

# Haranga Resources Ltd

## Resource Uplift for Selenge Iron Ore Project Due in Four Weeks

This marketing communication is directed to professional investors only & is non-independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research & is not subject to any prohibition on dealing ahead of the dissemination of research.

### News

Haranga Resources Ltd ('Haranga' or the 'Company'), the Mongolian iron ore exploration and development company, has announced that the final Davis Tube Recovery ('DTR') tests have now been completed on all of the mineralized core from then 2012 drill program at the Selenge iron ore project in Mongolia. The results from the testwork will be added to the resource model for the Selenge iron ore project which is expected to be significantly increased and enhanced in the resource update in approximately four weeks. Haranga expects to submit its application for a Mining License for the Selenge iron ore project shortly after the publication of the pending resource update.

Haranga is also planning on completing an updated independent assessment on the project economics of the Selenge project based on the upcoming resource estimate. Following the updated independent assessment Haranga will commence a full Feasibility Study later in the year.

### Ocean Comment

Throughout 2012 Haranga completed over 35,000m of diamond drilling with the results from the drilling campaign forming the eagerly awaited resource update on the Selenge iron ore project, including an enhanced JORC compliant resource at Bayantsogt and initial JORC compliant resources on the Dund Bulag and Undur Ukhaa deposits. Haranga has a cumulative exploration target for the Selenge project of 250-400Mt of iron ore. Given these targets have yet to be fully drilled, we expect the resource update to be announced in four weeks to be approximately 200Mt.

The Selenge iron ore project is located nearby the Eruu Gol iron ore mine that exported approximately five million tonnes of magnetite concentrate last year via the newly constructed rail spur to the main trans-Mongolian rail line. The Eruu Gol deposit was valued at approximately US\$2Bn based on a 2009 investment by China Investment Corporation. Haranga has a signed Memorandum of Understanding with both the Mongolian Railway Authority and the Ministry for Transportation for up to 5Mtpa of export rail capacity for material produced from Selenge from 2015 onwards.

Haranga plans on exporting its magnetite concentrate to inland north-east Chinese steel mills where the current price for 66% Fe magnetite concentrate is still above US\$150/t. The premium above the spot price for iron ore represents the higher value-in-use benefits from higher grade ore and lower impurities, and the high transport costs for seaborne ore attempting to access the inland regions of China that are dependent upon declining Chinese domestic magnetite production.

We believe that once Haranga releases its updated resource statement on the Selenge iron ore project the Company will be subjected to increased interest from other parties including Iron Mining International ('IMI') which owns the Eruu Gol mine.

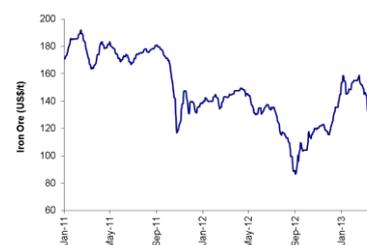
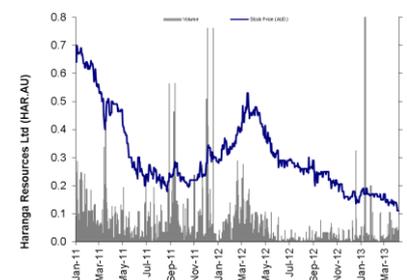
The prospects that make up the Selenge iron ore project would be a valuable source of ore supporting the extension of Eruu Gol's mine life and the potential ramping up of operations at Eruu Gol. The release of the eagerly awaited resource statement will be a key catalyst for Haranga which we expect should lead to further external interest in the Company as an independent verified resource for the Selenge project will have been confirmed.

OCEAN EQUITIES

## Iron Ore: MONGOLIA

8<sup>th</sup> April 2013

<b>Market Cap</b>	A\$28.2m
<b>Listing:Ticker</b>	ASX: HAR
<b>Share Price</b>	A\$0.11
<b>Shares o/s</b>	256.4m
<b>52 week High/Low</b>	A\$0.47 / 0.11
<b>Cash (07/01/13)</b>	A\$9m



Source: Bloomberg

### Upcoming Newsflow

	2013			
	Q1	Q2	Q3	Q4
Updated Resource Selenge		■		
Updated Scoping Study			■	
Commencement of Feasibility Study				■

### Analysts

**Adam Lucas**  
+44 (0) 20 7786 4382  
[adam.lucas@oceanequities.co.uk](mailto:adam.lucas@oceanequities.co.uk)

**Christopher Welch** +44 (0) 20 7786 4377  
**Matt Greene** +44 (0) 20 7786 4387

\*Refer to the final page of this report for the full Ocean Team's contact details

