



ABN 83 141 128 841

Half-year Financial Report

30 June 2019

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**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

**Registered Office**

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NEDLANDS WA 6009  
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Facsimile: +61 1300 855 044  
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**Share Registry**

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Level 2  
267 St Georges Terrace  
PERTH WA 6000  
Telephone: 1300 288 664  
Facsimile: + 61 8 9321 2337

**Solicitors**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000  
Telephone: + 61 8 9321 4000  
Facsimile: + 61 8 9321 4333

**Auditors**

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO, WA 6008

**Stock Exchange**

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)  
ASX Code: HAR

**DIRECTORS' REPORT**

The Directors of Haranga Resources Limited ('the Company' or 'Haranga') submit the financial report of the consolidated entity consisting of Haranga Resources Limited and the entities it controlled at the end of, or during the half-year ended 30 June 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

**Directors**

The names of Directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

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Mr. Peter Youd	Non-Executive Director
Mr. Teow Chng	Non-Executive Director
Ms. Nerida Schmidt	Non-Executive Director

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**Results**

The loss after tax for the half-year ended 30 June 2019 was \$134,263 (2018: profit of \$51,486).

**Review of Operations**

On 21 May 2019, the Company drew down \$30,000 from the \$200,000 Convertible Note facility with Celtic Capital Pty Ltd (see below Events Occurring After the Reporting Period for conversion of the debt to equity).

The Directors, together with the Company's corporate adviser, continued to assess various recapitalisation opportunities for the Company and continued to actively pursue other opportunities to restore shareholder value as well as looking at other funding options for these opportunities.

**Events Occurring After the Reporting Period**

On 1 August 2019, the Company issued 44,056,899 shares at \$0.0007 extinguishing convertible debt, including interest, of \$30,839 and 39,523,819 shares were issued to sophisticated investors raising funds of \$27,667.

On 7 August 2019, shareholders approved a 1:30 consolidation of capital which was completed on 13 August 2019.

On 23 August 2019 the Company announced a non-renounceable entitlement issue of two shares for every three held by shareholders. A total of 2,664,624 shares at \$0.03 per share were issued to investors on 19 September 2019 raising \$79,939. The Company is yet to complete the issue of the shortfall however expects this to be achieved by the end of November 2019.

There were no other significant events subsequent to reporting date.

**Auditor's Independence Declaration**

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd, to provide the Directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' Report for the half-year ended 30 June 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



Peter Youd  
Non-Executive Director

Perth, Western Australia  
24 October 2019

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF HARANGA RESOURCES LIMITED

As lead auditor for the review of Haranga Resources Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Haranga Resources Limited and the entities it controlled during the period.



Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 24 October 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
*for the half-year ended 30 June 2019*

	Note	30 June 2019 \$	30 June 2018 \$
<b>Continuing operations</b>			
Other income	9	-	214,236
Professional and consulting fees		(108,152)	(142,440)
Loss from deconsolidation of subsidiary		-	(12,869)
Other expenses		(25,781)	(7,815)
<b>Operating (loss)/profit</b>		<b>(133,933)</b>	<b>51,112</b>
Finance income		57	385
Finance expense		(387)	(11)
<b>(Loss)/profit from continuing operations before income tax</b>		<b>(134,263)</b>	51,486
Income tax benefit		-	-
<b>(Loss)/profit for the year</b>		<b>(134,263)</b>	<b>51,486</b>
<b>Other Comprehensive Income</b>			
<i>Items that will be reclassified to profit or loss:</i>			
Foreign currency translation		-	12,870
<b>Other comprehensive income for the half-year, net of tax</b>		<b>-</b>	<b>12,870</b>
<b>Total comprehensive (loss)/profit for the half-year</b>		<b>(134,263)</b>	<b>64,356</b>
Basic and diluted (loss)/profit per share	4	(0.72)	0.32

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Consolidated Statement of Financial Position**

*as at 30 June 2019*

	Note	30 June 2019 \$	31 December 2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	50,065	32,850
Other receivables	6	18,381	8,148
Other current assets		944	13,542
<b>Total Current Assets</b>		<b>69,390</b>	<b>54,540</b>
<b>Total Assets</b>		<b>69,390</b>	<b>54,540</b>
<b>Current Liabilities</b>			
Trade and other payables	6	269,022	150,296
Financial liabilities	6	30,387	-
<b>Total Current Liabilities</b>		<b>299,409</b>	<b>150,296</b>
<b>Total Liabilities</b>		<b>299,409</b>	<b>150,296</b>
<b>Net liabilities</b>		<b>(230,019)</b>	<b>(95,756)</b>
<b>Equity</b>			
Issued capital	6	40,389,620	40,389,620
Reserves		6,127,871	6,127,871
Accumulated losses		(46,747,510)	(46,613,247)
<b>Total Equity</b>		<b>(230,019)</b>	<b>(95,756)</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Cash Flows**  
*for the half-year ended 30 June 2019*

