



ABN 83 141 128 841

Half-year Financial Report

30 June 2013

<u>CONTENTS</u>	<u>PAGE</u>
Directors' Report	1
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Cash Flows	8
Consolidated Statement of Changes in Equity	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	13
Independent Auditor's Report	14

CORPORATE DIRECTORY

Directors

Mr. Matthew Wood (Chairman)
Mr. Erdene Tsengelbayar (Managing Director)
Mr. Timothy Flavel (Executive Director)
Mr. Marshall Cooper (Non-Executive Director)
Mr. Daniel Crennan (Non-Executive Director)
Mr. Bat-Ochir Sukhbaatar (Non-Executive Director)
Mr. Amarbaatar Chultem (Non-Executive Director)

Company Secretaries

Mr. Aaron Bertolatti
Mr. Timothy Flavel

Registered Office

Level 1
330 Churchill Avenue
SUBIACO, WA 6008
Telephone: +61 8 9200 4415
Facsimile: +61 8 9200 4469
Website: www.haranga.com

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH, WA 6000
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

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 submit the financial report of the consolidated entity for the half-year ended 30 June 2013. 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.

Mr. Matthew Wood	Chairman
Mr. Erdene Tsengelbayar	Managing Director
Mr. Timothy Flavel	Executive Director
Mr. Bat-Ochir Sukhbaatar	Non-Executive Director
Mr. Kerry Griffin	Technical Director (resigned 9 August 2013)
Mr. Amarbaatar Chultem	Non-Executive Director (appointed 5 July 2013)
Mr. Daniel Crennan	Non-Executive Director
Mr. Marshall Cooper	Non-Executive Director
Dr. Robert Wrixon	Managing Director (resigned 13 May 2013)

Results

The loss after tax for the half-year ended 30 June 2013 was \$4,415,188 (2012: \$1,479,204).

Review of Operations

Haranga Resources Limited's four iron ore projects are located in Mongolia. The Group is targeting large, high grade magnetite skarn deposits of the type common to both Mongolia and northern China.

SELENGE PROJECT (HARANGA RESOURCES: 80%)

A significantly increased JORC Code compliant resource was defined covering three clustered deposits within the Group's Selenge iron ore project area in Mongolia. The combined total resource is 254Mt of iron ore at an average in situ grade of 17.2% Fe (for 44Mt of contained iron metal) based on a 12.5% Fe cut-off grade, of which 99.7% is in the Measured and Indicated categories.

The Group completed approximately 47,900m of diamond drilling at the Selenge Project during 2011 and 2012 exploration seasons. As a result of this extensive exploration work the Group was able to delineate the new Resource that is now the largest internationally recognized JORC compliant Iron Ore Resource in Mongolia with significant exploration upside.

JORC Code Compliant Resource Estimate

The Mineral Resource estimates for the Selenge Project (comprising the Dund Bulag, Bayantsogt and Undur Ukhaa deposits) were completed in May 2013 and have been compiled in accordance with the guidelines of the JORC Code (2004 edition). Nearly all (99.7%) of the Selenge combined resource are in either the Measured or Indicated category. These are the categories sufficient to use as a basis for estimating Proven/Probable Ore Reserves and undertaking a feasibility study.

Table 1: Selenge Resource Estimates Split by Deposit (Cutoff = 12.5% Fe)

Deposit	Measured		Indicated		Inferred		TOTAL	
	Mt	Fe Grade	Mt	Fe Grade	Mt	Fe Grade	Mt	Fe Grade
Dund Bulag	96.4	16.6	103.5	16.1			199.9	16.4
Bayantsogt	20.7	23.0	15.0	22.8	0.55	16.6	36.3	22.8
Undur Ukhaa	9.3	15.8	8.9	15.1			18.2	15.4
TOTAL	126.4	17.6	127.4	16.8	0.55	16.7	254.4	17.2

