



ABN 83 141 128 841

Half-year Financial Report

30 June 2014

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CORPORATE DIRECTORY

Directors

Mr. Matthew Wood (Chairman)
Mr. Erdene Tsengelbayar (Managing Director)
Mr. Brian McMaster (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 Secretary

Mr. Jack James

Registered Office

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SUBIACO, WA 6008
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Share Registry

Automic Registry Services Pty Ltd
Level 1
7 Ventnor Ave
WEST PERTH WA 6005
Telephone: + 618 9324 2099
Facsimile: + 618 9321 2337

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 2014. 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. Brian McMaster	Executive Director (Appointed 1 April 2014)
Mr. Timothy Flavel	Former Executive Director (Resigned 1 April 2014)
Mr. Bat-Ochir Sukhbaatar	Non-Executive Director
Mr. Amarbaatar Chultem	Non-Executive Director
Mr. Daniel Crennan	Non-Executive Director
Mr. Marshall Cooper	Non-Executive Director

Results

The loss after tax for the half-year ended 30 June 2014 was \$1,359,595 (2013: \$4,415,188).

Review of Operations

SELENGE PROJECT (HARANGA RESOURCES: 80%)

JORC Code Compliant Resource Estimate

JORC Code* compliant resource has been defined covering three clustered deposits within the Company'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. 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

