

Quarterly Activities Report

26 July 2011

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Issued Capital:

186.75 million shares

ASX Symbol: HAR

June 2011 Quarterly Activities Report

- Highlights -

Exploration Activity

- **Drilling has commenced at the Company's flagship Selenge iron ore project.**
 - **Iron mineralisation intersected in the initial diamond holes appears to be significant and of a similar nature to that reported from the previous drilling completed at the prospect**
 - **4,000m diamond drill program will likely be expanded and further augmented by an RC drill program**
 - **Currently drilling the first of four priority targets identified within the project area.**
- **First pass drill programs completed at the Sumber and Tumurtei Khudag iron ore projects**
 - **Iron mineralisation discovered in magnetite skarn at Tumurtei Khudag.**
- **Magnetic survey completed over entire Shavdal project licence, revealing further magnetic targets.**

Corporate

- **Mr Kerry Griffin appointed as Technical Manager to oversee Mongolian exploration programs and technical due diligence.**
- **Second deferred acquisition payment completed, securing the Company's 60% interest in the Selenge project.**
- **Haranga Resources continues to assess prospective iron ore and manganese opportunities in Mongolia.**
- **\$17.7 million in cash reserves**

Activities Report and Review of Projects

Haranga Resources' five iron ore projects are located in Mongolia, as shown in Figure 1. The Company is targeting large, high grade magnetite skarn deposits common to Mongolia and northern China. Each of the projects has a viable route to market based on favourable location and infrastructure.

Figure 1: Mongolian Iron Ore Projects of Haranga Resources



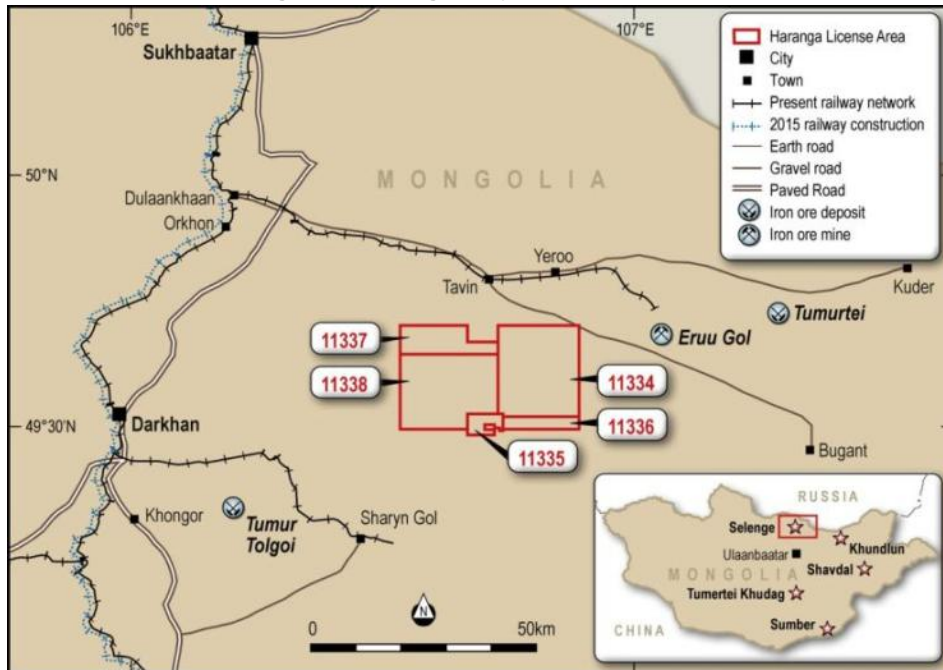
The projects are:

1. **Selenge:** Five contiguous licences covering almost 600km² within the premier iron ore province of Mongolia. The project area is close to the Eruu Gol iron ore mine and the large iron ore deposit at Tumurtei. The project area has access to the nearby trans Mongolian rail line, lying only 40km from the rail terminal at Sharyn Gol and adjacent to the Eruu Gol rail spur.
2. **Shavdal:** Single exploration licence located 10km from the town of Baruun Urt in Sukhbaatar province, southeast of Mongolia. This province is home to two operating iron ore mines and the planned new east-west rail line will pass adjacent to the Shavdal project area.
3. **Sumber:** Ideally located in Mongolia's south Gobi region, just 50km north of the Chinese border crossing at Hangi Mandal. The licence area borders the new iron ore development at Agaruu.
4. **Tumurtei Khudag:** Iron ore rights over two large exploration licences covering 577km² in the mid Gobi region, 180km from the main line rail terminal at Choyr.
5. **Khundlun:** Located in Hentii province in the northeast of Mongolia, the Khundlun licence is 200km from both the rail terminal at Choybalsan (to the east) and at Baganuur (to the west).

