

2 February 2016

Dear Shareholder,

PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced to ASX on 29 January 2016, Haranga Resources Limited ('**Haranga**' or '**the Company**') is undertaking a pro-rata non-renounceable entitlement issue of approximately 341,845,828 fully paid ordinary shares in the capital of Haranga ('**Shares**') to raise approximately \$1,367,383 ('**Entitlement Issue**'). The price of Shares under the Entitlement Issue is \$0.004 each ('**Issue Price**').

The Shares will be offered on the basis of one (1) new Share for every one (1) Share held as at 5pm (WST) on 5 February 2016 ('**Record Date**') and allotted under the Entitlement Issue ('**Offer**'). The Shares offered under the Entitlement Issue will rank equally with the Shares already on issue.

The Offer is partially underwritten by Golden Rain Holdings Limited ('**Golden Rain**') (an entity incorporated in Hong Kong) up to such amount of Shares as will result in Golden Rain having a voting power in the Company of no greater than 39%. Golden Rain will not be paid in respect of its underwriting commitment.

The Offer is being made to all shareholders of the Company ('**Shareholders**') named on its register of members at the Record Date, whose registered address is in Australia, New Zealand, Mongolia or Hong Kong.

The Company lodged a prospectus in relation to the Entitlement Issue ('**Prospectus**') at the Australian Securities & Investments Commission and ASX on 29 January 2015. A copy of the Prospectus will be despatched to Shareholders on 10 February 2016 and will outline the Entitlement Issue in detail.

Key Dates

The proposed timetable for the Entitlement Issue is as follows:

Lodgement of Prospectus with the ASIC	29/01/2016
Lodgement of Prospectus & Appendix 3B with ASX	29/01/2016
Notice sent to Optionholders	01/02/2016
Notice sent to Shareholders	02/02/2016
Ex date	03/02/2016
Record Date for determining Entitlements	05/02/2016
Prospectus sent out to Shareholders & Company announces this has been completed	10/02/2016
Last day to extend the Closing Date	16/02/2016
Closing Date (5:00 pm WST)*	19/02/2016
Shares quoted on a deferred settlement basis	22/02/2016
Notify ASX of under subscriptions	24/02/2016
Issue date/Shares entered into Shareholders' security holdings	26/02/2016
Quotation of Shares issued under the Offer	29/02/2016

These dates are subject to change and are indicative only. Subject to the ASX Listing Rules the Corporations Act 2001(Cth) and the terms and conditions of the Underwriting Agreement the Directors reserve the right to vary the dates for the Entitlement Issue at their discretion.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$121,448)		Maximum Subscription (\$1,367,383)	
		(\$)	%	(\$)	%
1.	Mining and exploration licenses and land use related fees and costs	5,000	4.1	120,000	8.8
2.	Environmental and social impact detailed assessment	2,000	1.7	35,000	2.6
3.	Development expenses of Selenge Project	70,000	57.7	910,000	66.6
4.	Administrative and operation expenses	18,000	14.8	250,000	18.3
5.	Working capital	5,396	4.4	27,172	2.0
6.	Expenses of the offer	21,052	17.3	25,211	1.7
	Total	121,448	100	1,367,383	100

The above table is a statement of current intentions. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The effect of the Offer on the capital structure of the Company, assuming the Offer is fully subscribed is set out below:

Shares

	Number
Shares currently on issue	341,845,828
Shares offered pursuant to the Offer	341,845,828
Total Shares on issue after completion of the Offer	683,691,656

Options

	Number
Options currently on issue:	
Unlisted Options exercisable at \$1.00 on or before 16 February 2016	4,000,000
Unlisted Options exercisable at \$0.50 on or before 1 July 2016	1,000,000
Unlisted Options exercisable at \$0.20 on or before 30 June 2018	8,750,000
Unlisted Options exercisable at \$0.10 on or before 31 March 2016	3,700,000
Unlisted Options exercisable at \$0.05 on or before 31 December 2017	15,000,000
Total Options on issue after completion of the Offer	32,450,000

In calculating entitlements under the Entitlement Issue, fractions will be rounded up to the nearest whole number.

Applicants

The Entitlement Issue is made to Shareholders with registered addresses in Australia, New Zealand, Mongolia and Hong Kong only.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying the Prospectus. Your acceptance must not exceed your entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum entitlement.

You may participate in the Offer by:

- (a) taking up all of your entitlement;
- (b) taking up a proportion of your entitlement and allowing the balance to lapse; or
- (c) allowing all or part of your entitlement to lapse.

If you wish to accept all or part of your entitlement, you must:

- (a) complete the Entitlement and Acceptance Form and attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for all or part of the amount indicated on the Entitlement and Acceptance Form; or
- (b) pay the appropriate application monies for all or part of your entitlement through the BPay® facility described in the Prospectus and the Entitlement and Acceptance Form. If you make your payment by BPay®, you do not need to return the Entitlement and Acceptance Form.

Any entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to the Prospectus. The issue price of any Shares offered pursuant to the Shortfall Offer will be \$0.004 each.

Eligible Shareholders who wish to subscribe for Shares above their entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using the Bpay® facility described in the Prospectus.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

Ineligible Shareholders

The Offer is being made to all Shareholders named on its register of members at the Record Date, whose registered address is in Australia, New Zealand, Mongolia or Hong Kong. Overseas Shareholders should contact the Company Secretary with any queries.

CPS Capital Group Pty Ltd has been appointed as the Company's nominee for foreign Shareholders for the purposes of ASX Listing Rule 7.7 and section 615 of the *Corporations Act 2001* (Cth), for those foreign Shareholders who have been deemed ineligible to participate under the Offer ('**Nominee**'). The Company will pay the Nominee a brokerage fee of \$3,000 (excluding GST) or 1% of share sales, whichever is greater, and an additional service fee of \$3,000 (excluding GST).

Pursuant to the arrangement with the Nominee, the Company will issue to the Nominee, at the Issue Price, the Shares that ineligible Shareholders who accept the Offer are entitled ('**Nominee Shares**'). The Nominee will then sell the Nominee Shares at a price and otherwise in a manner determined by the Nominee in its sole discretion. The Company will then distribute to each of those foreign holders their proportion of the proceeds of the sale net of expenses.

Neither the Company nor the Nominee will be liable for either the timing or price at which the Nominee Shares may be sold.

Full details of the Entitlement Issue will be contained in the Prospectus that will be mailed to all Shareholders who are registered on the Record Date. Shareholders eligible to participate should read the Prospectus carefully.

Should you have any queries in relation to the Entitlement Issue, please do not hesitate to contact the Company on (+61 8) 9200 4415.

Yours sincerely

Jack James
Company Secretary
HARANGA RESOURCES LIMITED