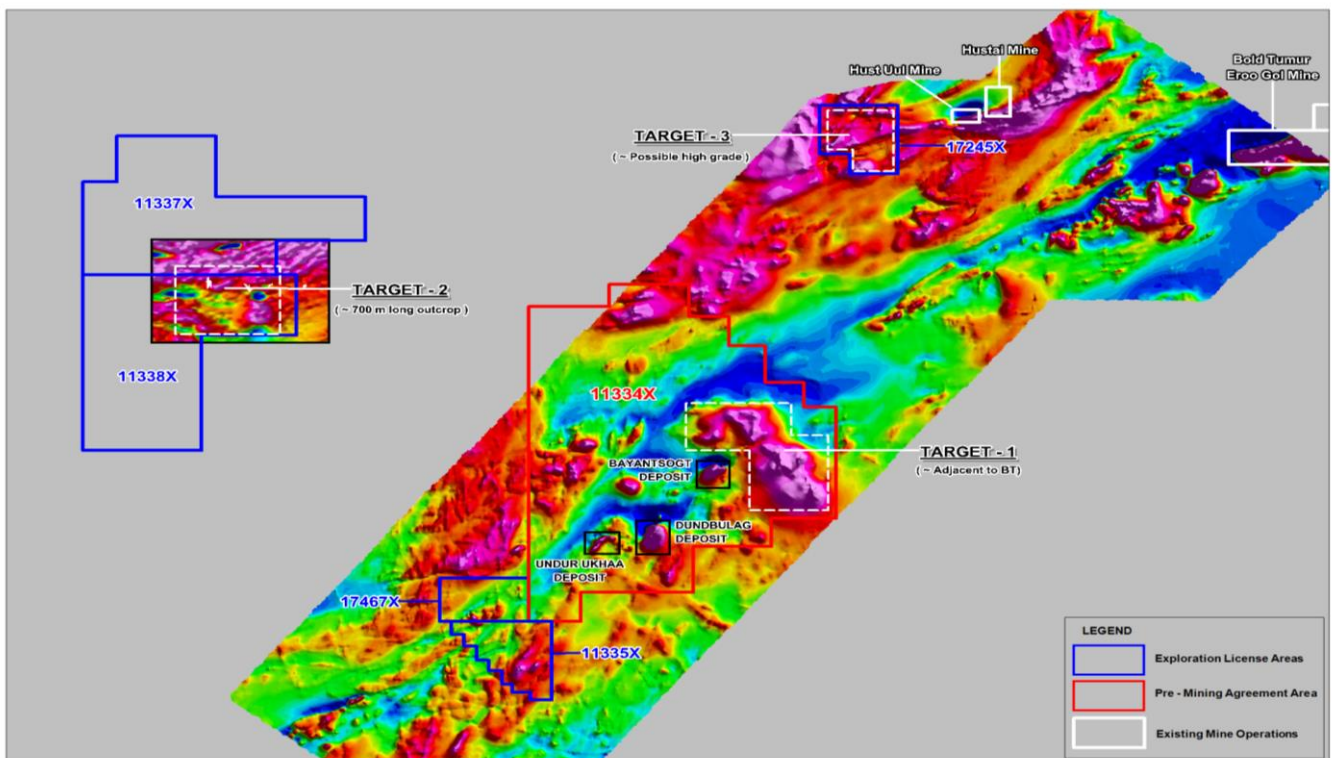
Further Exploration Targets

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. A programme of additional drilling with a particular emphasis on high grade has been approved by Mineral Resources Authority and General Agency for Specialized Inspection (GASI) of Mongolia.

- **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 mineralization. This drilling target is located within the exploration license #11338X licenses #11338X and #11337X.
- **Target 3** neighbours 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.

The following map shows the location of these targets.

Figure 1: Location of Additional Drilling Targets at Selenge Project



Pre-Mining Activities

The Company’s flagship Selenge iron ore project is transitioning into its Development stage after the completion of the successful Exploration phase.

The Company’s 80% owned Mongolian subsidiary “Haranga Huder” LLC, which holds the MEL #11334X, signed PMA with MRAM) on 20 December 2013. This PMA covers the entire license area where the JORC compliant resource was estimated. Under this PMA, the Company is allowed to build an open pit mine and processing plant complex after completion and submittal of the Feasibility Study together with a Mine Design.

Infrastructure

As agreed in the Pre-Mining Activities Agreement with the Mineral Resource Authority of Mongolia, a comprehensive study for infrastructure solutions such as truck transportation, railway, electricity and water supply for a potential open pit mine and beneficiation plant at the Selenge project is underway.

The 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. In 2013, the Company signed the Memorandum of Understanding (MOU) with both the Mongolian Railway Authority and the Ministry for Transportation requesting up to 5Mtpa of rail capacity from 2015 onwards.

Field studies were conducted to examine the selected infrastructure development options depending on the Selenge project’s two different production capacity scenarios:

In a smaller (0.5Mtpa) production capacity case, the Company now intends to study more carefully the iron ore concentrate transportation carried out by a paved truck-road to be built from the beneficiation plant site to the uploading facility at the existing Tavin Station nearby the sub-provincial town of Eruu. The total estimated length of the paved road is about 35 km.

