
HARANGA RESOURCES LIMITED

ABN 83 141 128 841

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:30 am (WST)

DATE: 30 May 2014

PLACE: Level 1, 330 Churchill Avenue
Subiaco, WA 6008

This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Haranga Resources Limited which this Notice of Annual General Meeting relates to will be held at 9:30 am (WST) on 30 May 2014 at:

Level 1, 330 Churchill Avenue
Subiaco, WA 6008

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Haranga Resources Limited will be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 9:30 am (WST) on 30 May 2014.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company on 28 May 2014 at 9:30 am (WST).

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial period ended 31 December 2013.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) a Closely Related Party of such a member.*

However, a person (the Voter) described above may vote on this Resolution as a proxy vote if the vote is cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; and*
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - i) does not specify the way the proxy is to vote on this Resolution; and*
 - ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.**

2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR BAT-OCHIR SUKHBAATAR

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Bat-Ochir Sukhbaatar, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – RE-ELECTION OF A DIRECTOR – MR MATTHEW WOOD

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Matthew Wood, a Director who retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 4 – RE-ELECTION OF A DIRECTOR – MR AMARBAATAR CHULTEM

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Amarbaatar Chultem, a director having been appointed since the last annual general meeting and ceasing to hold office in accordance with clause 13.4 of the Constitution, being eligible and having offered himself for re-election, be re-elected as a director of the Company”

5. RESOLUTION 5 – RE-ELECTION OF A DIRECTOR – MR BRIAN MCMASTER

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Brian McMaster, a director having been appointed since the last annual general meeting and ceasing to hold office in accordance with clause 13.4 of the Constitution, being eligible and having offered himself for re-election, be re-elected as a director of the Company”

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,700,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

7. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

8. RESOLUTION 8 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by any Director (other than any Director who is ineligible to participate in the Employee Share Option Plan) and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either: a member of the Key Management Personnel; or a Closely Related Party of such a member; and*
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.*

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and*
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

DATED: 22 APRIL 2014

BY ORDER OF THE BOARD

MR SCOTT FUNSTON

COMPANY SECRETARY

HARANGA RESOURCES LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 9:30 am (WST) on 30 May 2014.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 31 December 2013 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.haranga.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 31 December 2013.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

2.2 Voting consequences

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the directors who were in office when the directors' report (as included in the company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote.*** Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish them to exercise your vote on Resolution 1. However, if you do not direct the Chair how to vote, ***you must tick the acknowledgement on the proxy form to acknowledge that the Chair may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.***

If you appoint any other person as your proxy

You do not need to direct your proxy how to vote, and you do not need to tick any further acknowledgement on the proxy form.

3. RESOLUTION 2 AND 3 – RE-ELECTION OF DIRECTORS

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Accordingly Mr Bat-Ochir Sukhbaatar and Mr Matthew Wood retire in accordance with the Constitution and, being eligible for re-election, offer themselves for re-election at the Annual General Meeting.

4. RESOLUTION 4 AND 5 – RE-ELECTION OF A DIRECTORS

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 13.4 of the Constitution also says a Director appointed under clause 13.4 of the Constitution will hold office until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Amarbaatar Chultem and Mr Brian McMaster retire in accordance with clause 13.4 of the Constitution and, being eligible for re-election, offers himself for re-election at the Annual General Meeting.

5. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – OPTIONS

5.1 General

On 19 March 2014, the Company issued 3,700,000 unlisted options on the terms and conditions set out in Schedule 1.

The subscribers pursuant to this issue were not related parties of the Company.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options (**Option Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.1 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Option Ratification:

- (a) 3,700,000 Options were issued;
- (b) the Options were issued for nil cash consideration pursuant to the ESOP;
- (c) the Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Options were issued to consultants and or their nominees who were not related parties of the Company; and
- (e) no funds were raised from this issue.

6. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 General

Listing Rule 7.1A enables entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The effect of Resolution 6 will be to all the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.2 Description of Listing Rule 7.1A

(a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(c) Formulae for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E

A is the number of shares on issue 12 months before the date of issue or agreement

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that become fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

6.3 Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

6.4 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which approval is obtained; or
- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding),

or such longer period if allowed by ASX (**10% Placement Period**).