1. Selenge Project (Haranga Resources 60%)
Manager: Haranga Resources Limited

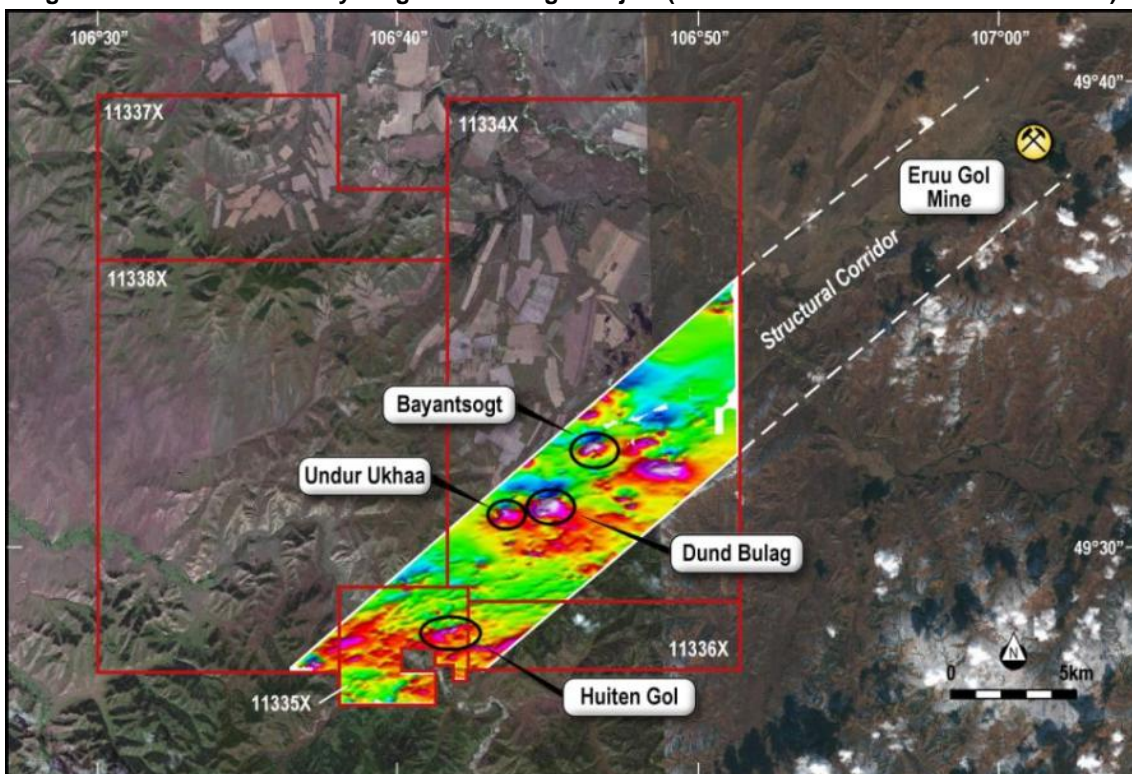
Selenge's five licences are located 230 kilometres (km) north of the capital Ulaanbaatar, in the middle of Mongolia's premier iron ore development belt. As previously reported, the nearby Eruu Gol mine plans to increase production to over 6Mtpa of magnetite concentrate upon commissioning of a new rail spur. The Company's project area is just 20km south of this rail line and 40km from the rail terminal at Sharyn Gol.

Figure 2: Selenge Project Location Map



Geological surveys conducted during the quarter identified four priority targets for the Company amongst the numerous magnetic anomalies within the project area (see Figure 3). All four targets lie within the structural corridor that connects the large magnetite skarn deposits at Eruu Gol, Tumurtei and Tumor Tolgoi.

Figure 3: Location of Priority Targets at Selenge Project (within the Iron Mineralisation Corridor)



The first stage of the iron ore **exploration drill program at Selenge has now commenced**, with diamond drilling underway at the Bayantsogt prospect since mid July. The early indications are that the drilling thus far **has intersected iron mineralisation** of a similar nature to the highly encouraging intersections reported from the previous drilling conducted at Bayantsogt in 2008 (please refer to the review of the four Selenge iron ore prospects below). It is likely that the currently planned **4,000m diamond drilling program will be expanded** and some additional reverse circulation (RC) drilling will be added to the program at Selenge.

Selenge Project - Bayantsogt Prospect



Trenching at Bayantsogt exposed at least two lodges of skarn mineralisation and returned highly encouraging grades and thicknesses including **25 metres at 35.5% Fe** (Trench 8).