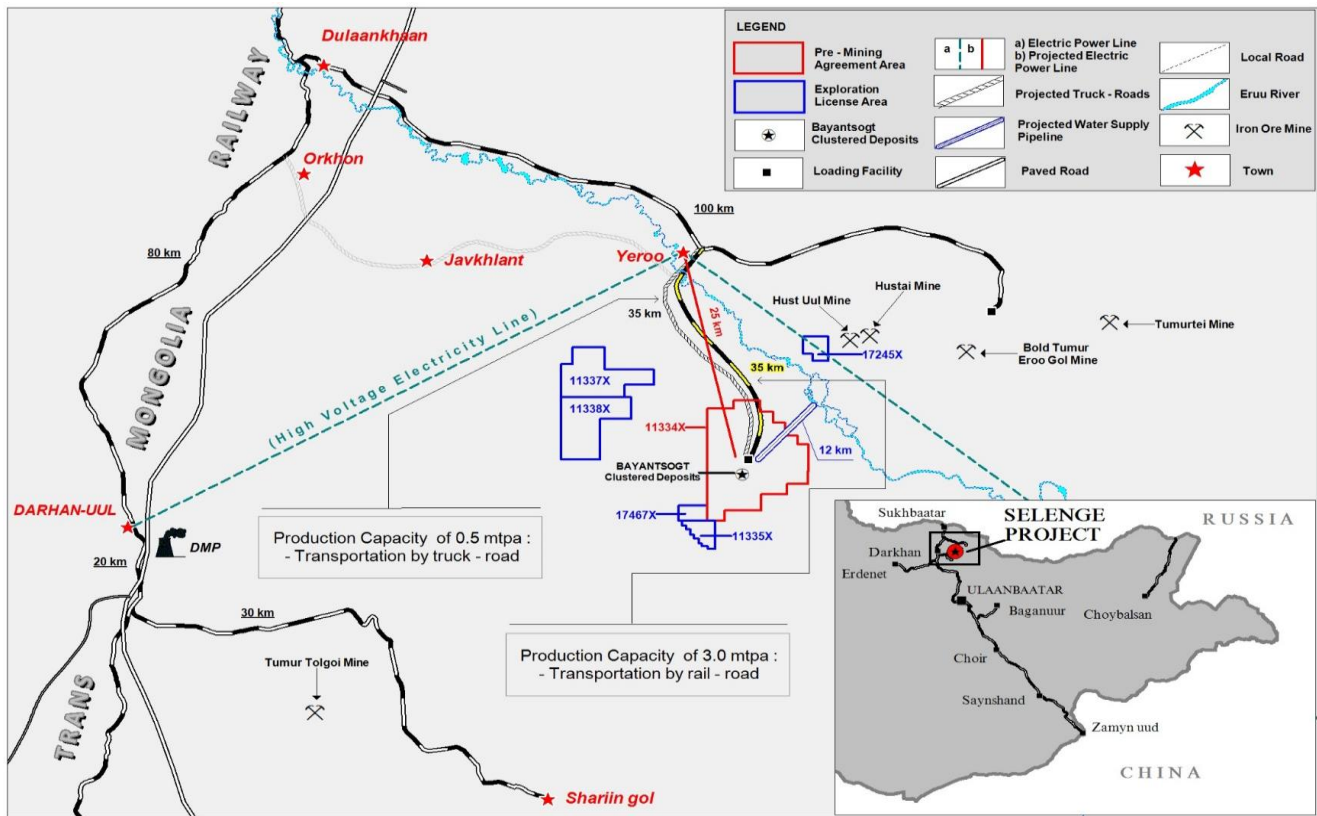
In a larger (3.0Mtpa) production capacity scenario, a new railroad of about 35km is planned which will be connected to the existing railway of the Bold Tumor Eruu Gol (BTEG) iron ore mine operation.

In terms of the power supply, the Company is studying to build and install a new electricity transmission line of about 25km from the main 110kV high-voltage power grid between Darkhan city and Eruu and Bugant sub-provincial town.

As for the water supply for potential open pit mine and beneficiation plant complex, about 12 km long pipeline is considered to be built from Eruu River.

The following map shows the preliminary results of the infrastructure purpose study.

Figure 2. The Infrastructure Development map of the Selenge project



Metallurgical test works

The metallurgical test work has commenced at ALS Technical Centre in Wangara, WA. The metallurgical test work is currently underway as per the Scope of Work in accordance with an optimized design flowsheet recommended by an expert hired by the Company.

This first phase test programme included the following works and analyses as below.

- A. Technical works are completed and currently under the processing of preliminary results:
 - i. Optical Microscopy and XRD
 - ii. Head analysis-multi-elemental-analysis
 - iii. Multi-target Grind Establishment test
 - iv. Bond Ball and Bond Abrasion Index Determination
 - v. Davis Tube Wash Tests (DTW)

- B. Technical works are currently underway and expected to be completed by the end of August:
 - i. Mineralogical Analyses
 - ii. Flotation test:
 - ✓ This test method is going to be used to lower sulphur (S) content in the magnetic concentrate as a final saleable product from the Bayantsogt deposit in specific.
 - ✓ This test is not necessary for the ore processing from the Dund Bulag deposit as the sulphur content in the head/raw ore is significantly low that would satisfy the industry acceptable level.
 - iii. Davis Tube Recovery Tests (DTR) at different grind sizes
 - ✓ 45µm, 75µm, 106µm, 212µm, 250µm, 300µm, 425µm grind size all 100% Passing;
 - iv. A Bench-scale Optimization:
 - ✓ These progressive grind sizes will undergo then to an optimization process in terms of the Fe grade recovery and yield correlations further refining the recovery process route as well as to examine the energy consumptions in order to eventually generate a design preliminary flow-sheet.

Board Changes

On 1 April 2014 Haranga Resources Limited announced the appointment of Mr Brian McMaster as Executive Director of the Group following the resignation of Mr Timothy Flavel from this position.