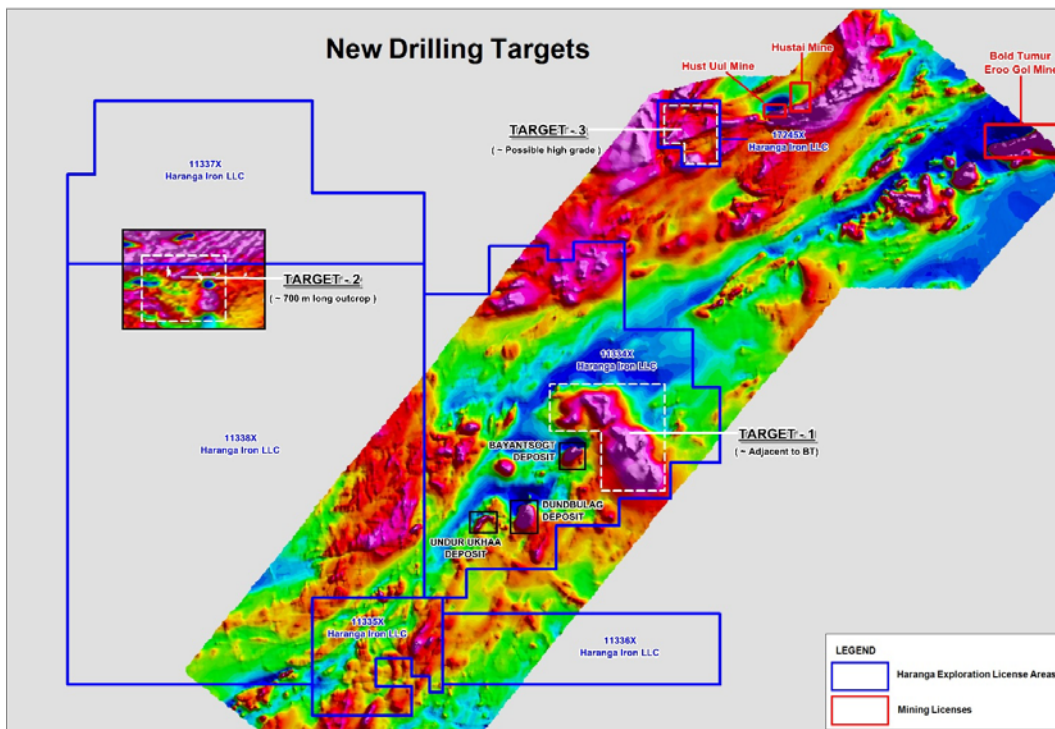
FURTHER EXPLORATION AND EXTENSION DRILLING TARGETS

Exploration Targets

The Group's Bayantsogt, Dund Bulag and Undur Ukhaa iron ore deposits lie within 3km of each other and are associated with large magnetite skarn hills with wide mineralised lodes from surface. All are located within a defined structural corridor that contains the major iron ore deposits in the region. There are a number of other promising magnetic anomalies, some containing visible magnetite skarn mineralisation at surface, yet to be drill tested at Selenge. An estimated additional Exploration Target* of 50-100Mt exists on these new drilling targets.

- **Target 1** is associated with the Bayantsogt magnetite skarn hills and lies within the structural corridor that contains the major iron ore deposits in the region. In addition, this target is located on exploration license #11334X where the JORC Resources are delineated.
- **Target 2** is an outcrop that extends to 700m at the ground surface and suggests significant mineralisation. This drilling target is located within the exploration license #11338X licenses #11338X and #11337X.
- **Target 3** neighbors the existing producing mine of Hust Uul and has the potential for higher Fe grade ore. This target is located within the exploration license #17245X.

Figure 1: Location of Additional Drilling Targets at Selenge Project



Extension or In-Fill Line Targets

The maiden mineral resource estimate at the Dund Bulag Deposit is based upon the results of 70 diamond core drill holes for approximately 24,600 metres that were completed in 2011 and 2012. The maiden mineral resource estimate at the nearby Undur Ukhaa deposit is based upon the results of 12 diamond core drill holes for approximately 2,800 metres that were completed in 2012.

DEVELOPMENT ACTIVITIES

The Group's Selenge Project is ideally 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.

The nearby Eruu Gol mine, Mongolia's largest magnetite concentrate rail export operation, exported approximately 4 million tonnes of dry 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 US\$2Bn based on a 2009 investment by the China Investment Corporation). There are two new wet magnetic concentrators that are currently planned for the Selenge region.

In August 2012, the Group signed an MOU with both the Mongolian Railway Authority and the Ministry for Transportation requesting up to 5Mtpa of rail capacity from 2015 onwards.

Metallurgical and Process Design Study

As part of the feasibility study, the Group has commenced a metallurgical and process design study using independent technical experts with specific experience in beneficiating low grade material to produce +65% Fe concentrate.