6.5 Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.041 (50% decrease in current issue price)	\$0.082 (Current issue price)	\$0.164 (100% increase in current issue price)
241,750,002 (Current)	Shares issued	24,175,000	24,175,000	24,175,000
	Funds raised	\$991,175.00	\$1,982,350.00	\$3,964,700.00
362,625,003 (50% increase)*	Shares issued	36,262,500	36,262,500	36,262,500
	Funds raised	\$1,486,762.50	\$2,973,525.00	\$5,947,050.00
483,500,004 (100% increase)*	Shares issued	48,350,000	48,350,000	48,350,000
	Funds raised	\$1,982,350.00	\$3,964,700.00	\$7,929,400.00

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is \$0.082, being the closing price of the Shares on the ASX on 11 April 2014.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the development of an expanded JORC compliant resource and the commencement of a feasibility study at the Selenge Iron Ore Project. The funds would also be used towards ongoing project administration and for additional working capital.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors set out in the Company's allocation policy, including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the recipients under the 10% Placement Facility will be vendors of the new resources assets or investments.

- (e) The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 9 May 2013 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 May 2013, the Company otherwise issued a total of nil Shares and 11,700,000 Options which represents approximately 3.9% of the total diluted number of Equity Securities on issue in the Company on 30 May 2013, which was 300,000,002 Equity Securities (comprising 241,750,002 Shares and 58,250,000 Options).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 2.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

7. RESOLUTION 8 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

7.1 Background

To ensure that the Company has appropriate mechanisms to continue to attract, motivate and retain the services of employees of a high calibre, the Board considers that it is appropriate to adopt a new employee share option plan (**ESOP**).

7.2 Regulatory Requirements

Resolution 7 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the grant of options (**ESOP Options**) and the issue of Shares on the exercise of such ESOP Options under the ESOP as an exception to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

Exception 9(b) of ASX Listing Rule 7.2 provides that a company may make an issue of securities under an employee incentive scheme (such as the ESOP) if, within three years before the date of issue, holders of ordinary securities in the company have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will have the ability to issue ESOP Options to eligible participants under the ESOP over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the ESOP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

The ESOP will be used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. The ESOP will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers that it is appropriate for non-executive Directors to participate in the ESOP given the size of the Company.

No securities have yet been issued under the ESOP.

The key terms of the ESOP are summarised in Section 7.3 below. A full copy of the ESOP is available for inspection at the Company's registered office until the date of the Meeting.

7.3 Summary of the ESOP

The material terms of the Plan can be summarised as follows:

- (a) **Eligible Participants**
Means full or part time employees of the Company or an Associated Body Corporate (**Eligible Participants**).
- (b) **Purpose of the ESOP**
The purpose of the ESOP is to provide an incentive to encourage participation by Eligible Participants in the Company through Share ownership and to attract, motivate and retain Eligible Participants.
- (c) **Offer of Rights**
When an Eligible Participant satisfies specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Board may make a written offer (**Offer**) to the Eligible Participant of ESOP Options. The Offer will specify the number of ESOP Options being offered and the conditions that must be met by the Eligible Participant before the ESOP Options will vest.
- (d) **Number of ESOP Options Offered**
The number of ESOP Options that will be offered to an Eligible Participant pursuant to an Offer is entirely within the discretion of the Directors. Each ESOP Option will, upon vesting, entitle the holder to one (1) share in the capital of the Company.
- (e) **Vesting Conditions**
The ESOP Options will not vest unless the vesting conditions imposed by the Board have been satisfied.
- (f) **Exercise Price**
The exercise price of any ESOP Option offered to an Eligible Participant shall be at the absolute discretion of the Board but may not be less than the minimum price specified in the Listing Rules.
- (g) **Lapse of ESOP Options**
Rights that have not vested will lapse on the second anniversary of the date of grant of the ESOP Option or such later date as agreed by the Board.
The ESOP Options will immediately lapse where:
 - (i) the Eligible Participant ceases to be an employee or Director of, or to render services to, the Company or its Associated Body Corporate;
 - (ii) the exercise conditions are unable to be met; or
 - (iii) the lapsing date has passed.
- (h) **Shares Issued Upon Exercise of ESOP Options**

The Company will issue or transfer shares to the Eligible Participant as soon as practicable after the exercise of any ESOP Options. The shares issued under the ESOP will be of the same class and will rank equally with shares in the Company at the date of issue.

The Company will seek listing of the new shares on ASX within the time required by the ASX Listing Rules.

(i) Transfer of ESOP Options

An ESOP Option issued under the ESOP is not transferable without the consent of the Board.

