



DECEMBER 2019 QUARTERLY ACTIVITIES REPORT

ASX Release

31 January 2020

**HARANGA RESOURCES
LIMITED**
ACN 141 128 841

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Contact:

Nerida Schmidt
Company Secretary

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Directors:

Peter Youd
Teow Kim Ching
Nerida Schmidt

Issued Capital:

35,600,036 shares

ASX Symbol:

HAR

Haranga Resources Limited ("the Company") provides the following on its activities for the December 2019 quarter and an update on the Company going forward.

Finalisation of Non-Renounceable Rights Issue

As disclosed in the September 2019 Quarterly Activities Report, on 17 September 2019, the Company announced that it had closed its 2:3 non-renounceable rights issue ("**Rights Issue**") which was fully underwritten by CPS Capital Group Pty Ltd ("**Underwriter**").

Following the issue of shares to those eligible shareholders that successfully applied under the entitlement offer and the shortfall offer, on 12 December 2019 the Company announced that the remaining shortfall balance of 11,575,566 shares had been placed by the Underwriter with professional and sophisticated investors at the discretion of and in conjunction with the Directors.

As disclosed in the Rights Issue prospectus dated 23 August 2019, each of the directors, Mr Peter Youd, Mr Teow Kim Chng and Ms Nerida Schmidt entered into agreements with the Underwriter to sub-underwrite the Rights Issue up to \$40,000 each (1,333,334 shares). Any allocation of shortfall to the directors was intended to be issued in reliance on Exception 2 of ASX Listing Rule 10.12 so that shareholder approval would not be required under ASX Listing Rule 10.11.

In the course of allocating the shortfall, 1,333,334 shares were issued to each of Mr Peter Youd, Mr Teow Kim Chng and Ms Nerida Schmidt (together the "**Director Shortfall Shares**"). Due to an administrative oversight the shortfall allocations (including the Director Shortfall Shares) were not finalised or issued until 12 December 2019. As the Director Shortfall Shares were issued more than 15 business days after the close of the Rights Issue, the relevant ASX Listing Rule exception to 10.11 was unable to be relied upon resulting in an unintentional and inadvertent breach of ASX Listing Rule 10.11.

As a corrective measure, the Company intends to buy back the Director Shortfall Shares (at the Rights Issue price of \$0.03) in accordance with the selective reduction of capital provisions of the Corporations Act 2001 (Cth). The Company also intends to seek shareholder approval to allow each of the directors to re-subscribe for up to 1,333,334 shares at the issue price of \$0.03 each. The Company has today lodged a notice of meeting for the shareholder approval required for this process.

2019 Annual Report and Annual General Meeting

As mentioned above, the Company has today lodged a notice of meeting for the upcoming Annual General Meeting of the Company to be held at 3.00 pm WST on 5 March 2020 at Level 4, The Read Buildings, 16 Milligan Street, Perth. Also lodged today is the audited annual report for the period ended 31 December 2019. These have been despatched to shareholders today.

Update on Voluntary Suspension and Expected Delisting

The Company has released a separate update on the voluntary suspension and expected de-listing on 30 January 2020. Please see this announcement for full details.

The Company is expecting to be removed from the official list at the commencement of trading on Monday 3 February 2020.

As a public **unlisted** company Haranga will continue, together with its corporate adviser, to assess various recapitalisation opportunities for the Company and actively pursue other opportunities to restore shareholder value as well as looking at other funding options for these opportunities. Should it be appropriate, the Company will re-apply for admission to the official list of the ASX under Chapters 1 & 2 of the Listing Rules.

The Company sincerely thanks all shareholders for their support and patience over the past years and will continue in its efforts to restore shareholder value.

This announcement has been authorised for release by the board of directors.

FURTHER INFORMATION

For further information, please contact:

Nerida Schmidt

Non-Executive Director and Company Secretary

Appendix 1 – Interests in mining tenements held as at 31 December 2019**Tenement table**

Project	Location	Tenement	Interest (%) at beginning of quarter	Interest (%) at end of quarter	Acquire during th quarter
Not Applicable			-	-	-

The Company's asset was divested on 4 August 2017 by virtue of completion of the share sale agreement for the disposal of the Company's 100% interest in Mongolian subsidiary, Haranga Iron LLC.

Summary of Expenditure Incurred per Project

Project	Quarter Cash Spend \$A'000
Not Applicable	-
Total	-