Previous Metallurgical Test Work Program and Results

Initial Davis Tube Recovery (DTR) results indicate that a high quality 66% Fe concentrate is attainable from Selenge grades. Progressive grind tests are underway to determine optimal metal recovery conditions and potentially further enhance the results of this initial baseline DTR study.

At the commencement of the metallurgical test work program preliminary DTR tests were conducted by ALS Ammtec in Perth along with a detailed suite of mineralogical tests, including QEMSCAN, to ascertain basic properties of the minerals in the ore such as mineralogy, particle and grain size distribution, mineral associations and liberation characteristics.

The preliminary metallurgical test work suggested a coarse grind of (80% passing) 125 to 75 micron (µm) for optimal mass yields and concentrate properties. 100% passing 75µm was used in order to generate a conservative and consistent baseline study. The full suite of DTR testing at 75µm grind (i.e. 100% passing 75µm) was conducted by ALS Alex Stewart Laboratories in Ulaanbaatar, Mongolia.

The DTR tests were conducted on 5m and 6m composite samples of the mineralised core at each of the three deposit/prospects. In total, 3,264 samples, each comprising either 5m or 6m composites from the mineralised zones, were submitted for DTR analysis. The sample distribution by location was: Dund Bulag: 2,171 samples, Bayantsogt: 856 samples, Undur Ukhaa: 237 samples.

The results indicate that the banded magnetite found at Selenge can achieve a high quality concentrate despite the lower in situ ore grades. The test work at all three Selenge locations produced a remarkably consistent magnetite concentrate with an iron grade that averaged around 66% Fe. Contaminant levels are very low, the one exception being the sulphur content in the Bayantsogt concentrate. 1% sulphur will typically result in an approximately 5% price penalty on magnetite concentrates in the domestic Chinese market, so this product remains highly saleable, but the sulphur content will be lowered considerably when blended with the other, lower sulphur, deposits nearby.

The Group is now undertaking further progressive grind tests to optimise the metal recoveries achieved. Once the grind characteristics are optimised, it is intended to generate a yield based resource estimate for use in preliminary scoping studies and a feasibility study.

Mining License Application

The first and most important stage of the mining license application process has been completed. This stage involved the production of a Reserves Report together with the Pre-Feasibility Study according to Mongolian standards and subsequent registration of the Resources and Reserves defined in that study with the Minerals Council of Mongolia. The Group now expects to finalise and submit the mining license application to the Minerals Authority of Mongolia in the latter half of 2013.

Early Start-up Mining

The Group is also assessing the ability to develop a smaller scale production scenario, the aim of which is to achieve early production and cash flow.

The Group is working towards defining a mineable Reserve as a result of which initial mine blocks are being delineated using a Whittle optimization model. The grade and tonnage curve is being analysed for a selection of different cut offs.

Work commenced on a Scoping Study during the half year for an early start up/small scale mining operation. The Group is aiming to produce approximately 500,000 tonnes of concentrate per annum, commencing in 2014. P.E.A.T Asia is managing the study and has proven track record having successfully built eighteen similar plants throughout Asia.

The Group believes that the Mineral Resource at Selenge will support a wet magnetic concentrator with a standalone infrastructure solution to deliver magnetite concentrate onto the nearby rail spurs for domestic and export consumption. Nearby infrastructure and an anticipated low average strip ratio, particularly at Dund Bulag, should greatly assist the project. An updated techno-economic assessment is underway in order to confirm project economics.

Bankable Feasibility Study

The tender process for the Bankable Feasibility Study for the full scale mine and processing plant is now underway with several high profile engineering firms expressing interest in managing the study.

The Group has designed a drilling programme for the next 12 months that includes components required for the Bankable Feasibility Study such as Hydro-geological, Geotechnical and Metallurgical drilling as well as extensional and exploration drilling to enhance the resource base.

Hydro-geological Study

The Hydro-geological study will start upon obtaining the relevant permit from the Environmental and Green Development Ministry of Mongolia. The hydro-geological study includes drilling to investigate water supply for future mine and wet magnetite separation plant operations as well as water characterisation drilling over the known resource areas.

During the year all the required paperwork was completed and submitted to the relevant government agency.

