

17 January 2020

## NOTICE OF BREACH OF ASX LISTING RULE 10.11

On 17 September 2019, Haranga Resources Limited (“**Company**”) announced that it had closed its 2:3 non-renounceable rights issue (“**Rights Issue**”) which was fully underwritten by CPS Capital Group Pty Ltd (“**Underwriter**”). Following the issue of shares to those eligible shareholders that successfully applied under the entitlement offer and the shortfall offer, on 12 December 2019 the Company announced that the remaining shortfall balance of 11,575,566 shares had been placed by the Underwriter with professional and sophisticated investors at the discretion of and in conjunction with the Directors.

As disclosed in the Rights Issue prospectus dated 23 August 2019, each of the directors, Mr Peter Youd, Mr Teow Kim Chng and Ms Nerida Schmidt entered into agreements with the Underwriter to sub-underwrite the Rights Issue up to \$40,000 each (1,333,334 shares). Any allocation of shortfall to the directors was intended to be issued in reliance on Exception 2 of ASX Listing Rule 10.12 so that shareholder approval would not be required under ASX Listing Rule 10.11.

In the course of allocating the shortfall, 1,333,334 shares were issued to each of Mr Peter Youd, Mr Teow Kim Chng and Ms Nerida Schmidt (together the “**Director Shortfall Shares**”). Due to an administrative oversight the shortfall allocations (including the Director Shortfall Shares) were not finalised or issued until 12 December 2019. As the Director Shortfall Shares were issued more than 15 business days after the close of the Rights Issue, the relevant ASX Listing Rule exception to 10.11 was unable to be relied upon resulting in an unintentional and inadvertent breach of ASX Listing Rule 10.11.

As a corrective measure, the Company intends to buy back the Director Shortfall Shares (at the Rights Issue price of \$0.03) in accordance with the selective reduction of capital provisions of the Corporations Act 2001 (Cth). The Company is in the process of preparing a notice of meeting for the shareholder approval required for this process. The Company also intends to seek shareholder approval to allow each of the directors to re-subscribe for up to 1,333,334 shares at the issue price of \$0.03 each.

The Company will continue to update the market regarding this process and intends to complete the buy back by no later than the end of February 2020. A holding lock has been placed on the Director Shortfall Shares preventing the disposal. The Company regrets this oversight.

This announcement has been authorised for release by the board of directors.

### FURTHER INFORMATION

For further information, please contact:

Nerida Schmidt

Non-Executive Director and Company Secretary