



## ASX Release

31 August 2018

**HARANGA RESOURCES  
LIMITED**  
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**Directors:**

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**Issued Capital:**

484.53 million shares

**ASX Symbol:**  
HAR

## Terms of Convertible Note Facility

Haranga Resources Limited wishes to advise, upon request from ASX, the terms of the multi drawdown Convertible Note Facility ("Facility") with Celtic Capital Pty Ltd (as "Subscriber") executed on 17 May 2018, as disclosed in the Company's 2017 Annual Report.

**Use of Funds:** The proceeds from the Convertible Notes will be applied toward working capital. As at the date of this announcement, no funding has been drawn down on the Facility.

**Security:** The facility is secured by a General Deed of Security (over the Company's assets).

Key Terms of the Facility are as follows:

**Face Value:** Up to A\$200,000;

**Coupon Rate:** 18% per annum, payable in arrears on the first day of each calendar month after the first Subscription Date unless the Subscriber agrees to capitalize the interest;

**Default Interest Rate:** 24% per annum where any sum, or any part of any sum, payable by the Company is not paid to, or as directed by, the Subscriber on or before the date that is three (3) business days after the due date for payment, accruing on the outstanding amount and commencing from the due date of payment;

**Establishment Fee:** A\$5,500 paid on execution;

**Redemption:** The Convertible Notes may be redeemed at any time after the date that is 3 months from the Subscription Date by the issue of a written notice by the Subscriber to the Company requiring redemption of the Convertible Notes ("Redemption Event");

**Conversion:** the Subscriber may issue a notice requiring the Company to call a general meeting of its shareholders for the purposes of one or more of the following stated purposes:

- (a) approval of the conversion of the value of the Convertible Notes into Shares ("Issue Approval"); and
- (b) approval for the purposes of Item 11 of section 611 of the *Corporations Act* for the allotment and issue of the Shares to be issued pursuant to such a conversion ("Relevant Interest Approval").

Following the receipt of Issue Approval, at any time before a Redemption Event the Subscriber may elect to convert Convertible Notes into Shares by the Subscriber providing the Company with notice of the conversion in a form acceptable to the Company acting reasonably (“Conversion Notice”). The price at which Shares are issued on conversion of Convertible Notes shall be that amount equal to 75% of the issue price of Shares issued most recently prior to the date of the Conversion Notice (“Conversion Price”). The number of Shares to be issued on conversion of the Convertible Notes will be calculated in accordance with the following formula:

$$A = (NV + I) / CP$$

Where:

**A** means the number of Shares to be issued;

**N** means the number of Convertible Notes to be converted;

**V** means the face value of each of the Convertible Notes to be converted;

**I** means accumulated interest, and

**CP** means Conversion Price.

Events of Default: usual events of default including insolvency and material adverse change.

**Nerida Schmidt**  
**Company Secretary**