

Haranga Resources Ltd

A New Mongolian Focused Iron Ore Company: Right Location; Right Commodity; Following a Successful Business Model

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Investment Opportunity

Haranga Resources Ltd ('Haranga' or 'the Company') is an early stage Mongolian iron ore exploration play that recently raised A\$25m via an IPO on the ASX. The proposed use of funds is split evenly between acquisitions and initial exploration activities at five promising magnetite skarn deposits that the Company has a controlling interest in. All assets are close to existing or planned infrastructure on China's doorstep.

Management is looking to leverage its local networks to develop the Company having secured a significant flagship asset, the Selenge project area, and four other highly prospective exploration targets. Haranga is also pursuing further acquisition opportunities, focusing on near term production. The Selenge project is the largest and most advanced of Haranga's projects and is located near existing infrastructure and mining operations in Mongolia's premier iron ore province that hosts the Eruu Gol mine (300-400mt @ ~35% Fe), the Tumurtei (250mt @ 51.5% Fe) and Tumur Tolgoi deposits, both of which are state controlled. The Eruu Gol mine is currently exporting 1mtpa and ramping up to 6mtpa following the construction of a rail spur to the trans-Mongolian railway. China Investment Corp invested US\$500m to take an effective 35% stake in Eruu Gol in Oct'09.

Review of 2010

Haranga was formed in late 2009 to capitalise on the favourable geology, political stability, existing and improving infrastructure, and a rapidly developing mining sector of Mongolia and its unique position to service the continued urbanisation and industrialisation of China, particularly in the north provincial markets in close proximity to Mongolia. In 2010 Haranga successfully secured controlling interests in the current five iron ore projects included in its portfolio, and listed on the ASX on December 9th.

A primary driver of asset selection was proximity to infrastructure and existing iron ore mines; Selenge, Shavdal and Sumber projects are all close to large scale operating mines. The Company is actively looking to develop large scale, high grade magnetite deposits with near-term production potential, leveraging existing or planned infrastructure and offer extremely attractive margins via rail or truck export to inland Chinese steel mills.

The management teams recent success in-country, the strong iron ore price environment (and rallying environment for iron ore equities) and further focus on Mongolia's world class copper, gold, and coal deposits led to Haranga's IPO being heavily oversubscribed and trading from its listed price of A\$0.20/sh to its current A\$0.675/sh.

Outlook for 2011

The business model employed is very similar to its big brother company, Hunnu Coal (ASX:HUN, MCap A\$200m), which is also chaired by Matthew Wood and focused on the acquisition and initial exploration of early stage coal projects. Hunnu listed in Feb'10 raising A\$20m at A\$0.20/sh; and is now trading at A\$1.275/sh having defined a maiden 324mt JORC resource at its flagship Unst Khudag coal project.

Haranga intends to commence exploration in 2011 with a budget of A\$3.9m across its five projects and expects to complete over 28,000 metres of drilling and 3,600 line kilometres of geophysical exploration in 2011. At Selenge A\$1.8m has been allocated to carry out a geophysical survey and a 15,000m drilling campaign aimed at defining a maiden JORC compliant resource. Rock chip sampling has already returned positive results at the project. The Company continues to look for further acquisition targets to increase its land holding in highly prospective locations which offer potential rapid development near existing infrastructure.

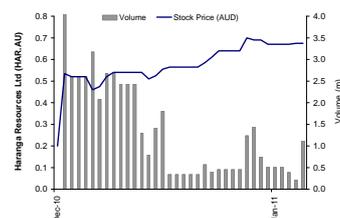
While Haranga is following a very similar business model to Hunnu Coal's, albeit 12 months behind in terms of development, it is an early stage speculative investment given the Company is capitalised at A\$126m with no JORC resource or infrastructure access agreements. Furthermore Mongolia is a rapidly emerging but still early stage mining country where there is a degree of uncertainty relating to potential state participation in 'mineral deposits of strategic importance' and there is no guidance as to whether this will effect Haranga's projects.

OCEAN EQUITIES Ltd

Iron Ore: Mongolia

January 12th, 2011

Market Cap	\$126m
Listing:Ticker	ASX – HAR
Share Price	\$0.675
Shares o/s	186.8m
52 wk High/Low	\$0.74 / \$0.20
Cash	\$24m
'10 performance	+2.20%
(IPO 9/12/10)	



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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.

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