CORPORATE ACTIVITY

The Group has commenced initial discussions with a number of potential off take partners for iron ore concentrate derived from the Selenge Iron Ore Project. It is planned to shortlist and visit a number of these potential partners in September 2013.

Board Changes

On 13 May 2013 Haranga Resources Limited announced the appointment of Mongolian national Mr Erdene Tsengelbayar as Managing Director of the Group following the resignation of Dr Robert Wrixon from this position.

Capital Raising

In January 2013 the Group announced an agreement to raise \$6 million by issuing 30 million new shares to a group of Mongolian investors at a price of \$0.20 per share. In addition, 15 million new options were issued to the same investors on a 'one for two' basis for nil consideration on 9 May 2013.


Subsequent Events

Mr. Amarbaatar Chultem was appointed as a Non-Executive Director on 5 July 2013 and Mr. Kerry Griffin resigned as Technical Director on 9 August 2013. There are no other significant events subsequent to reporting date.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO, 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 5 and forms part of this Directors' Report for the half-year ended 30 June 2013.

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.



Matthew Wood
Chairman

Perth, Western Australia
21 August 2013

* 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.

** DTR tests give theoretical yield results which need to be verified by pilot plant scale testing using bulk samples, the results of which may differ from the results presented here.

***The techno-economic assessment results contained in this announcement are outputs from ORVAL, a proprietary modelling software for preliminary magnetite project assessment developed by ProMet Engineers. ProMet have been employed as consultants to Haranga Resources Limited. The input variables have been provided by Haranga Resources Limited and both the inputs and results have been reviewed by ProMet Engineers.

Competent Persons Statement

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.

21 August 2013

The Board of Directors
Haranga Resources Limited
Level 1, 33 Richardson St
WEST PERTH WA 6005

Dear Board Members,

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF
HARANGA RESOURCES LIMITED

As lead auditor for the review of Haranga Resources Limited for the half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Consolidated Statement of Profit or Loss and Other Comprehensive Income *for the half-year ended 30 June 2013*

	Note	2013 \$	2012 \$
Continuing Operations			
Other income	4(a)	92,199	447,918
Service administration fee		(90,000)	(90,000)
Impairment of exploration expenditure		(2,037,526)	-
Professional and consulting fees		(828,117)	(692,328)
Share based payments expense	5	(749,271)	(432,447)
Travel expenses		(187,787)	(141,340)
Foreign exchange gain / (loss)		22,433	(5,437)
Other expenses	4(b)	(637,119)	(565,570)
Loss from continuing operations before income tax		(4,415,188)	(1,479,204)
Income tax benefit		-	-
Net loss for the half-year		(4,415,188)	(1,479,204)
Other Comprehensive Income			
Items that will be reclassified to profit and loss:			
Foreign currency translation		1,461,187	200,242
Other comprehensive income for the half-year, net of tax		1,461,187	200,242
Total comprehensive income for the half-year		(2,954,001)	(1,278,962)
Loss for the period attributable to:			
Owners of Haranga Resources Limited		(3,915,154)	(1,473,563)
Non-controlling interests		(500,034)	(5,641)
		(4,415,188)	(1,479,204)
Comprehensive loss for the period attributable to:			
Owners of Haranga Resources Limited		(2,453,967)	(1,273,321)
Non-controlling interests		(500,034)	(5,641)
		(2,954,001)	(1,278,962)
Loss per share from continuing operations attributable to owners of Haranga Resources Limited			
Basic loss per share (cents)		(1.88)	(0.72)

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 2013

	Note	30 June 2013 \$	31 December 2012 \$
Current Assets			
Cash and cash equivalents		3,781,491	3,357,843
Other receivables		183,300	33,552
Other current assets	6	430,400	193,808
Total Current Assets		4,395,191	3,585,203
Non-Current Assets			
Plant and equipment		860,369	887,580
Deferred exploration and evaluation expenditure	7	26,497,879	24,407,908
Total Non-Current Assets		27,358,248	25,295,488
Total Assets		31,753,439	28,880,691
Current Liabilities			
Trade and other payables		198,910	744,658
Total Current Liabilities		198,910	744,658
Total Liabilities		198,910	744,658
Net Assets		31,554,529	28,136,033
Equity			
Issued capital	8	38,378,509	33,355,295
Reserves		6,763,349	3,952,879
Accumulated losses		(13,875,613)	(9,960,459)
Capital and reserves attributable to owners of Haranga Resources Limited		31,266,245	27,347,715
Non-controlling interest		288,284	788,318
Total Equity		31,554,529	28,136,033

