

ASX Release

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Issued Capital:

241.75 million shares

ASX Symbol: HAR

Metallurgical Testing Completed Significant Resource Uplift expected for the Selenge Iron Ore Project in Mongolia

- **Davis Tube Recovery (DTR) tests have now been completed on all of the mineralised core from the 2012 drill program.**
- **DTR tests were conducted on 2,660 six metre composite mineralised samples from the 35,000m drill program completed late last year.**
- **These results will be added to the updated resource model which is in the final stages of compilation and verification.**
- **A significantly increased and enhanced JORC compliant resource for Selenge is expected in approximately four weeks.**
- **The Mining Licence application will be submitted shortly after the new resource is completed.**
- **An updated independent assessment of the project economics based on the new resource will be then completed and followed by a full Feasibility Study to commence later this year.**

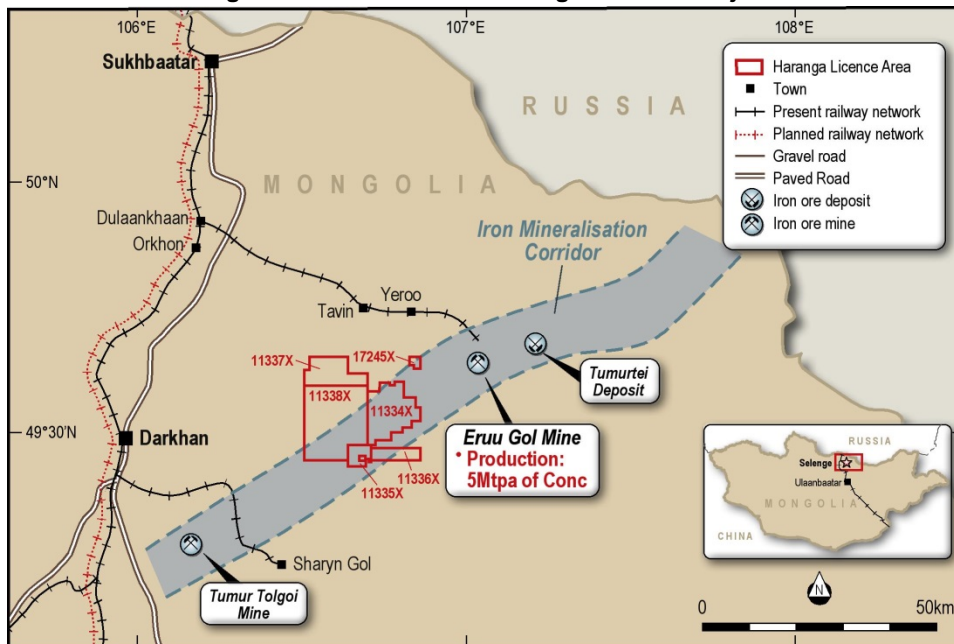
Background to the Selenge Iron Ore Project:

- **Selenge is ideally located just 20km from two separate rail spurs and 15km from the 5Mtpa Eruu Gol mine, Mongolia's largest iron ore export operation.**
- **The cumulative Exploration Target* based on the four targets drilled thus far at Selenge is 250-400Mt, thus the project area has the potential to contain Mongolia's largest known iron ore resource.**
- **Previously, the magnetite mineralisation at Selenge has achieved a high quality concentrate averaging 65-66% Fe with low impurities during metallurgical testing.**
- **Spot market prices for 66% Fe magnetite concentrate delivered to inland NE China steel mills remain over US\$150/t.**
- **The Company has signed an MOU with both the Mongolian Railway Authority and the Ministry for Transportation for up to 5Mtpa of export rail capacity for iron ore produced from Selenge from 2015 onwards.**