	30 June 2019 \$	30 June 2018 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(12,842)	(61,980)
Interest received	57	385
<b>Net cash outflow for operating activities</b>	<b>(12,785)</b>	<b>(61,595)</b>
<b>Cash flows from financing activities</b>		
Proceeds from convertible note	30,000	-
<b>Net cash (outflow) / inflow from financing activities</b>	<b>30,000</b>	<b>-</b>
Net (decrease) / increase in cash held	17,215	(61,595)
Cash and cash equivalents at beginning of period	32,850	191,116
<b>Cash and cash equivalents at the end of the period</b>	<b>50,065</b>	<b>129,520</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity**  
for the half-year ended 30 June 2019

	Issued Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>	<b>40,389,620</b>	<b>(46,613,247)</b>	<b>6,127,871</b>	<b>(95,756)</b>
Loss for the half-year	-	(134,263)	-	(134,263)
<i>Other comprehensive income</i>				
Foreign currency translation	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	(134,263)	-	(134,263)
<b>Balance at 30 June 2019</b>	<b>40,389,620</b>	<b>(46,747,510)</b>	<b>6,127,871</b>	<b>(230,019)</b>
<b>Balance at 1 January 2018</b>	<b>40,340,817</b>	<b>(46,492,761)</b>	<b>6,115,001</b>	<b>(36,943)</b>
Loss for the half-year	-	51,486	-	51,486
<i>Other comprehensive income</i>				
Foreign currency translation	-	-	12,870	12,870
<b>Total comprehensive loss for the half-year</b>	-	51,486	12,870	64,356
<b>Transactions with owners in their capacity as</b>				
Equity issued by rights issue	-	-	-	-
Costs of issue	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>40,340,817</b>	<b>(46,441,275)</b>	<b>6,127,871</b>	<b>27,413</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**Notes to the Consolidated Financial Statements****1. Corporate Information**

The financial report consists of the consolidated financial statements of Haranga Resources Limited and its subsidiaries for the half-year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 24 October 2019.

Haranga Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

**2. Basis of Preparation**

These general purpose financial statements for the half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard *134 Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 31 December 2018 and any public announcements made by Haranga Resources Limited during the half-year reporting period and to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half-year report has been prepared on an accruals basis and is based on historical costs.

**Going Concern**

The Group incurred a net loss after tax for the half-year ended 30 June 2019 of \$134,263 (2018: profit of \$51,486) and experienced net cash outflows for operating activities of \$12,785 (2018: \$61,595). At 30 June 2019, the Group has net liabilities of \$230,019 (31 December 2018: \$95,756). As at 30 June 2019, the Group's cash balance was \$50,065. At the date of this report the majority of the trade and other payables are past due and relate to fees payable to the Directors, legal advisors and the Company's corporate advisor actively pursuing opportunities for the Company.

Notwithstanding the above, the ability of the Group to continue as a going concern is dependent upon the Group obtaining funding through various sources, including debt and/or equity issues, to meet its commitments in the next 12 months.

These conditions indicate a material uncertainty that may cause a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the consolidated Group's working capital requirements at the date of this report and that there are reasonable grounds to believe that the Group will continue as a going concern for the following reasons:

- The Company signed a convertible note providing for up to \$200,000 available to be drawn down, the full amount being available at the date of this report after the conversion of the initial draw down subsequent to 30 June 2019;
- The ability to raise additional funding through debt or equity; and
- In the interim, the company has reduced its expenditure to conserve cash and has received confirmation from certain creditors that outstanding liabilities totalling \$137,387 would be extinguished via the issue of shares.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

**New and Amending Accounting Standards and Interpretations**

In the half-year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2019. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group accounting policies.

New and amended accounting standards and interpretations have been published but are not mandatory. The Group has decided against early adoptions of these standards and has determined the potential impact on the financial statements from the adoption of these standards and interpretations is not material to the Group.

Notes to the Consolidated Financial Statements (continued)

3. Segment Reporting

The Group predominantly operated in one geographical segment for the 2019 and 2018 financial years.