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 2013*

	2013	2012
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(2,032,937)	(1,584,377)
Interest received	67,162	403,323
Other receipts	1,839	44,595
Net cash outflow from operating activities	(1,963,936)	(1,136,459)
 Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(3,252,948)	(2,036,060)
Payments for plant and equipment	-	(17,314)
Net cash outflow from investing activities	(3,252,948)	(2,053,374)
 Cash flows from financing activities		
Proceeds from issue of shares	6,000,000	6,000,000
Payments for share issue costs	(376,774)	(281,424)
Net cash inflow from financing activities	5,623,226	5,718,576
 Net increase in cash held	406,342	2,528,743
Cash and cash equivalents at beginning of period	3,357,843	12,497,042
Net foreign exchange differences	17,306	(4,916)
 Cash and cash equivalents at the end of the period	3,781,491	15,020,869

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 2013

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Non-controlling interests \$	Total \$
Balance at 1 January 2012	27,636,719	(6,910,783)	3,535,289	794,667	25,055,892
Loss for the half-year	-	(1,473,563)	-	(5,641)	(1,479,204)
<i>Other comprehensive income</i>					
Foreign currency translation	-	-	200,242	-	200,242
Total comprehensive income for the half-year	-	(1,473,563)	200,242	(5,641)	(1,278,962)
Transactions with owners in their capacity as owner					
Equity issued by placement	6,000,000	-	-	-	6,000,000
Costs of issue	(281,424)	-	-	-	(281,424)
Share based payments	-	-	432,447	-	432,447
Balance at 30 June 2012	33,355,295	(8,384,346)	4,167,978	789,026	29,927,953
Balance at 1 January 2013	33,355,295	(9,960,459)	3,952,879	788,318	28,136,033
Loss for the half-year	-	(3,915,154)	-	(500,034)	(4,415,188)
<i>Other comprehensive income</i>					
Foreign currency translation	-	-	1,461,187	-	1,461,187
Total comprehensive income for the half-year	-	(3,915,154)	1,461,187	(500,034)	(2,954,001)
Transactions with owners in their capacity as owner					
Equity issued by placement	6,000,000	-	-	-	6,000,000
Costs of issue	(976,786)	-	600,012	-	(376,774)
Share based payments	-	-	749,271	-	749,271
Balance at 30 June 2013	38,378,509	(13,875,613)	6,763,349	288,284	31,554,529

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

Haranga Resources Limited

Notes to the consolidated financial statements for the half-year ended 30 June 2013

1. Corporate Information

The financial report consists of the consolidated financial statements of Haranga Resources Limited and its subsidiaries (the Group) for the half-year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 14 August 2013.

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 2013 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 full 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 2012 and any public announcements made by Haranga Resources Limited during the half-year reporting period 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.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Exploration and evaluation assets

Exploration and evaluation costs are accumulated in respect of each separate 'area of interest' or geographical segment. Costs are capitalised as an exploration and evaluation asset provided exploration titles are current and at least one of the following conditions are satisfied:

- the expenditure is expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. Impairment losses are recognised in the profit and loss.

(b) Significant accounting judgments and key estimates

The preparation of the half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards that for which the related service and non-market vesting conditions are expected to be met, such that, the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date.

3. Segment Reporting

The Group predominantly operated in one geographical segment for the 2013 and 2012 financial years.

The Group operates in the mineral exploration industry in Mongolia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Mongolia. 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. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Haranga Resources Limited

Notes to the consolidated financial statements for the half-year ended 30 June 2013

	30 June 2013 \$	30 June 2012 \$
4. Income and Expenses		
(a) Income		
Other income:		
Interest received	90,360	403,323
Other income	1,839	44,595
	92,199	447,918
(b) Expenses		
Other expenses:		
Conferences and seminars	11,718	44,194
Donations	12,462	25,180
Motor vehicle expenses	14,142	27,101
Rent and outgoings	166,488	123,416
Wages and salaries	199,998	170,468
Other	232,311	175,211
	637,119	565,570
5. Share Based Payments		
Share based payment transactions recognised as operating expenses on the statement of comprehensive income or capital raising expenses in equity were as follows:		
<i>Operating expenses</i>		
Employee share based payments	749,271	432,447
<i>Capital raising expenses</i>		
Share based payments to suppliers	600,012	-