The Selenge Iron Ore Project

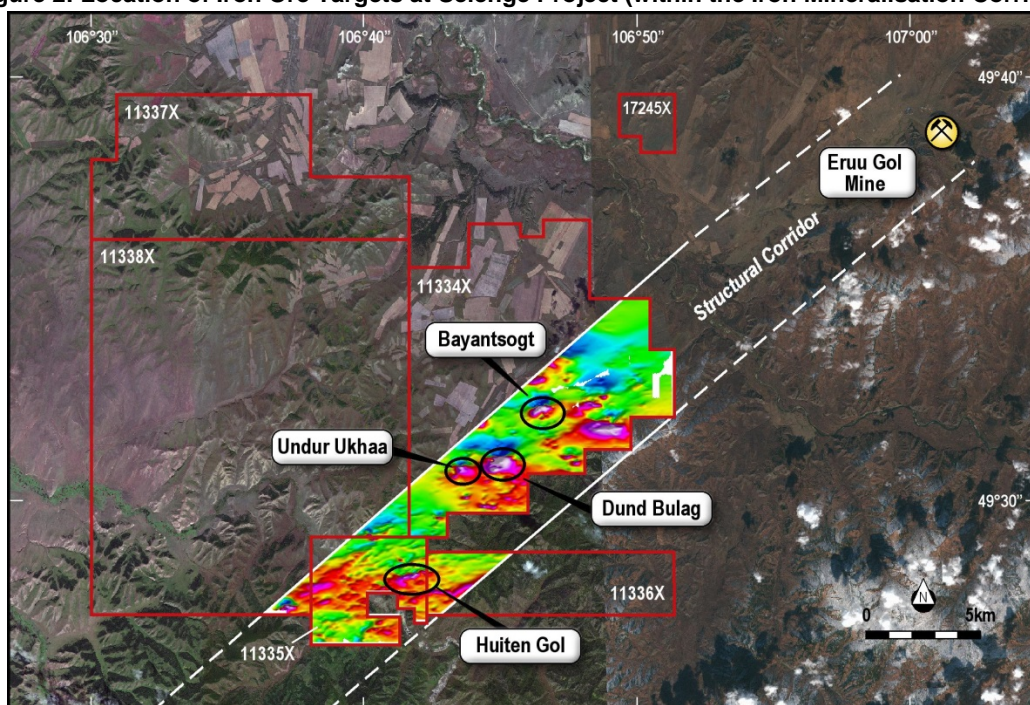
The Company's flagship Selenge iron ore project is located in the heart of Mongolia's premier iron ore development region with excellent access to the main trans-Mongolian rail line and nearby rail spurs.

Figure 1: Location of the Selenge Iron Ore Project



The **four Priority 1 iron ore targets** at Selenge lie within 9km of each other. All four are associated with large magnetite skarn hills and lie within the structural corridor that contains the major iron ore deposits in the region. The nearby Eruu Gol mine exported approximately five million tonnes of magnetite concentrate in 2012, shipping the product via a newly constructed rail spur to the main trans-Mongolian rail line. (The 300Mt **Eruu Gol deposit was valued at approximately US\$2Bn** based on a 2009 investment by the China Investment Corporation). The 2011 drill program at Selenge defined an initial JORC inferred resource of 32.8Mt at 24.4% Fe at Bayantsogt and discovered significant iron mineralisation at the Dund Bulag and Huiten Gol Prospects. A combined **Exploration Target* of 250-400Mt** has been estimated for Selenge. The 2012 drill program concluded in November 2012, with significant magnetite also discovered at Undur Ukhaa.

Figure 2: Location of Iron Ore Targets at Selenge Project (within the Iron Mineralisation Corridor)



Selenge Project Summary and Outlook

The 2012 drilling program consisted of over 35,000m of diamond drilling and was completed in November 2012. All assay results from this drill program have been previously reported. DTR tests on all mineralised core drilled during 2012 have also now been completed and this information will be used to construct an enhanced JORC compliant resource at Bayantsogt and initial JORC compliant resources at Dund Bulag and Undur Ukhaa, based on the mass yield and concentrate quality characteristics. It is expected that this resource work will be completed during April 2013.

Based on the results to date, the cumulative Exploration Target* for the Selenge Project has been estimated at 250-400Mt of iron ore, based solely on the four Priority 1 targets already drilled within the project area. There are a number of other promising magnetic anomalies, some containing visible magnetite skarn mineralisation at surface, yet to be drill tested.

The successful 2012 drill campaign followed the recent **MOU covering 5Mtpa of rail capacity** and the **excellent first pass metallurgical results** from the mineralised core obtained from Bayantsogt, Dund Bulag and Huiten Gol during the 2011 drill program at Selenge.

Iron ore prices in China remain strong and **inland domestic magnetite concentrate continues to be priced at a significant premium to the seaborne import iron ore price**. The difference in price versus the seaborne import marker price is due to grade differential, lower impurities, higher value-in-use, high transport costs for seaborne ore attempting to access the inland regions and the lack of availability of this high quality product in inland China as domestic Chinese magnetite production suffers from declining grade and output.

The 2011 exploration program confirmed that a number of significant discoveries had been made by the Company within the Selenge project area and achieved a maiden JORC Code compliant resource. The laboratory assays from the 2012 drill program were completed in February 2013. An associated metallurgical test program has now been completed on every metre of mineralised core drilled during the 2013 program. It is expected that the Company will be able to report a greatly expanded JORC Code compliant resource based on these results by the end of April or early May this year.

Dr Robert Wrixon
Managing Director
Haranga Resources Limited

* Exploration Targets are conceptual in nature and should not be construed as indicating the existence of a JORC Code compliant mineral resource. There is insufficient information to establish whether further exploration will result in the determination of a mineral resource within the meaning of the JORC Code.

The information in this report that relates to Exploration Results is based on information compiled by Mr Kerry Griffin, who is a Member of the Australian Institute of Geoscientists. Mr Griffin 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 Griffin is the Technical 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.

The technical information contained in this announcement in relation to the JORC Compliant Resource for the Bayantsogt Deposit has been reviewed by Mr Peter Ball of DataGeo Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Ball has sufficient experience 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 Mineral Resources and Ore Reserves'. Mr Ball 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.