Subsequent Events

There are no 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 2014.

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
12 September 2014

** The technical information contained in this announcement in relation to the JORC Code (2012) Compliant Resource for the Selenge Project Deposits 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 mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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. Refer to the HAR ASX announcement dated 7 May 2013 for further details.*

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 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. 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, 12 September 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income *for the half-year ended 30 June 2014*

	Note	2014 \$	2013 \$
Continuing Operations			
Other income	4(a)	16,676	92,199
Service administration fee		(90,000)	(90,000)
Impairment of exploration expenditure	7	-	(2,037,526)
Professional and consulting fees		(506,566)	(828,117)
Share based payments expense	5	(129,850)	(749,271)
Travel expenses		(112,249)	(187,787)
Foreign exchange gain		1,700	22,433
Other expenses	4(b)	(539,306)	(637,119)
Loss from continuing operations before income tax		(1,359,595)	(4,415,188)
Income tax benefit		-	-
Net loss for the half-year		(1,359,595)	(4,415,188)
Other Comprehensive Income			
Items that will be reclassified to profit and loss:			
Foreign currency translation		(2,689,582)	1,461,187
Other comprehensive income for the half-year, net of tax		(2,689,582)	1,461,187
Total comprehensive income for the half-year		(4,049,177)	(2,954,001)
Loss for the period attributable to:			
Owners of Haranga Resources Limited		(1,354,857)	(3,915,154)
Non-controlling interests		(4,738)	(500,034)
		(1,359,595)	(4,415,188)
Comprehensive loss for the period attributable to:			
Owners of Haranga Resources Limited		(4,044,439)	(2,453,967)
Non-controlling interests		(4,738)	(500,034)
		(4,049,177)	(2,954,001)
Loss per share from continuing operations attributable to owners of Haranga Resources Limited			
Basic / diluted loss per share (cents)		(0.56)	(1.88)

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 2014

	Note	30 June 2014 \$	31 December 2013 \$
Current Assets			
Cash and cash equivalents		906,207	2,076,693
Other receivables		111,649	118,157
Other current assets	6	193,997	236,942
Total Current Assets		1,211,853	2,431,792
Non-Current Assets			
Plant and equipment		576,406	738,138
Deferred exploration and evaluation expenditure	7	22,817,381	25,223,994
Total Non-Current Assets		23,393,787	25,962,132
Total Assets		24,605,640	28,393,924
Current Liabilities			
Trade and other payables		238,067	107,024
Total Current Liabilities		238,067	107,024
Total Liabilities		238,067	107,024
Net Assets		24,367,573	28,286,900
Equity			
Issued capital	8	38,378,509	38,378,509
Reserves		3,657,688	6,217,420
Accumulated losses		(17,945,490)	(16,590,633)
Capital and reserves attributable to owners of Haranga Resources Limited		24,090,707	28,005,296
Non-controlling interest		276,866	281,604
Total Equity		24,367,573	28,286,900

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 2014*

	2014	2013
	\$	\$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(960,727)	(2,032,937)
Interest received	16,676	67,162
Other receipts	-	1,839
Net cash outflow from operating activities	(944,051)	(1,963,936)
 Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(224,734)	(3,252,948)
Net cash outflow from investing activities	(224,734)	(3,252,948)
 Cash flows from financing activities		
Proceeds from issue of shares	-	6,000,000
Payments for share issue costs	-	(376,774)
Net cash inflow from financing activities	-	5,623,226
 Net (decrease) / increase in cash held	(1,168,785)	406,342
Cash and cash equivalents at beginning of period	2,076,693	3,357,843
Net foreign exchange differences	(1,701)	17,306
 Cash and cash equivalents at the end of the period	906,207	3,781,491

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 2014

	Issued Capital \$	Accumulated Losses \$	Reserves \$	Non-controlling interests \$	Total \$
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
Balance at 1 January 2014	38,378,509	(16,590,633)	6,217,420	281,604	28,286,900
Loss for the half-year	-	(1,354,857)	-	(4,738)	(1,359,595)
<i>Other comprehensive income</i>					
Foreign currency translation	-	-	(2,689,582)	-	(2,689,582)
Total comprehensive income for the half-year	-	(1,354,857)	(2,689,582)	(4,738)	(4,049,177)
Transactions with owners in their capacity as owner					
Share based payments	-	-	129,850	-	129,850
Balance at 30 June 2014	38,378,509	(17,945,490)	3,657,688	276,866	24,367,573

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 2014

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 2014 was authorised for issue in accordance with a resolution of the directors on 12 September 2014.