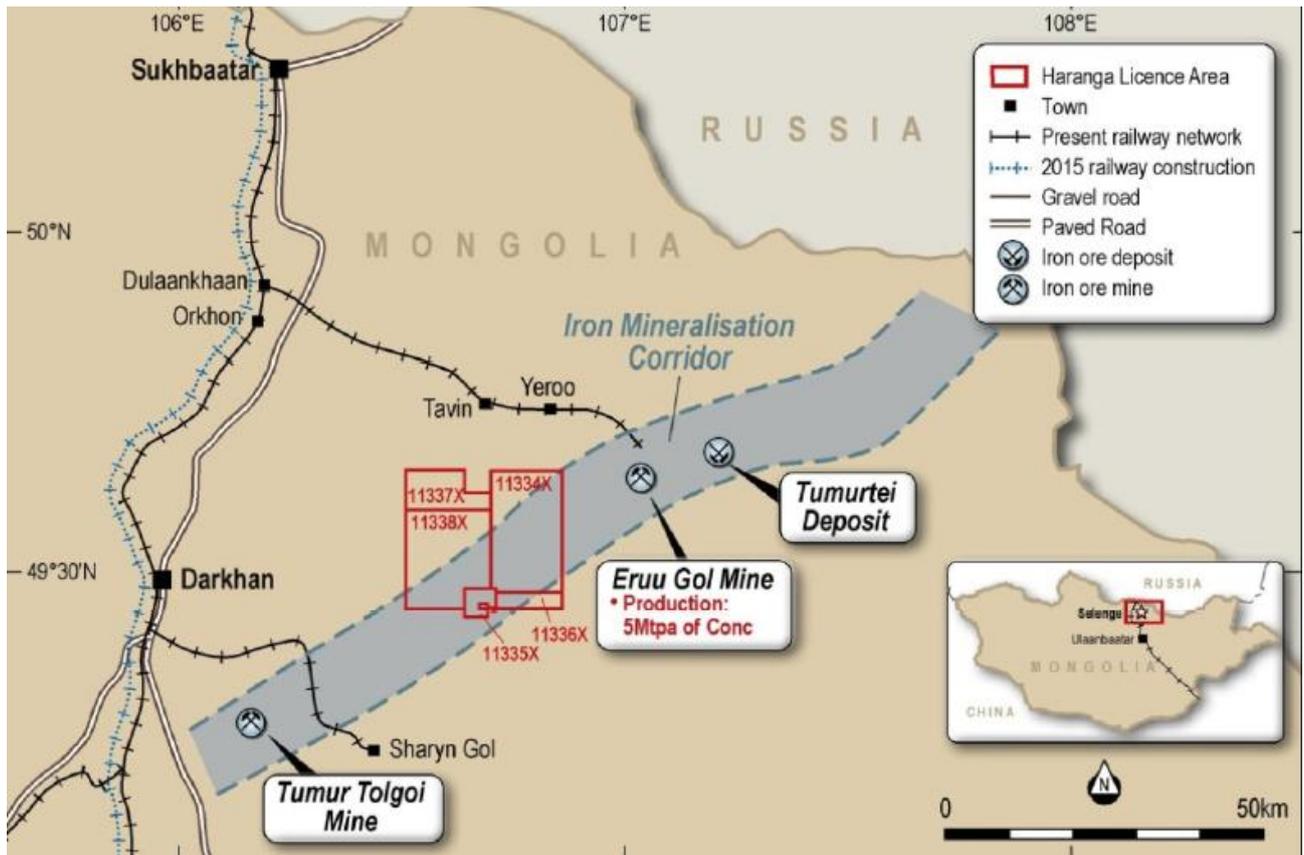
### Disclosures & Disclaimer

Ocean Equities is seeking investment business from Haranga Resources Limited.

This report must be read with the disclaimer and disclosures on the final page that forms part of this report.