Historic drilling was minimal and focused on one section line across the trenched occurrences. Drilled intersections included **25 metres at 31.6% Fe** (DH-4) and **28 metres at 30.5% Fe** (DH-5). Mineralisation remains open in all directions and at depth.

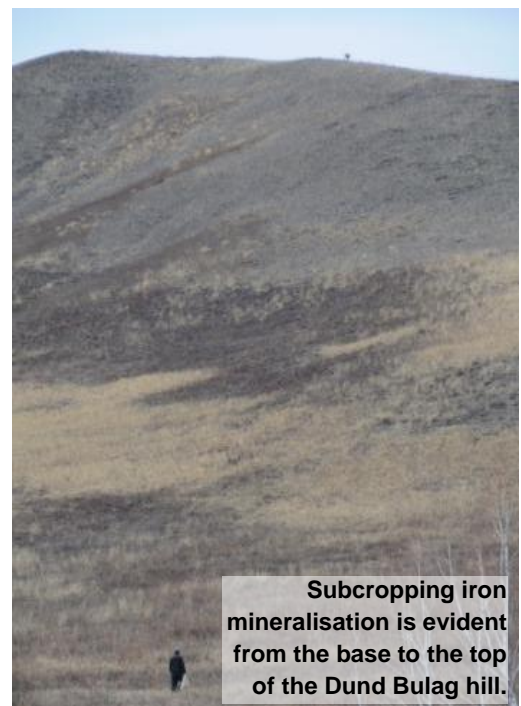
Selenge Project - Dund Bulag Prospect

Dund Bulag lies 2.5km southwest of Bayantsogt. Recent reconnaissance has identified extensive skarn alteration and iron mineralisation over a significant portion of the hill that dominates the spatial extent of an extensive magnetic anomaly that comprises this prospect.

The Company's magnetic survey at Selenge defined the high order extensive magnetic anomaly at Dund Bulag which covers an area approximately 1.2km by 600m.

Skarn related iron mineralisation has been observed in subcrop and outcrop over a top to bottom traverse of the hill.

Drilling and trenching is planned to ascertain the extent, widths and grades of the iron mineralisation observed at Dund Bulag.



Selenge Project - Undur Ukhaa Prospect

The Undur Ukhaa prospect is located just 1km west of Dund Bulag and may be a related anomaly. It appears to be a smaller analogue of Dund Bulag with skarn related iron mineralisation again observed in subcrop and outcrop over the hill that is spatially associated with the magnetic anomaly.

Drilling is planned to test the extent, widths and grades at Undur Ukhaa itself and, depending on results at both Dund Bulag and Undur Ukhaa, to test whether iron mineralisation extends underground between the two anomalies.

Neither Dund Bulag nor Undur Ukhaa have previously been drilled or trenched.

Selenge Project - Huiten Gol Prospect

The Huiten Gol prospect is located a further 6km southwest of Dund Bulag and Undur Ukhaa and is also associated with a magnetic geophysical anomaly. Outcropping iron mineralisation (8 to 12 metres in width) is located near the top of the hill that is coincident with the anomaly, and previous drilling and trenching in the area has returned encouraging results, including:

- 14 metres at 40.6% Fe from 25 metres from Drill Hole 1 (DH-1)
- 13 metres at 39.4% Fe (Trench 1)

Further drilling is planned to test the extent of mineralisation and to confirm the drilled intersection.

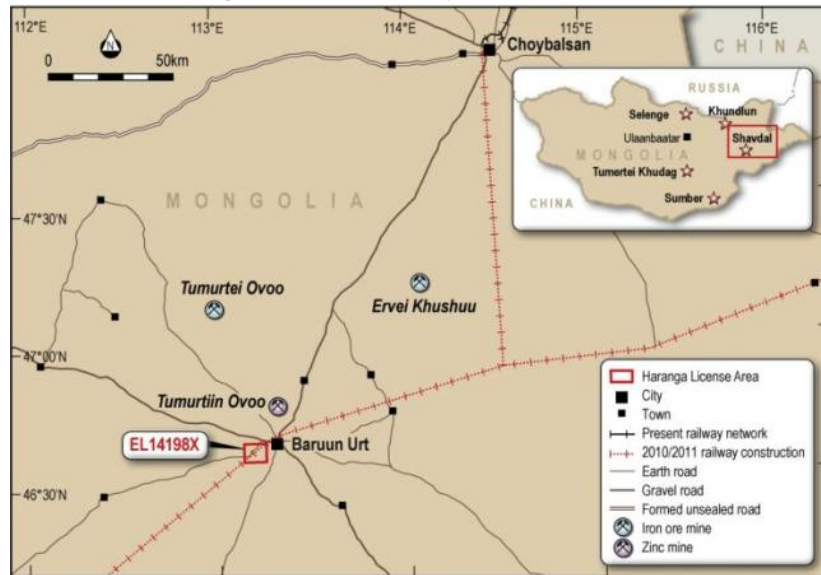
The geological mapping and reconnaissance combined with the recently completed magnetic survey support the Company's view that the Selenge project area has the potential to host significant iron mineralisation, with the project remaining a high priority for the Company due to:

- a) The size of the magnetic anomalies;
- b) The previous trenching and drill results showing iron ore of economic grade within the project area;
- c) The large iron ore developments in a similar geological setting within the area; and
- d) The excellent location of this project in terms of access to rail infrastructure.

2. Shavdal Project (Haranga Resources 75%)
 Manager: Haranga Resources Limited

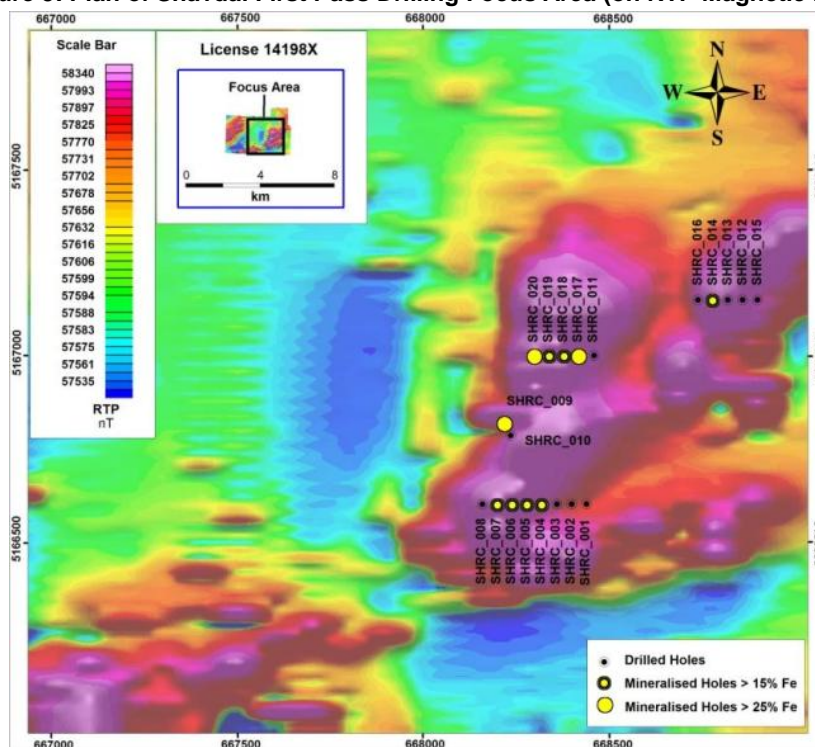
The Shavdal licence is located 10km from the town of Baruun Urt, the capital of Sukhbaatar province in the southeast of Mongolia. Sukhbaatar already hosts two operating iron ore export mines and Mongolia's planned east-west rail line will pass through Baruun Urt, adjacent to the Shavdal project area.

Figure 4: Shavdal Project Location Map



During the previous quarter, twenty holes were drilled to test a magnetic anomaly in the central part of the licence area where coincident high grade magnetite outcrops have been mapped. Ten of the twenty holes intersected significant iron mineralisation (over 15% Fe). A peak result of 6m at 36.2% Fe from 34m was obtained from hole SHRC-020. This intersection was contained within a wider intersection of 24m at 26.0% Fe from 32m in quartz magnetite rock. SHRC-009 also intersected this higher grade area 200m to the south, an area where outcrops have returned rock chip samples over 60% Fe. Both holes are located at the western edge of the drill program and the mineralisation remains open to the west.

Figure 5: Plan of Shavdal First Pass Drilling Focus Area (on RTP Magnetic Map)



This first pass drilling at Shavdal has located magnetite skarn formations and discovered iron mineralisation of potentially economic grade. A full magnetic survey of the licence area was recently completed and the results are encouraging in that:

- 1) A number of other large and prospective magnetic anomalies lie within the licence area; and
- 2) Further processing of the magnetic survey data (see Horizontal Derivative (DX) magnetic map in Figure 7) suggests that the main part of the drilled anomaly may lie further to the west than indicated on the original Reduced to Pole (RTP) magnetic map (see Figure 6).