(j) Takeover, Scheme or Arrangement

Where:

- (i) a notice of meeting is despatched to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to Section 411 of the Corporations Act;
- (ii) an announcement of a takeover bid is made or a bidder's statement for a bid is received by the Company;
- (iii) the date upon which a person or group of associated persons becomes entitled, subsequent to the date of grant of the relevant ESOP Options, to sufficient Shares to give them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such an ability was not already held by that person,

then the Directors may determine that the ESOP Options may be exercised at any time from that date, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control, or to use their reasonable endeavours to procure that an offer is made to holders of the ESOP Options on like terms to the terms proposed under the change of control event.

(k) Bonus Issues, Rights Issues and Capital Reconstruction

In order to prevent a reduction of the number of shares to which the rights relate in the event of bonus issues, rights issues or a capital reconstruction, there are provisions in the rules which provide a method of adjustment of the number of rights to prevent such a reduction.

(l) Participation in New Issues

There are no participating rights or entitlements inherent in the ESOP Options and the holders will not be entitled to participate in new shares of capital offered to shareholders during the currency of the ESOP Options. In addition holders of the ESOP Options will not be entitled to vote or receive dividends as a result of their holding of ESOP Options.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9200 6264 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.4.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Haranga Resources Limited (ABN 83 141 128 841).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

ESOP has the meaning given to it in section 7.1 of the Explanatory Statement.

ESOP Options has the meaning given to it in section 7.2 of the Explanatory Statement.

Explanatory Statement means the explanatory statement to the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a share in the Company.

Shareholder means a shareholder in the Company.

VWAP means volume weight average price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The material terms and conditions of the Options offered pursuant to this notice are set out below:

- (a) The options have an expiry date of 5.00pm (WST) on 31 March 2016 (**Expiry Date**). Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each option gives the optionholder the right to subscribe for one Share. To obtain the right given by each option, the optionholder must exercise the options in accordance with the terms and conditions of the options.
- (c) The exercise price payable upon exercise of each option will be 10.0 cents (**Exercise Price**).
- (d) All or part of the options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) An optionholder may exercise their options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of options specifying the number of options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of options being exercised,**(Exercise Notice)**.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of options specified in the Exercise Notice.
- (h) All Shares issued upon the exercise of options will upon issue rank pari passu in all respects with other Shares.
- (i) The Company will apply for quotation by ASX of all Shares issued pursuant to the exercise of options within 10 Business Days after the date of issue of those Shares.
- (j) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any options, the number of options to which an optionholder is entitled or the Exercise Price of the options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (k) An option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised.
- (l) There are no participating rights or entitlements inherent in the options and optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that for the purposes of the proposed issue notice of the new issue will be given to optionholders at least seven (7) business days before the record date. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

SCHEDULE 2 – ISSUE OF EQUITY SECURITIES SINCE 30 MAY 2013

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
13 November 2013	8,000,000	Unquoted Options ²	Consultants pursuant to the Company's Employee Share Option Scheme	No issue price (non-cash consideration)	For Non-cash only Consideration: Performance based remuneration for services provided to the Company Current value ⁴ = \$166,379.62
19 March 2014	3,700,000	Unquoted Options ³	Consultants pursuant to the Company's Employee Share Option Scheme	No issue price (non-cash consideration)	For Non-cash only Consideration: Performance based remuneration for services provided to the Company Current value ⁴ = \$112,470.89

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Options, exercisable at \$0.10 each, on or before 31 December 2014. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 30 May 2014.
3. Unquoted Options, exercisable at \$0.10 each, on or before 31 March 2016. The full terms and conditions are set out in Schedule 1.
4. In respect of unquoted Equity Securities the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).

**HARANGA RESOURCES LIMITED ABN 83 141 128 841
ANNUAL GENERAL MEETING - PROXY FORM**

I/We

of

being a Shareholder of Haranga Resources Limited, entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

the Chair as my proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 9:30 am (WST), on 30 May 2014 at Level 1, 330 Churchill Avenue, Subiaco, Western Australia, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of a Director – Bat-Ochir Sukhbaatar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of a Director – Matthew Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-Election of a Director – Amarbaatar Chultem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-Election of a Director – Brian McMaster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue - Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolution 1 and that votes cast by the Chair for Resolution 1, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

HARANGA RESOURCES LIMITED
ABN 83 141 128 841

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) hand to the Company's registered office at Level 1, 330 Churchill Avenue, Subiaco, Western Australia;
 - (b) mail to the Company's registered office at PO Box 540, Subiaco, Western Australia, 6904; or
 - (c) facsimile to the Company on facsimile number +61 8 9200 4469,so that it is received not later than 9.30am (WST) on 28 May 2014.

Proxy forms received later than this time will be invalid.