HARANGA RESOURCES LIMITED (COMPANY)
(ACN 141 128 841)

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Principles and Recommendations.

The Board of the Company currently has in place a corporate governance policy which has been posted in a dedicated corporate governance information section of the Company's website at www.haranga.com.

	PRINCIPLES AND RECOMMENDATIONS	**COMMENT**
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the managing director and executive directors. The Board Charter also specifically outlines the role of the Company's executive directors.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	The Board Charter as set out in the Corporate Governance Plan is publicly available on the Company's website. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day

		operations and administration of the Company to the managing director and executive directors. The Board Charter also specifically outlines the role of the Company's executive directors.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	One member of the board of six is considered to be an independent director. Although a majority of the board is not comprised of independent directors, the board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.
2.2	The chair should be an independent director.	The Company is currently not in compliance with this recommendation as Mr Matthew Wood, the current Executive Chairman, is not an independent director.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of the chair and chief executive officer are not exercised by the same individual.
2.4	The board should establish a nomination committee.	The Board, as a whole, will serve as the Company's nomination committee and one of the independent non-executive directors will be appointed as chair of the nomination committee. The Company's Corporate Governance Plan includes a Nomination Committee Charter which sets out the responsibilities of the nomination committee. The nomination committee is required to periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The nomination committee will conduct an annual performance review of the Board that compares the performance of the Board and senior executives with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or

		appropriate. The performance of the various Board committees is to be evaluated by the chair. The performance of each committee is measured against the scope and responsibilities detailed in their respective charters. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
2.6	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	A description of the skills and experience of each of the current Directors is contained in the Prospectus. One of the six members of the current board [(Mr Achit-Erdene Darambazar)] is considered to be an independent director in accordance with the definition of an independent director as contained in the Corporate Governance Plan. Although a majority of the board is not comprised of independent directors, three of the six members of the current board are non-executive directors. The board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the chairman. The Board, as a whole, will serve as the Company's nomination committee and one of the independent non-executive directors will be appointed as chair of the nomination committee. The Company's Corporate Governance Plan includes a Nomination Committee Charter which sets out the responsibilities of the nomination committee. Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership The Board will conduct an evaluation of senior executives by the remainder of the Board in future years. The Board will determine the procedure for the selection and appointment of new

		directors and the re-election of incumbents having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The policy for the appointment of new directors is set out in the Corporate Governance Plan which is publicly available on the Company's website.
3.	***Promote ethical and responsible decision-making***	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. The corporate code of conduct is set out in the Corporate Governance Plan which is publicly available on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company's Corporate Governance Plan does not include an express policy specifically addressing achieving gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.
3.3	Companies should disclose in each annual report the measureable objectives for achieving set by the board in accordance with the diversity policy and	The Company has not yet set the Measurable Objectives however these will be considered by the Board and disclosed in the annual.

	progress in achieving them.	In addition, the Board will review progress against any Objectives identified on an annual basis.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	The Company's annual report will include the proportion of woman employees within the organisation as well as senior positions within the Company.
3.5	Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	The Board will include in the Annual Report each year: • Measurable Objectives, if any, set by the Board; • progress against the Objectives; and • the proportion of women employees in the whole organisation, at senior management level and at Board level.
4.	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	When the Company has grown to a sufficient size to warrant it, the Board will establish an audit and risk committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The role of the audit committee has been assumed by the full Board operating under the Company's Corporate Governance Policy. The composition, roles and responsibilities of the audit committee (when it is established) is set out in the Corporate Governance Plan. When established, the audit and risk committee will be comprised of at least three members and a majority of the members of the committee must be independent non-executive directors.
4.3	The audit committee should have a formal charter.	The Company has adopted a formal charter for the audit committee.

4.4	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	When the Company has grown to a sufficient size to warrant it, the Board will establish an audit and risk committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The composition, roles and responsibilities of the audit committee (when it is established) is set out in the Corporate Governance Plan. The audit committee (when it is established) will recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners. Further the Company will include in its annual report the names and qualifications of those appointed to the Audit Committee and their attendance at committee meetings. It will include the number of meetings and an explanation of any departures made from any Principle 4 recommendation. The Audit Committee charter and the information and procedures for the selection and appointment of the external auditor and for the rotation of the external audit engagement partner are set out on the Company's website.
5.	***Make timely and balanced disclosure***	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure compliance with ASX Listing Rule continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	The continuous disclosure policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website.
6.	***Respect the rights of shareholders***	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a	The Corporate Governance Plan includes a shareholder communications strategy, which aims to promote effective communication with shareholders and ensure that shareholders are informed of all major developments affecting the Company's state

	summary of that policy.	of affairs.
6.2	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The shareholder communication policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website.
7.	***Recognise and manage risk***	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company has established policies for the oversight and management of material business risks. The risk management policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website. Once established, the Company's audit and risk committee will meet at least twice a year and additionally as may be required.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures. The Management will be responsible for ensuring the process for managing risks is integrated within business planning and management activities. Reports on risk management are to be provided to the Board by the Management or the executive director(s) responsible for the management of the individual risk. The Board will require the executive directors to implement risk management and internal control systems and provide a report at the relevant time.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management	Reports on risk management are to be provided to the Board by the Management or the executive director(s) responsible for the management of the individual risk. The Board will seek the relevant assurance from the Management and the executive directors (or their equivalents) at the relevant time.

	and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	
7.4	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	Reports on risk management are to be provided to the Board by the Management or the executive director(s) responsible for the management of the individual risk. The Board will ensure that the Management provides the assurance under Recommendation 7.2 in future years. The Board will ensure that the Management provides the assurance under Recommendation 7.3 in future years.
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	When the Company has grown to a sufficient size to warrant it, the Board will establish a remuneration committee for the purposes of reviewing and approving the executive remuneration policy. The remuneration committee shall comprise at least three directors, with a majority of those directors being independent non-executive directors.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	In line with the Company's Corporate Governance Plan once the Company has grown to a sufficient size to warrant it, the Board will establish a remuneration committee which consists of a majority of independent directors, is chaired by an independent director and has at least three members.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. The Company's Constitution also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting.
8.4	Companies should provide the information indicated	When the Company has grown to a sufficient size to warrant it, the Board will establish a remuneration committee for the purposes of reviewing and approving the

	in the *Guide to reporting on Principle 8*.	executive remuneration policy. The remuneration committee shall comprise at least three directors, with a majority of those directors being independent non-executive directors. As at the date of this statement, there are no schemes for retirement benefits for non-executive Directors. Once a remuneration committee is established, the remuneration committee charter is set out in the Company's Corporate Governance Plan. The Company does not currently have a policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration schemes.