Figure 6: Drill Locations on RTP Magnetic Map

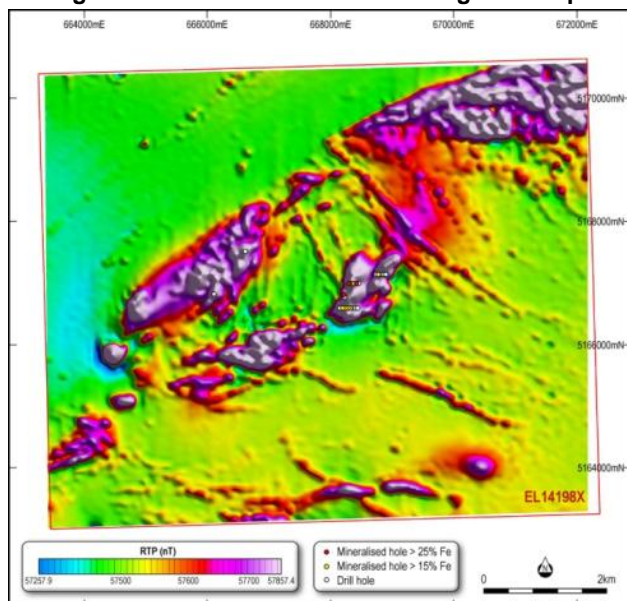
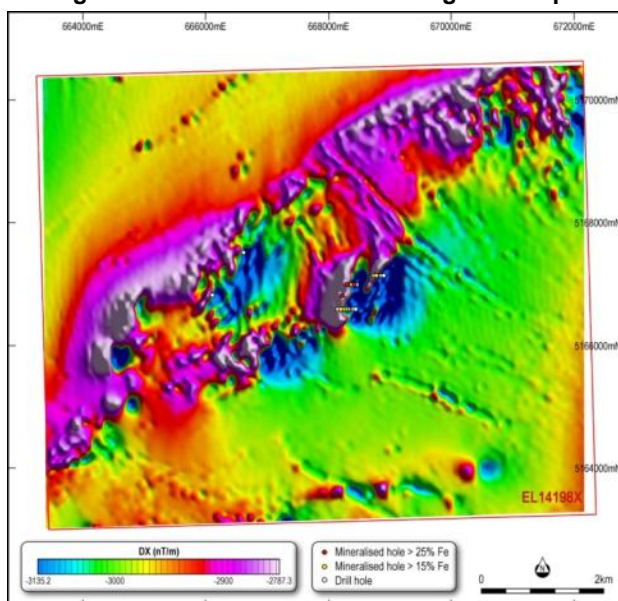


Figure 7: Drill Locations on DX Magnetic Map

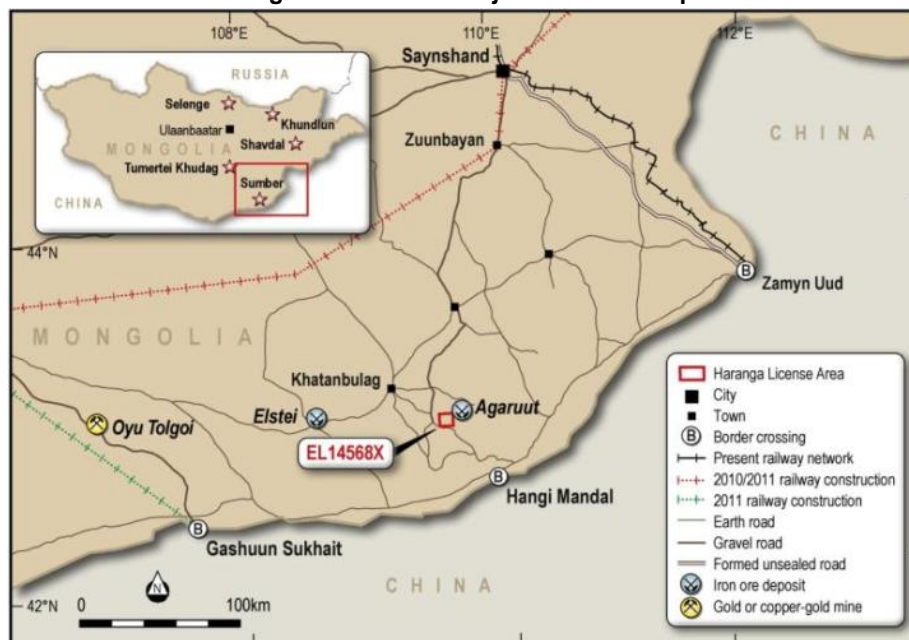


The Company is planning a follow up drill program to test the western extension of the drilled mineralisation and other prospective and possibly related anomalies on the Shavdal licence.

