underwriting fee of approximately \$25,631 in respect of this Offer. CPS Capital Group Pty Ltd will also be paid \$5,000 per month for corporate advisory services provided to the Company for 12 months from 10 August 2019 and a 6% asset introduction fee for any asset that the Company may acquire in the future which is introduced by CPS Capital Group Pty Ltd. During the 24 months preceding lodgement of this Prospectus with the ASIC, CPS Capital Group Pty Ltd has accrued fees totalling \$30,000 (excluding GST) by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$7,000 (excluding GST and disbursements) for these services.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

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) in light of the above, only 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,

CPS Capital Group Pty Ltd 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. CPS Capital Group Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 31 December 2018 audited balance sheet of the Company in Section 5.3. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to 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 \$50,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	4,214
Underwriting fees	25,632
Legal fees	7,000
Printing and distribution	3,000
Miscellaneous	6,948
Total	\$50,000

8.9 Electronic prospectus

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 1300 660 448 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 CHESS 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 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.

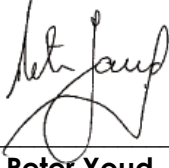
You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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 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.



Mr Peter Youd
Non-Executive Director
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 Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form.

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 CHES.

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

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

Facility means the convertible note facility entered between the Company and Celtic Capital Pty Ltd ATF the Celtic Capital Trust dated 17 May 2018.

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

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

Official Quotation means official quotation on ASX.

Prospectus means this prospectus.

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

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

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.6 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Underwriter means CPS Capital Group Pty Ltd.

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