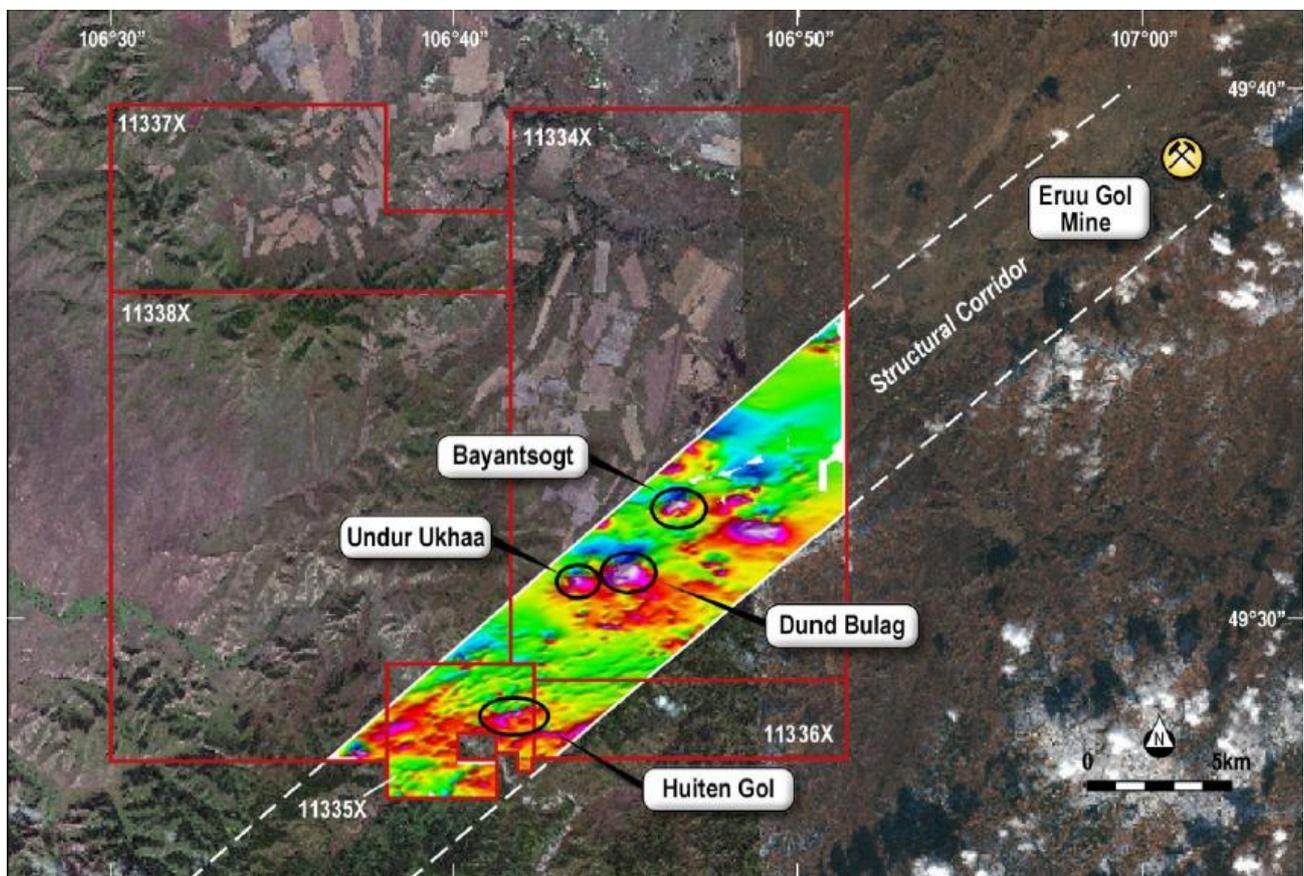
Ocean Equities Limited. Authorised and Regulated by the Financial Services Authority. Member of the London Stock Exchange.

**Exhibit 1: Location of the Selenge Iron Ore Project**



Source: Haranga Resources

**Exhibit 2: Location of Iron Ore Targets at the Selenge Project**



Source: Haranga Resources

**OCEAN EQUITIES Ltd**  
INDEPENDENT PARTNERSHIP SPECIALISING  
IN THE NATURAL RESOURCE SECTOR  
8 Angel Court  
London EC2R 7BH  
Tel: +44 (0)207 786 4370  
Fax: +44 (0)207 786 4371  
E-mail: [info@oceanequities.co.uk](mailto:info@oceanequities.co.uk)  
Website: [www.oceanequities.co.uk](http://www.oceanequities.co.uk)  
Bloomberg: OELR [GO]

**PARTNERS**

**Guy Wilkes**

CEO  
+44 (0) 20 7786 4372  
[guy.wilkes@oceanequities.co.uk](mailto:guy.wilkes@oceanequities.co.uk)