3. Sumber Project (Haranga Resources 75%)
Manager: Haranga Resources Limited

Sumber is located in the south Gobi region of Mongolia less than 50km from the Chinese border crossing at Hangi Mandal and lies adjacent to the Agaruu iron ore mine. Agaruu exports iron ore to buyers in nearby China by truck.

Figure 8: Sumber Project Location Map



A first pass RC drill program was completed at Sumber during the quarter. The drill program tested three separate magnetic anomalies for their iron ore potential and two areas considered prospective for manganese on the Sumber project licence.

The laboratory analysis results revealed that no significant iron or manganese mineralisation was intersected during the drilling conducted thus far at Sumber.

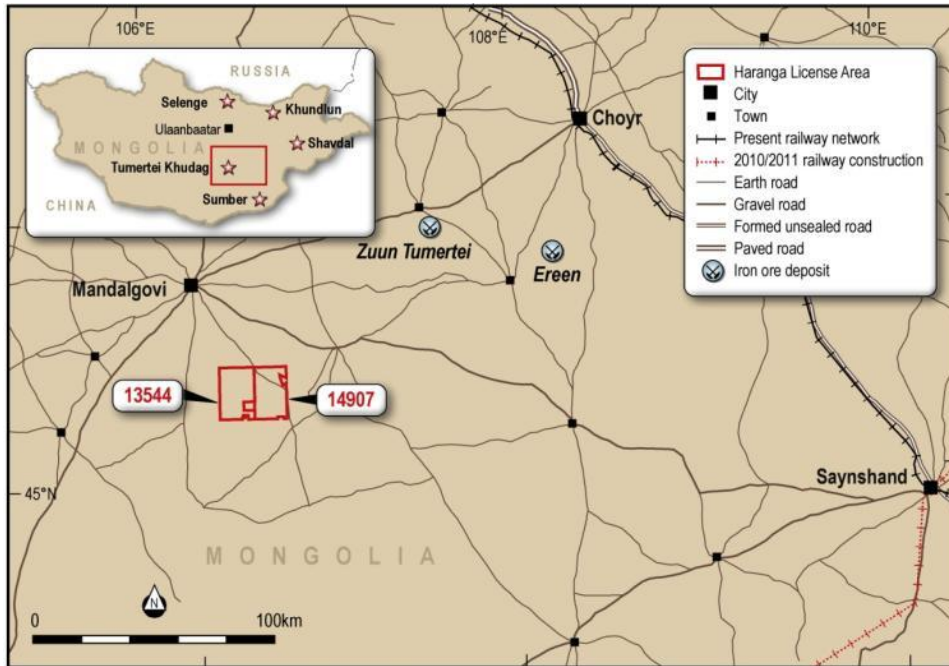
A number of magnetic anomalies on this Licence remain to be tested and the Licence remains highly prospective due to a) its location close to the Chinese border crossing and b) its close proximity to the existing iron ore operations at Agaruu and Elstei which confirms that this region can host economic iron ore deposits.

In addition, recent geological surveying has revealed further outcrops of manganese mineralisation assaying up to 44.8% Mn in a number of locations on the licence area that remain untested.

