

Divestment of Mongolian Interests and Board Changes

ASX Release

1 June 2017

**HARANGA RESOURCES
LIMITED**
ACN 141 128 841

22 Lindsay Street,
Perth, WA
6000, Australia

Tel: +61 8 9200 4415
Fax: +61 8 9227 6390

Contact:

Jack James
Company Secretary

E-mail:

admin@haranga.com

Directors:

Peter Youd
Bat-Ochir Sukhbaatar
Jack James
Paula Cowan

Issued Capital:

484.53 million shares

ASX Symbol:

HAR

Divestment of Mongolian Interests

The Directors of Haranga Resources Limited ('the Company' or 'HAR') are pleased to announce the Company has entered into a Share Sale Agreement for the sale of the Selenge Project in Mongolia.

The Company has executed a formal share sale agreement with Ambaatar Bilguun ('the Buyer') for the sale of the Company's 100% interest in Mongolian subsidiary Haranga Iron LLC.

Haranga Iron LLC is the holder of an 80% interest in Haranga Khuder LLC which holds the Selenge Project in Mongolia, comprising of mining license 18934A and exploration license 11335X.

The material terms of the Share Sale Agreement are detailed below:

- Completion of the transaction is subject to customary closing conditions, including receipt of required shareholder and other regulatory approvals. The ASX has advised it will require shareholder approval pursuant to Listing Rule 11.2. The Company notes that it is currently preparing the necessary notice of meeting and anticipates the general meeting will be held in July 2017;
- On execution, the Buyer will pay to the Company a non-refundable deposit of US\$100,000;
- On receipt of required shareholder and other regulatory approvals, the Buyer will pay the Company US\$1,000,000; and
- On the date that is 12 months from the first date that proceeds from the sale or other disposition of product from the Selenge Project are received, the Buyer will pay the Company US\$3,500,000.

The decision to divest the Selenge Project was taken following a sustained period of investor disinterest in the Project. The Board continues to actively pursue other opportunities to restore shareholder value.

Changes to the Board of Directors

The Company wishes to advise that Mr Peter Youd has been appointed to the Board of Directors with immediate effect. Mr Youd is a Chartered Accountant and has extensive experience within the resources and oil and gas services industries. For the last 29 years Mr Youd has held a number of senior management positions and directorships for publicly listed and private companies in Australia and overseas.

Mr Youd is currently an Executive Director and the Chief Financial Officer of First Graphite Limited.

The Company wishes to advise that Mr Brian McMaster has resigned as Non-Executive Chairman effective immediately.

For further information please contact:

Jack James
Company Secretary