The table below summarises options granted to Directors, employees and consultants during the half-year period:

Director	Grant Date	Expiry date	Exercise price	Balance at start of the period Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Exercisable at end of the period Number	Value (\$)
R Wrixon	09/05/13	30/06/18	\$0.20	-	2,000,000	-	-	2,000,000	-	171,262
K Griffin	09/05/13	30/06/18	\$0.20	-	2,000,000	-	-	2,000,000	-	171,262
E Tsengelbayar	09/05/13	30/06/18	\$0.20	-	2,000,000	-	-	2,000,000	-	171,262
T Flavel	09/05/13	30/06/18	\$0.20	-	1,000,000	-	-	1,000,000	-	85,631
M Wood	09/05/13	30/06/18	\$0.20	-	1,000,000	-	-	1,000,000	-	85,631
M Cooper	09/05/13	30/06/18	\$0.20	-	250,000	-	-	250,000	-	21,408
D Crennan	09/05/13	30/06/18	\$0.20	-	250,000	-	-	250,000	-	21,408
B Sukhbaatar	09/05/13	30/06/18	\$0.20	-	250,000	-	-	250,000	-	21,407
					8,750,000			8,750,000	-	749,271
Weighted average exercise price					\$0.20			\$0.20		

The table below summarises options granted to suppliers during the half-year period:

Grant Date	Expiry date	Exercise price	Balance at start of the period Number	Granted during the period Number	Exercised during the period Number	Forfeited during the period Number	Balance at end of the period Number	Exercisable at end of the period Number	Value (\$)
09/05/13	31/12/14	\$0.20	-	15,000,000	-	-	15,000,000	-	600,012
Weighted average exercise price					\$0.20		\$0.20		

The weighted average of the fair value of the options issued at the grant date is \$0.06.

	30 June 2013 \$	31 December 2012 \$
6. Other current assets		
Prepayments	377,435	134,165
Other	52,965	59,643
	430,400	193,808

Haranga Resources Limited

Notes to the consolidated financial statements for the half-year ended 30 June 2013

	30 June 2013	31 December 2012
	\$	\$
7. Deferred Exploration & Evaluation Expenditure		
Opening balance	24,407,908	12,153,883
Exploration and evaluation expenditure incurred during the period	2,877,613	11,462,214
Acquisition of exploration tenements	-	976,181
Net exchange differences on translation	1,249,884	(184,370)
Impairment of exploration expenditure	(2,037,526)	-
Closing balance	26,497,879	24,407,908

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas. The impairment loss incurred during the 2013 period related to the Group withdrawing from the Tumurtei Khudag and Shavdal projects.

8. Issued Capital

(a) Issued and paid up capital

Ordinary shares fully paid	38,378,509	33,355,295
----------------------------	-------------------	-------------------

	2013		2012	
	Number of shares	\$	Number of shares	\$
(b) Movements in shares on issue				
Opening balance	211,750,002	33,355,295	196,750,002	27,636,719
Equity issued by placement	30,000,000	6,000,000	15,000,000	6,000,000
Costs of issue	-	(976,786)	-	(281,424)
Closing balance	241,750,002	38,378,509	211,750,002	33,355,295

9. Dividends

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

10. Related Party Disclosure

Wolf Petroleum Limited, a company of which Mr. Wood and Mr. Flavel are directors, purchased a company car for \$49,597 from the Group during the period. \$49,597 was outstanding at period end.

11. Contingent Liabilities

There are no contingent liabilities or contingent assets.

12. Subsequent Events

Mr. Amarbaatar Chultem was appointed as a Non-Executive Director on 5 July 2013 and Mr. Kerry Griffin resigned as Technical Director on 9 August 2013.

There are no other significant events subsequent to reporting date.

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 6 to 12, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Group 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.



Matthew Wood
Chairman

Perth, Western Australia
21 August 2013

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HARANGA RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Haranga Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity 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 consolidated entity's financial position as at 30 June 2013 and its 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 Haranga Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review 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 Haranga Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

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 Haranga Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', written over a horizontal line.

Phillip Murdoch
Director

Perth, Western Australia
Dated this 21st day of August 2013