4. Tumurtei Khudag Project (Haranga Resources 51%)
Manager: Haranga Resources Limited

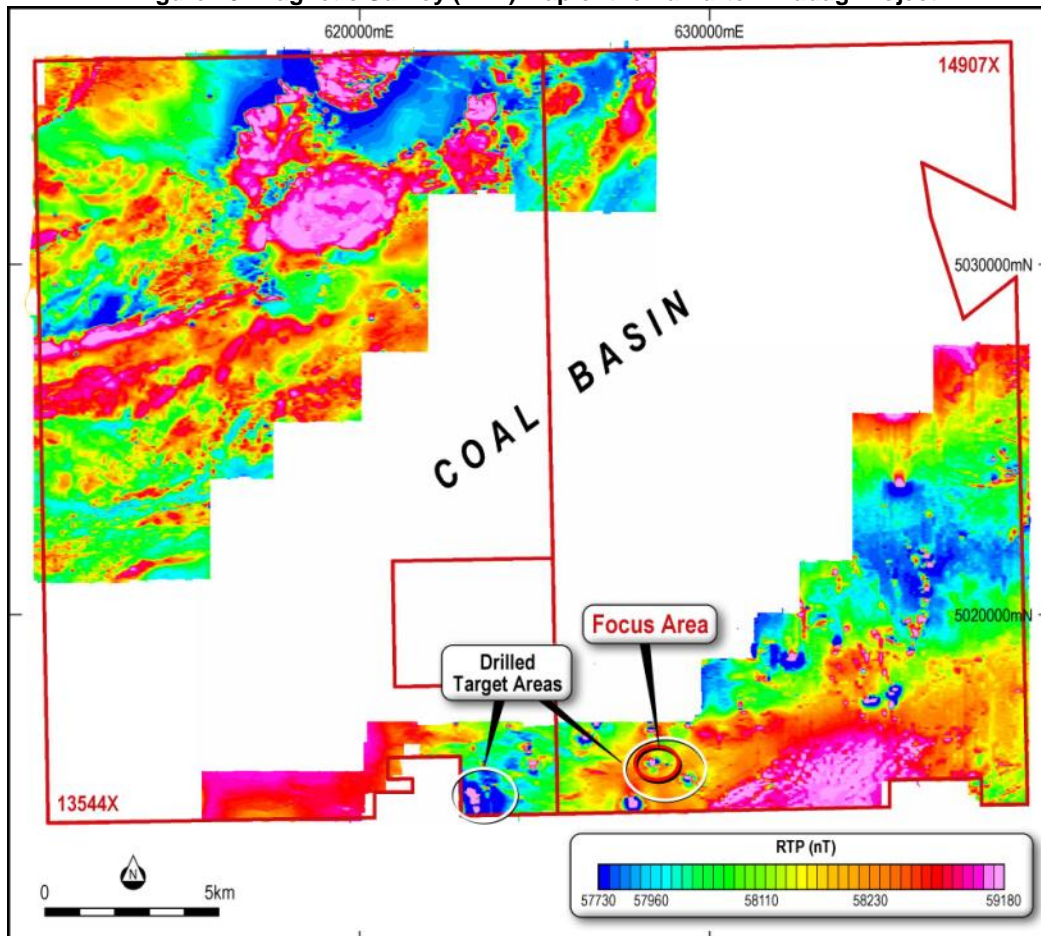
The Tumurtei Khudag project consists of the iron ore rights over two large exploration licences in Dundgobi province covering 577km² in the mid Gobi region of southern Mongolia. The project location has access to infrastructure from the nearby town of Mandalgovi and lies 180km from the main line rail terminal at Choyr.

Figure 9: Tumurtei Khudag Project Location Map



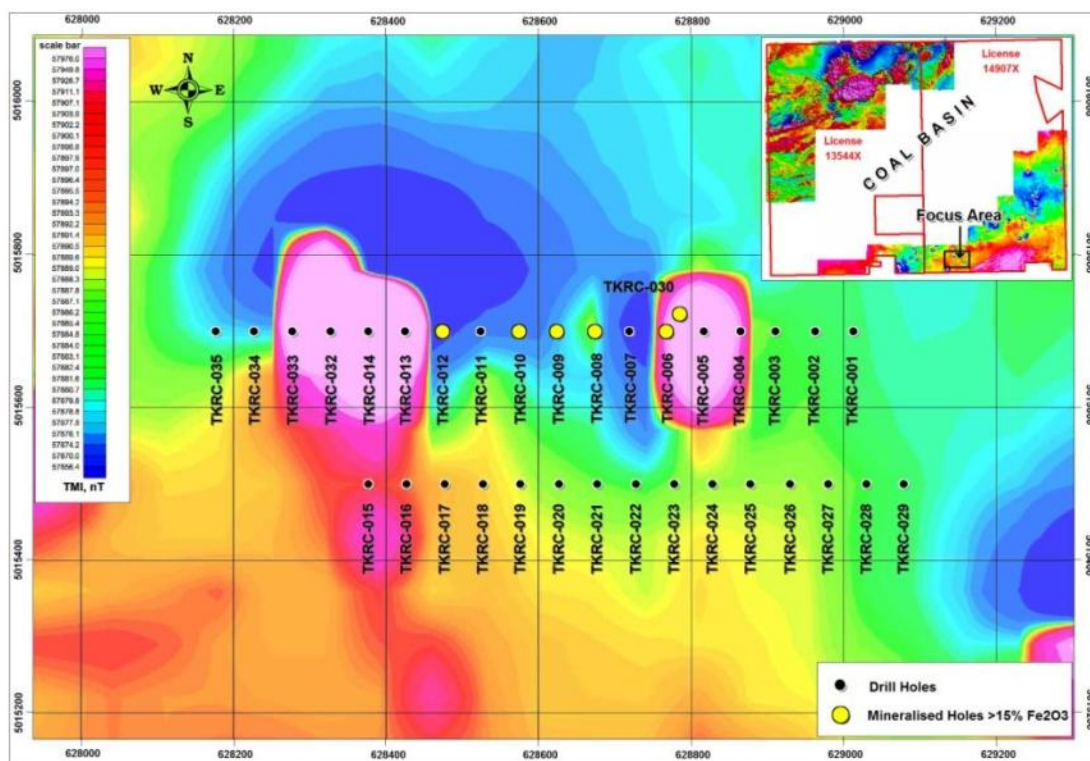
A first pass RC drilling program was completed at Tumurtei Khudag during the quarter. The 47 hole program comprised 3,790m of drilling that targeted three areas of magnetic anomalism near the southern boundary of licence 14907X as shown the magnetic survey image in Figure 10 (from a recently completed magnetic survey of the entire project area).

