

Haranga Resources Ltd

Haranga Announces 254Mt Resource at Selenge Iron Ore Project in Mongolia

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News

Haranga Resources Ltd ('Haranga' or the 'Company') has announced an increase in the resource size of its Selenge iron ore project in Mongolia. The new JORC compliant resource totals 254Mt of iron ore at an average in situ grade of 17.2% Fe based on a 12.5% Fe cut-off grade. Approximately 99.8% of the resource is categorized as a Measured or Indicated resource. The updated resource summary for the Selenge iron ore project is illustrated below in Exhibit 1.

Exhibit 1 –Resource Summary for Selenge Project (cut-off 12.5% Fe)

Deposit	Measured/Indicated		Inferred		Total	
	Mt	Fe Grade	Mt	Fe Grade	Mt	Fe Grade
Dund Bulag	199.9	16.4			199.9	16.4
Bayantsogt	35.7	22.9	0.55	16.7	36.3	22.8
Undur Ukhaa	18.2	15.4			18.2	15.4
Total	253.8	17.2	0.55	16.7	254.4	17.2

The maiden mineral resource on the Selenge iron ore project that was announced in Mar'12 was 32.8Mt @ 24.4% Fe. This resource was based only on the Bayantsogt deposit. The announcement of the increased size of the resource today is primarily a result of the delineation of the Dund Bulag deposit (199Mt @ 16.4% Fe). Initial Davis Tube Recovery (DTR) results indicate that a high quality 66% Fe concentrate is achievable from each of the three deposits. The summary of the DTR results are highlighted below in Exhibit 2.

Exhibit 2 – 2012/13 DTR Results Average Concentrate Quality (75µ 10% yield cut-off)

Deposit	Average	Fe	SiO ₂	Al ₂ O ₃	S	P
	Mass Yield	(%)	(%)	(%)	(%)	(%)
Dund Bulag	16.80	66.58	3.76	0.92	0.16	0.003
Bayantsogt	26.02	66.11	3.16	0.93	1.10	0.018
Undur Ukhaa	15.17	66.49	4.37	0.91	0.05	0.003

Ocean Comment

When compared to magnetite projects globally the updated resource on Selenge would be considered sub-optimal given the lower (domestic Chinese level) grade and correspondingly low average mass yield. However, considering the strip ratio, metallurgy and location the Selenge project is competitive compared to the high cost Chinese producers which will be Selenge's main competition. Dund Bulag is a banded magnetite deposit, with favorable beneficiation properties. The mine will be open pit and is expected to have a very low (0.5:1.0) strip ratio. The typical massive magnetites in China (and Australia), where the silica is more tightly held within the iron mineralisation, usually require grinding well in excess of what will be required for the Selenge project and often cannot attain the level of iron content achieved (66% Fe). Selenge is also located close to rail infrastructure and Haranga is anticipating exporting iron ore to the inland domestic Chinese steel producers where prices received for 66% Fe magnetite concentrate are trading at a significant premium to the seaborne iron ore prices.

Haranga is planning an updated techno-economic assessment in order to confirm the project economics for Selenge. The Company is also in the process of applying for a Mining License and then progressing to a full feasibility study on Selenge. Haranga is now undertaking further progressive grind tests to optimize the metal recoveries achieved and is also planning on conducting further drilling in 2013 in order to fulfill various feasibility study requirements, extend the known resources and test some of the remaining iron ore targets within the project area.

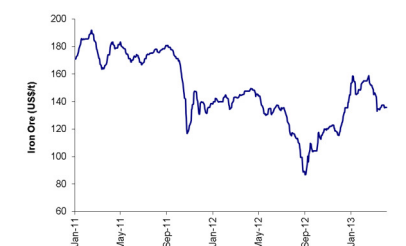
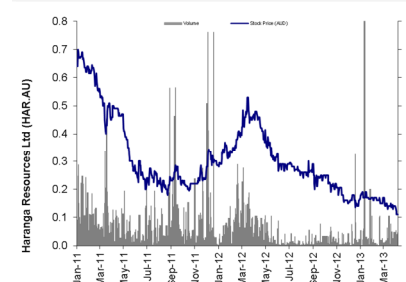
The 254Mt Measured and Indicated resource that has been released by Haranga is sufficient to use as a basis for estimating Proven/Probable Ore Reserves to support a full feasibility study. We believe that by having a defined resource of scale at Selenge, interested parties will now be able to put an effective value on Selenge iron ore project as parameters around the resource, and an indicative mine life at Selenge can now be calculated.

OCEAN EQUITIES

Iron Ore: MONGOLIA

8th May 2013

Market Cap	A\$27.8m
Listing:Ticker	ASX: HAR
Share Price	A\$0.11.5
Shares o/s	241.8m
52 week High/Low	A\$0.47 / 0.11
Cash (07/01/13)	A\$7.5m



Source: Bloomberg

Upcoming Newsflow

	2013			
	Q1	Q2	Q3	Q4
Updated Scoping Study				
Commencement of Feasibility Study				
Further drilling commencement				

Analysts

Adam Lucas
+44 (0) 20 7786 4382
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

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

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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
Website: www.oceanequities.co.uk
Bloomberg: OELR [GO]

PARTNERS

Guy Wilkes

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

Will Slack

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

Will Hodson

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

SALES

Justin Tooth

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

Jeremy Woodgate

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

James McLucas

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

Freddie Blackwell

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

RESEARCH

Christopher Welch

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

Adam Lucas

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

Matt Greene

Mining Analyst
+44 (0)20 7786 4387
matt.greene@oceanequities.co.uk

CORPORATE

Kelly Edwards

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

Danielle Shoemark

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

Katie Pollard

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

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