**Will Slack**

Director, Corporate Finance  
+44 (0) 20 7786 4375  
[will.slack@oceanequities.co.uk](mailto:will.slack@oceanequities.co.uk)

**Will Hodson**

Senior Equity Sales Executive  
+44 (0) 20 7786 4376  
[will.hodson@oceanequities.co.uk](mailto:will.hodson@oceanequities.co.uk)

**SALES**

**Justin Tooth**

Sales & Business Development  
+44 (0) 20 7786 4385  
[justin.tooth@oceanequities.co.uk](mailto:justin.tooth@oceanequities.co.uk)

**Jeremy Woodgate**

Executive, Sales & Trading  
+44 (0) 20 7786 4381  
[jeremy.woodgate@oceanequities.co.uk](mailto:jeremy.woodgate@oceanequities.co.uk)

**James McLucas**

Executive, Sales  
+44 (0)207 786 4384  
[james.mclucas@oceanequities.co.uk](mailto:james.mclucas@oceanequities.co.uk)

**Freddie Blackwell**

Executive, Sales  
+44 (0)20 7786 4391  
[freddie.blackwell@oceanequities.co.uk](mailto:freddie.blackwell@oceanequities.co.uk)

**RESEARCH**

**Christopher Welch**

Mining Analyst  
+44 (0) 20 7786 4377  
[christopher.welch@oceanequities.co.uk](mailto:christopher.welch@oceanequities.co.uk)

**Adam Lucas**

Mining Analyst  
+44 (0) 20 7786 4382  
[adam.lucas@oceanequities.co.uk](mailto:adam.lucas@oceanequities.co.uk)

**Matt Greene**

Junior Mining Analyst  
+44 (0)20 7786 4387  
[matt.greene@oceanequities.co.uk](mailto:matt.greene@oceanequities.co.uk)

**CORPORATE**

**Kelly Edwards**

Manager, Trading and settlements  
+44 (0) 20 7786 4374  
[kelly.edwards@oceanequities.co.uk](mailto:kelly.edwards@oceanequities.co.uk)

**Danielle Shoemark**

Corporate Finance  
+44 (0) 20 7786 4389  
[danielle.shoemark@oceanequities.co.uk](mailto:danielle.shoemark@oceanequities.co.uk)

**Katie Pollard**

Office Manager / Accounts  
+44 (0)207 786 4370  
[katie.pollard@oceanequities.co.uk](mailto:katie.pollard@oceanequities.co.uk)

Authorised and Regulated by the Financial Services Authority  
Member of the London Stock Exchange

**DISCLAIMER**

Copyright 2013 Ocean Equities Limited. All rights reserved.

This document does not purport to be impartial investment research as defined by the Conduct of Business Rules of the FSA and as such constitutes marketing communication. This document has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This material does not in itself constitute an offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for, any securities in the Company or any other body corporate or an invitation or an inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 nor shall it or any part of it form the basis of or be relied on in connection with any contract therefore. We are not soliciting any action based on this material. It is for the general information of clients of Ocean Equities Limited. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide to future performance. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives (including options) thereof of companies mentioned herein. No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Ocean Equities Limited.

Neither this material nor any copy of it may be taken, transmitted or distributed, directly or indirectly, into the United States of America, its territories or possessions or passed to US Persons (as defined in Regulation S of the United States Securities Act of 1933 (as amended)), United States residents, corporations or other entities, save pursuant to an applicable exemption. Neither this material nor any copy of it may be taken or transmitted into any jurisdiction outside the UK or distributed to persons with addresses outside the UK where such distribution would be a breach of relevant securities laws or regulations. Distribution of this summary in the United States and certain other jurisdictions may constitute a violation of relevant securities law. No recipient of the information in this Summary should deal in or arrange any dealing in or otherwise base any behaviour (including any action or inaction) in relation to any securities to which this document relates (including behaviour referred to in section 118(6) of the Financial Services and Markets Act 2000) which would or might constitute market abuse (as defined in section 118 of the Financial Services and Markets Act 2000).

In the UK this document has been issued by Ocean Equities Limited. It is not intended for private customers. In the UK, this document is only being distributed to persons who are reasonably believed to be persons who fall within Articles 19, 47, 48, 49, 50 or 51 of The Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 and Schedule 11 to the Financial Services and Markets Act 2000 or to other persons to whom this summary may otherwise be lawfully distributed. Ocean Equities Limited is registered in England No 3994976, and is authorized and regulated by the FSA.