Figure 10: Magnetic Survey (RTP) Map of the Tumurtei Khudag Project



The main area of focus for the drilling program was a region of magnetic anomalism coincident with previously identified high grade iron outcrops at surface. Two drill fences, comprising 34 holes, were drilled in this Focus Area, to a depth of 80m. A plan map of the drilling in the Focus Area is shown in Figure 11.

Figure 11: Plan Map of Tumurtei Khudag Scout Drilling Focus Area



Six drill holes within the Focus Area intersected significant iron mineralisation, defined as an intersection of at least two metres in width analysing over 15% Fe₂O₃. These intersections are reported in Table 1. A further 13 drill holes were completed to test nearby identified magnetic anomalies. These holes did not intersect any significant iron mineralisation.

This first pass drilling program has confirmed the existence of iron mineralisation underneath weathered outcrops of skarn related magnetite occurrences. Further drilling is warranted to test the extent of iron mineralisation within the Focus Area along strike and at depth. The confirmation of skarn related iron mineralisation gives further confidence to test the larger and more intense anomalies that have recently been identified from the full magnetic survey of this large project area (refer Figure 10).

**Table 1: Mineralised Intersections at Tumurtei Khudag
(Cutoff = 15% Fe₂O₃, maximum allowable internal waste of 2m)**

Hole	mE (UTM)	mN (UTM)	Dip	Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe ₂ O ₃ (%)
TKRC-006	628768	5015700	-60	90	80	0	4	4	17.9
TKRC-008	628675	5015700	-60	90	80	16	18	2	15.0
TKRC-009	628625	5015700	-60	90	80	0	4	4	16.0
and						10	12	2	17.6
and						22	30	8	18.1
TKRC-010	628575	5015700	-60	90	80	28	32	4	30.5
TKRC-012	628475	5015700	-60	90	80	26	28	2	16.2
and						32	42	10	16.5
TKRC-030	628786	5015723	-60	210	80	6	8	2	16.5
and						14	18	4	23.7

5. Khundlun Project (Haranga Resources 100%)
Manager: Haranga Resources Limited

The Khundlun Project consists of one exploration licence covering 26km² in Hentii province in northeastern Mongolia. Previous geological surveys discovered magnetite outcrops assaying up to 51.5% Fe. A targeted magnetic survey conducted over the area of outcropping mineralisation revealed an associated magnetic anomaly with a cumulative strike length of over 4km.

A geological survey and full magnetic survey are proposed for later in the 2011 field season in order to further ground check the known magnetic anomaly in advance of a potential drill program.

CORPORATE AND GENERATIVE

1. Appointment of Technical Manager

In July 2011 Haranga Resources announced the appointment of Mr. Kerry Griffin as Technical Manager of the Company. Kerry has 18 years professional experience in exploration, resource development and mining geology. Kerry also has significant experience in Mongolia having spent four years with Ivanhoe Mines as the Senior Development Geologist for the world class Oyu Tolgoi development and prior to joining Haranga Resources, he was employed as the Country Manager (Mongolia) for Aspire Mining Limited.

The Technical Manager role will be based in Ulaanbaatar and be responsible for all exploration and technical due diligence activity, including assistance with project generation for the Company.

2. Deferred Acquisition Payment

During the Quarter the Company made its second acquisition payment on the Selenge project. This payment represents an outstanding amount that was due in order to maintain a 60% interest in the aforementioned iron ore project.

3. Project Acquisitions

The Company continues to assess both iron ore and manganese projects for potential future acquisitions that will upgrade the overall project portfolio.

Dr Robert Wrixon
Managing Director
Haranga Resources Limited

The information in this report that relates to Exploration Results is based on information compiled by Mr Kell Nielsen, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Nielsen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Nielsen is an Executive Director of Haranga Resources Limited and consents to the inclusion in this report of the matters based on his information, and information presented to him, in the form and context in which it appears.