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 2014 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 2013 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.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the half year ended 30 June 2014 of \$1,359,595 and experienced net cash outflows from operating activities of \$944,051 and net cash outflows for investing activities of \$224,734. At 30 June 2014, the Group had a net current asset position of \$973,786. The cash and cash equivalents balance at the date of issuing this report is \$476,863. The Directors recognise the need to raise additional funds via equity raisings for planned future exploration activities.

In considering the above, the Directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be successful in securing additional funds through an equity issue.

Should the Group not obtain funds through an equity issue, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

Impact of standards issued applied by the entity

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, other than for the adoption of AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 12 Disclosure of Interests in Other Entities, AASB 13 Fair Value Measurement and AASB 119 Employee Benefits which came into effect on 1 July 2013. Haranga Resources Limited have reviewed the impact of applying these new standards compared to the previous standards and concluded that there is no material impact on the Group's performance and position arising from the initial application of these standards and, apart from additional note disclosures required under AASB 13, they are therefore immaterial in the context of the Group's financial report for the interim half-year reporting period ended 30 June 2014 or the comparative information.

(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.

Haranga Resources Limited

Notes to the consolidated financial statements for the half-year ended 30 June 2014

(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 2014 and 2013 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.

4. Income and Expenses

(a) Income

Other income:

	30 June 2014 \$	30 June 2013 \$
Interest received	16,676	90,360
Other income	-	1,839
	16,676	92,199

(b) Expenses

Other expenses:

Conferences and seminars	24,398	11,718
Donations	6,117	12,462
Motor vehicle expenses	14,129	14,142
Rent and outgoings	134,411	166,488
Wages and salaries	121,504	199,998
Other	238,747	232,311
	539,306	637,119

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:

Operating expenses

Employee share based payments	129,850	749,271
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Capital raising expenses

Share based payments to suppliers	-	600,012
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The table below summarises options granted to employees 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 (\$)
19/03/14	31/03/16	\$0.10	-	3,700,000	-	-	3,700,000	-	129,850
Weighted average exercise price				\$0.04			\$0.04		

The weighted average of the fair value of the options issued at the grant date is \$0.04.

6. Other current assets

	30 June 2014 \$	31 December 2013 \$
Prepayments	162,669	11,256
Other	31,328	106,901
	193,997	118,157

Haranga Resources Limited

	30 June 2014	31 December 2013
	\$	\$
7. Deferred Exploration & Evaluation Expenditure		
Opening balance	25,223,994	24,407,908
Exploration and evaluation expenditure incurred during the period	87,586	4,122,843
Net exchange differences on translation	(2,494,199)	(29,620)
Impairment of exploration expenditure	-	(3,277,137)
Closing balance	22,817,381	25,223,994

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	38,378,509
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	2014		2013	
	Number of shares	\$	Number of shares	\$
(b) Movements in shares on issue				
Opening balance	241,750,002	38,378,509	211,750,002	33,355,295
Equity issued by placement	-	-	30,000,000	6,000,000
Costs of issue	-	-	-	(976,786)
Closing balance	241,750,002	38,378,509	241,750,002	38,378,509

9. Dividends

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

10. Contingent Liabilities

There are no contingent liabilities or contingent assets.

11. Subsequent Events

There are no significant events subsequent to reporting date.

12. Fair Value Measurement

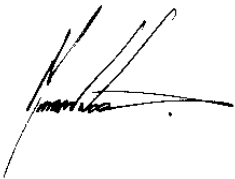
The Company does not have any financial instruments that are subject to recurring fair value measurements. Due to their short term nature, the carrying amount of current receivables and current trade and other payables is assumed to be approximate their fair value.

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 2014 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
12 September 2014

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 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 company 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 2014 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 audit 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 2014 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*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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, 12 September 2014