The Group operates in the mineral exploration industry. For management purposes, the Group is organised into one main operating segment which involves the exploration for minerals. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment which is equivalent to the financial statements of the Group as a whole. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

4. Loss per Share

Net (loss)/profit attributable to ordinary shareholders for basic and diluted earnings per share

30 June 2019  
\$

30 June 2018  
\$

(134,263) 51,486

Weighted average number of ordinary shares used in calculating basic loss per share

525,942,912 484,525,904

Less effect of 1:30 consolidation approved by shareholders 7 August 2019 <sup>(1)</sup>

(538,631,296) (468,375,041)

Weighted average number of ordinary shares used in calculating basic loss per share

18,573,493 16,150,863

Basic and diluted (loss)/profit per share

(0.72) 0.32

(1) The weighted average number of ordinary shares has been adjusted in all periods by a factor of 30:1 due to the consolidation completed subsequent to the end of the Half year.

5. Cash and Cash Equivalents

Cash at bank

30 June 2019  
\$

31 December 2018  
\$

50,065 32,850

**50,065 32,850**

6. Financial assets and liabilities

Set out below is an overview of financial assets (other than cash and short term deposits) and financial liabilities held by the Group as at 30 June 2019 and 31 December 2018:

Financial assets

Other receivables

18,381 8,148

**18,381 8,148**

Current

Total Financial assets

18,381 8,148

**18,381 8,148**

Financial liabilities

Trade and other payables

269,022 150,296

Financial liabilities (1)

30,387 -

**299,409 150,296**

Current

Total Financial liabilities

299,409 150,296

**299,409 150,296**

(1) On 17 May 2018, the Company executed an unsecured \$200,000 Convertible Note facility ("Note") with Celtic Capital Pty Ltd. The Note incurred interest of 18%pa and term commencing 3 months after the first subscription date and ending when the funds have been fully subscribed. The Company drew down \$30,000 on 21 May 2019. Refer Note 10 for the conversion of this amount into ordinary shares subsequent to the end of the period.

Notes to the Consolidated Financial Statements (continued)

	30 June 2019 \$	31 December 2018 \$
<b>7. Issued Capital</b>		
<b>(a) Issued and paid up capital</b>		
Ordinary shares fully paid	<b>40,389,620</b>	<b>40,389,620</b>
<b>(b) Movements in shares on issue</b>	<b>Number of shares</b>	<b>\$</b>
Opening balance	557,204,789	40,389,620
Movement	-	-
Closing balance	<b>557,204,789</b>	<b>40,389,620</b>

**8. Dividends**  
No dividends have been paid or provided for during the half-year.

**9. Contingent Liabilities**

In the year ended 31 December 2018 the current Board made a re-assessment of certain payables and accruals in respect of previous Directors fees and expenses totaling \$222,235. Management re-estimated the associated liabilities and reversed this liability in that financial year, of which a credit of \$214,236 was recorded in the period ended 30 June 2018. This re-estimation was due to the lack of evidence of any contracted service that would ordinarily be expected in the role of a Director and that no service agreement was in place that would outline any fees payable for any service rendered. The current Directors' made a judgement over the likelihood of any claim over these amounts and expected the likelihood that the prior directors would claim an amount for services rendered to be unlikely. There has been no demand or other claim for any of these amounts. In the unlikely event of such a claim it will be rigorously defended by the Group and the current directors believe it would not be probable that there would be an amount payable.

There are no other contingent liabilities or contingent assets.

**10. Events Occurring After the Reporting Period**

On 1 August 2019, the Company issued 44,056,899 shares at \$0.0007 extinguishing convertible debt, including interest, of \$30,839 and 39,523,819 shares were issued to sophisticated investors raising funds of \$27,667.

On 7 August 2019, shareholders approved a 1:30 consolidation of capital which was completed on 13 August 2019.

On 23 August 2019 the Company announced a non-renounceable entitlement issue of two shares for every three held by shareholders. A total of 2,664,624 shares at \$0.03 per share were issued to investors on 19 September 2019 raising \$79,939. The Company is yet to complete the issue of the shortfall however expects this to be achieved by the end of November 2019.

There were no other significant events subsequent to reporting date.

**11. Commitments**

There are no commitments to report.

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Haranga Resources Limited ('the Group'):

1. The financial statements and notes thereto, as set out on pages 4 to 10, are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
2. There are reasonable grounds to believe that Haranga Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Peter Youd', enclosed within a thin black rectangular border.

Peter Youd  
Non-Executive Director

Perth, Western Australia  
24 October 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Haranga Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Haranga Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

#### Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith'. The signature is written in a cursive style with a large loop at the end.

Neil Smith  
Director

Perth, 24 October 2019